

Tax Points Update

Issue 2/2013

Autumn Statement 2013

The Chancellor published his Autumn Statement on 6 December 2013, the full text of which is available here: <https://www.gov.uk/government/topical-events/autumn-statement-2013>

Optical businesses are advised to note the following key changes:

National Insurance Contributions (NICs) and Personal Tax Allowances

The following changes have been announced:

- NICs for under-21s earning below £813 per week will be abolished from 6 April 2015
- The personal tax-free allowance will increase to £10,000 in April 2014
- In 2014-2015, the 20% personal tax rate will apply to a narrower band of taxable income (£10,000 to £41,865)
- A transferable tax allowance for couples will be introduced from 6 April 2015 allowing eligible couples to transfer £1,000 of their tax free allowance to their partner or spouse, as long as neither party is a higher or additional rate tax payer.

Changes to Business Rates

The Government has:

- Doubled the Small Business Rate Relief for a further 12 months from 1 April 2014, helping 540,000 firms.
- Included a cap of 2% on the Retail Prices Index (RPI) increase in business rates for England in 2014-15.
- Introduced a 50% reduction in business rates if a retailer moves into a premises that was vacant for 12 months.

Public Expenditure and Spending

The Government will continue to exempt the NHS from cuts however the overall size of the NHS budget will continue to fall in real terms (which translates to a 3-5% annual efficiency squeeze). Growth in public sector pay will continue to be capped at 1% per year (which is taken into account by officials when determining changes to GOS fees).

Further details on the Spending Round 2013 are available here:

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/209036/spending-round-2013-complete.pdf.

If you would like any additional information about these changes, please contact your Optical Confederation representative body:

ABDO Members: Katie Docker kdocker@abdo.org.uk

AOP Members: Alan Lester alanlester@aop.org.uk

FODO Members: Mark Nevin mark@fodo.com

Optical Confederation

December 2013