

**H**appy New Year from the Optimum team. Let's hope 2022 will be more about positivity and less about Covid.

In this edition of our newsletter we look at how you can 'earn' more than £43,000 a year by taking advantage of tax-free allowances; how to avoid a planning enforcement notice (and what to do if you get one); and we ask, will you get the full state pension?

Plus we welcome to our Board of Directors, Tracey Heath, as Practice Director, and we have news about our charity support.



## How to 'earn' more than £40k tax free!

**Did you know, there is a way you can 'earn' more than £40,000 tax free, by taking advantage of various annual tax-free allowances?**

Your personal allowance is £12,570 and if you are a shareholder, you can earn £2,000 tax free from dividends.

You could claim Rent-a-room-relief (£7,500 per year) and property income allowance (£1,000), where you rent out a space, for example, a driveway.

Capital Gains Tax annual allowance is £12,300 and any gain up to that point will be tax free.

You can earn £1,000 interest on savings, tax free, (this drops to £500 for a higher rate tax payer). This doesn't include your cash ISA or stocks and shares ISA allowances, which are already tax free.

If your taxable income is low, you can earn an additional £5,000 in tax-free

interest as a starting savings rate.

You can claim up to £1,000 tax-free traders' allowance, if, for example, you run a small self-employed business selling goods on eBay.

Another one to remember is the Marriage Allowance, which could bring in an extra £252 per year in reduced tax.

Here, you (or your spouse) transfers £1,260 of personal allowance to the other spouse (that can be husband, wife or civil partner).

To benefit, the person receiving the transfer must be earning less than their personal allowance.

Totalled up, this comes to **£43,630**.

With inflation going up and interest rates looking set to rise, taking advantage of tax-free allowances is well worth looking into.



## Why it is unwise to ignore a planning enforcement notice

Of all the letters you might receive from your local planning authority, a planning enforcement notice is surely among the least welcome.

It means you – or activity you have been carrying out – has come to the attention of the local planners and they have deemed rules have been broken.

If an enforcement notice is not successfully appealed or withdrawn and it takes effect, it must be complied with, within the relevant compliance period.

Many homeowners, unfortunately, are tempted to ignore a notice, but as lawyers specialising in property law our

advice is: do so at your peril.

You may face action, and even if you avoid this the enforcement notice is sure to come back to bite you when you try to sell your house.

An active enforcement notice will be a red flag for any potential buyers and their legal advisers. Indeed, you may have complied with an enforcement notice, but the local authority has not got around to removing this from your property.

Our advice is, if an enforcement notice lands on your doormat, act quickly and seek legal advice from Optimum.



# Will you get the full state pension?

**For those who spend their working lives as employees, unless they have several years out of the workplace, the chances are they will be fully 'paid up' and be entitled to their full state pension.**

However, this isn't necessarily the case with company directors, as we are increasingly seeing at Optimum.

Particularly since the introduction in 2013 of Real Time Information (RTI), requiring employers to inform HMRC in 'real time' every time they run the payroll, many directors' salaries have been omitted.

Even before RTI, some directors' salaries were being recorded only for income tax purposes and not National Insurance Contributions (NIC).

At Optimum, we always ask new clients who are directors about their state pension forecasts, and have found some to have gaps of

20 years or more, generally when a PAYE scheme has been incorrectly administered.

When we are alerted to this, our advice is to set up directors' payroll, a service our payroll team here at Optimum can provide.

To receive the full state pension, you need to have accrued 35 complete years of NIC and you can check how much state pension you are due to receive through your personal tax account on the gov.uk website.



## New addition to Optimum directors' board

We're pleased to announce that we have appointed a new member to our board. Tracey Heath, our Practice Manager, has become Practice Director.

"We are delighted that Tracey has agreed to join the Board," said Michael Blaken, Accounts Director. "As our Practice Manager, who has been with us from the outset, she has a fantastic overview of the entire business. She will enable us to create a better link with the staff and communicate their views, be more diverse and have a more efficient operation."

Tracey began her career in office management with Allied Dunbar (which later became Zurich),

and has worked with a number of accountancy practices, as well as with Swindon Council and Helen Browning's Organics.

Tracey said she was delighted to be joining the directors. "Being on the Board will enable me to get involved in the running of the business, as well as better communicate what is happening to the rest of the team, and I can also act as a voice for the team. In my role, I have a good overview of the business, while the other directors can concentrate on their separate areas."

## Well done Team Optimum

It seems 2021 was a bumper year for supporting good causes, so well done to the Optimum team.

We fundraised for the Youth Adventure Trust and through our efforts - which included taking part in the 10 Peaks Challenge, dressing up for Halloween and donning our festive finery for Christmas Jumper Day - we raised more than £2,500.

The Youth Adventure Trust helps vulnerable young teenagers build resilience to face challenges in their lives. We've so enjoyed supporting them that we are going to help them again in 2022.

This year, we hope to stage even more events, including our popular quizzes where our team, clients and contacts like to pit their wits against one another.

Separately, we also held a collection for Swindon Food Collective and managed to fill 17 crates with food and Christmas treats for families in the community, who are less fortunate.

If you know anyone who would like to work with a team who go the extra mile to support charity and the community, then all our vacancies are on our website.

[www.optps.co.uk/category/vacancy](http://www.optps.co.uk/category/vacancy)



For more information about Optimum's services please email [info@optps.co.uk](mailto:info@optps.co.uk) or visit [www.optps.co.uk](http://www.optps.co.uk).

To talk to the team, call our Swindon office on 01793 538 198 or our Cheltenham office on 01242 384 936. Our offices are at Vicarage Court, 160 Ermin Street, Stratton, Swindon, SN3 4NE and The Site, 24 Chosen View Road, Cheltenham GL51 9LT.