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SPECIALIST ACCOUNTING SERVICES

FINANCE SECTOR INCREASES FEMALE REPRESENTATION

The finance sector is making strides in female representation, according to a new report from the Women in Finance charter.

The report shows that the proportion of women in senior management roles across charter signatories rose to 35% in 2022.

Nearly three-quarters of the charter's signatories increased female representation in senior management, while 6% maintained the same levels as in 2021.

Around half of the participants set ambitions high, aiming to achieve a target of at least 40% — which the top quarter of firms has achieved for the first time since the charter began in 2016.

The Government launched the charter in collaboration with think tank New Financial to encourage gender balance in the financial services sector. It now has over 400 signatories, covering more than a million employees.

Signatories of the charter must monitor their progress against self-created targets for women in senior management and make annual reports to the Treasury.

Treasury Lords minister Baroness Penn said:

"This report should serve as a marker of strong progress but also a reminder that we shouldn't be complacent. I want to ensure that the Charter continues to be a tool for keeping the sector competitive, innovative, and productive."

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GOVERNMENT EXTENDS VOLUNTARY NI DEADLINE

The Government has extended the voluntary National Insurance deadline by an extra four months, meaning taxpayers now have until 31 July 2023 to make additional payments and help increase their state pension entitlement.

The deadline for making additional National Insurance contribution (NIC) payments is usually six years. However, this extension allows taxpayers more time to fill gaps in their NI record between April 2006 and April 2016.

This decision came after public concern over the original deadline in April.

HMRC will also accept all voluntary NIC payments made at the current 2022/23 rates until the end of July 2023. This means taxpayers will need to pay the higher 2023/24 rates from August onwards.

Taxpayers need at least ten years of NICs to qualify for the state pension. As such, HMRC is urging those eligible not to miss out on the opportunity to boost how much they receive when they retire.

Victoria Atkins, financial secretary to the Treasury, said:

"We recognise how important state pensions are for retired individuals, which is why we are giving people more time to fill any gaps in their National Insurance record to help bolster their entitlement."

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CHANCELLOR REMOVES LIFETIME PENSION LIMIT

The pension lifetime allowance (LTA), which limits the amount savers can contribute to their pensions without a tax charge, will be abolished, Chancellor Jeremy Hunt announced in his Spring Budget.

Currently, people who save more than the current allowance level of £1,073,100 in their workplace pension scheme face a tax charge of either 25% or 55% on the excess (depending on how they receive it).

The Chancellor was expected to raise this limit to encourage pension savers to stay in work longer. Instead, he revealed he would “go further” and remove the tax charge from April 2023, before abolishing the allowance altogether from April 2024.

“I do not want any doctor to retire early because of the way pension taxes work,” he said. “As Chancellor, I have realised the issue goes wider than doctors. No one should be pushed out of the workforce for tax reasons.”

Hunt also announced an increase to the annual tax-free allowance for pension contributions from £40,000 to £60,000.

Legislation will be introduced in Spring Finance Bill 2023 to:

- increase the annual allowance (AA)
- increase the money purchase AA from £4,000 to £10,000
- increase the income level for the tapered AA to apply from £240,000 to £260,000
- ensure that nobody will face an LTA charge from 1 April 2023.

Other measures affecting individuals confirmed in the Spring Budget include a three-month extension of the energy price guarantee, an expansion of free childcare and the introduction of ‘returnerships’ to incentivise over-50s to return to work.

In his speech, Hunt said:

“It is a pension tax reform that will stop NHS doctors from receiving a tax charge, incentivise our most experienced and productive workers to stay in work for longer and simplify our tax system, taking thousands of people outside of the complexity.”

“This is a comprehensive plan to remove barriers to work.”

Talk to us about your pension contributions.

SUPER-DEDUCTION REPLACED BY “FULL EXPENSING”

In his first Spring Budget speech, Chancellor Jeremy Hunt announced a new “full expensing policy” to encourage business investment.

From April 2023 to March 2026, companies can claim 100% capital allowances on qualifying plant and machinery, writing off the cost of investment in one go.

The policy comes as the existing super-deduction, which provides a 130% capital allowance on qualifying plant and machinery investments (plus a 50% first-year allowance for qualifying special rate assets), ended on 31 March 2023.

Because of the new full expensing and 50% first-year allowance, the company can claim £10 million under full expensing and £1 million under the 50% first-year allowance in the year the expenditure is incurred.

The remaining balance of £1 million can be added to the special rate pool in a subsequent accounting period.

The Chancellor said he was introducing the scheme “with an intention to make it permanent as soon as we can responsibly do so.”

Kitty Ussher, chief economist at the Institute of Directors, commented:

“Our economy has been held back in recent years because people running businesses have felt nervous of committing to investment when the climate is so uncertain.

“The introduction of 100% full expensing for the next three years is therefore very welcome, and we urge it to be continued thereafter.”

The Chancellor also announced an enhanced credit for R&D, extensions to creative industry tax reliefs, and a set of 12 new investment zones across the UK.

In his speech on 17 March, Hunt said:

“If the super-deduction was allowed to end without a replacement, we would have fallen down the international league tables for tax competitiveness and damaged growth.

“I could not allow that to happen.

“That means that every single pound a company invests in IT equipment, plant or machinery can be deducted in full and immediately from taxable profits.”

Talk to us about your capital expenses.