



The UK Autumn Statement

On Tuesday 29 November 2011, George Osborne presented the Autumn Statement to the Commons. The Coalition Government has moved away from what used to be referred to as the 'Pre-Budget Report' with the aim of using the Autumn Statement as an assessment of the economy, rather than an opportunity to introduce legislative changes. The upshot of this is a reduced number of tax technical announcements, but there were still one or two items of note within the statement. These include:

Seed Enterprise Investment Scheme (SEIS)

In order to encourage investment in new start-up companies, the Government intends to launch SEIS from April 2012. The scheme will provide 50% income tax relief, irrespective of the person's marginal rate, on investment up to £100,000.

Furthermore Capital Gains realised in 2012-13 and then invested through SEIS in the same year will be tax exempt. The full details of the scheme are likely to be confirmed next week.

EIS & VCT

The Government will simplify EIS by relaxing the connected person rules and the definition of shares that qualify for relief. The Government will tighten the focus of the schemes by introducing a new test to exclude companies set up for the purpose of accessing relief, exclude acquisition of shares in another company and exclude investment in Feed-in-Tariffs businesses. In addition to these changes that were consulted on, the Government will remove the £1 million investment limit per company for VCT's to reduce the administrative burdens of the scheme.

State Pension Age

The State Pension age is to rise to 67 between April 2026 and 2028, bringing forward an earlier announcement. The Chancellor confirmed that no-one within 14 years of reaching pension age would be affected. Unfortunately this is unwelcome news for those aged between 42 and 51 who were expecting to be able to retire at 66.

State Pension

The full basic State Pension will rise by £5.30 to £107.45 per week in April 2012. The full couple rate, for those whose entitlement is based on their spouse's or civil partner's pension, will rise by £8.50 to £171.85 per week.

Capital Gains Tax

It was confirmed that the annual exemption is to be frozen at £10,600 for 2012-13.

Working Tax Credit

The Government will not go ahead with the planned £110 above inflation increase to the child element of the Child Tax Credit. Also it will not uprate the couple and lone parent elements of the Working Tax Credit in 2012-13. The child element of the Child Tax Credit and disability elements of tax credits will be uprated in line with CPI (Consumers Prices Index) in 2012-13.

Corporation Tax

The rate is due to fall to 25% from April 2012.

Other Legislation (including the Statutory Residence Test)

It was reconfirmed that draft legislation following the consultation documents published in the Summer will be made available on 6 December 2011. This will include the eagerly anticipated Statutory Residence Test. It is likely that the tax announcements made will also have further information made public on this date.

For more information please visit our website.

Visit our website for more about our services



Want to talk?

Call one of our experts for an informal chat about how we could help you. Click the button below to find your nearest office and get in touch.



Read more Fry News



Forward this email

Do you know someone who might be interested in receiving this newsletter?

[forward this email](#)



The Fry Group of companies comprises of Wilfred T. Fry Ltd – taxation consultants, Wilfred T. Fry (Executor and Trustee) Ltd, Wilfred T. Fry (C.I) Ltd, The Fry Group (H.K.) Ltd and Wilfred T. Fry (Personal Financial Planning) Ltd. The last company is authorised and regulated in the UK by the Financial Services Authority (FSA), passported under EU regulations and is also able to act as a financial adviser under the Financial Advisor's Act (FAA) by the Monetary Authority of Singapore (MAS).

If you do not wish to receive any further mailings please [click here](#) to instantly unsubscribe.

The Fry Group full email disclaimer can be viewed [here](#).

The Fry Group Head Office, Crescent House, Crescent Road, Worthing, West Sussex, BN11 1RN
Tel: +44 (0) 1903 231545 Email: admin.upload@thefrygroup.co.uk