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The problem

Mrs B had worked out she needed to be putting more into her pension prior to 5 April 2018. However she was unsure as to how much and how to arrange matters to optimise the tax reliefs. At first glance, it looked like a personal contribution of £80,000 net could be made, providing tax savings of £43,000. A further £8,000 net could be made after 6 April 2018, providing further tax savings of £4,500.

The solution

A detailed “fact find” was carried out including analysis of the expected 2017/18 and estimated 2018/19 taxable income. Some straightforward steps were taken to reduce the 2017/18 taxable income and correspondingly increase 2018/19. The 2017/18 contribution was reduced to £70,400 net and the 2018/19 contribution increased to £41,600 net. **Tax savings in total were now £65,240** - an increase of £17,740 from the initial starting point.

The client said

“Wilson Partners took away all the complexity I had been struggling with and reduced the solution to a short sequence of steps which I was able to understand and implement – and saved me significant amounts of tax in the process!”

We said

“We enjoy finding solutions to our client’s problems – the “fact find” is nearly always the key to the solution. Invariably, the tax flows out of the facts and once we had our hands on the facts, the solution was a simple application of mathematics to our tax knowledge and experience to find the optimum solution for Mrs B.”

Alan Ross, Tax Director,
Wilson Partners