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Your Financial Survival Guide

*your guided tour to
the UK finance system*



about us.

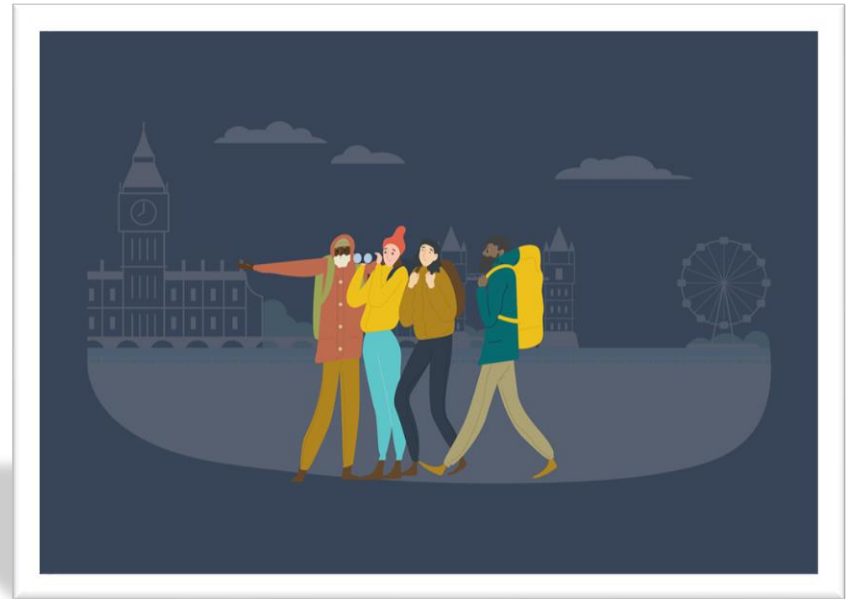
We are a leading financial wellbeing and retirement specialist - helping those in the workplace to improve their financial future.

Established in 2005, we work with hundreds of organisations across both the private and public sector.

Our financial education services are delivered on a bespoke basis.

what we'll cover today.

- Tax on your income
- Pensions
- UK residence and domicile
- Next steps



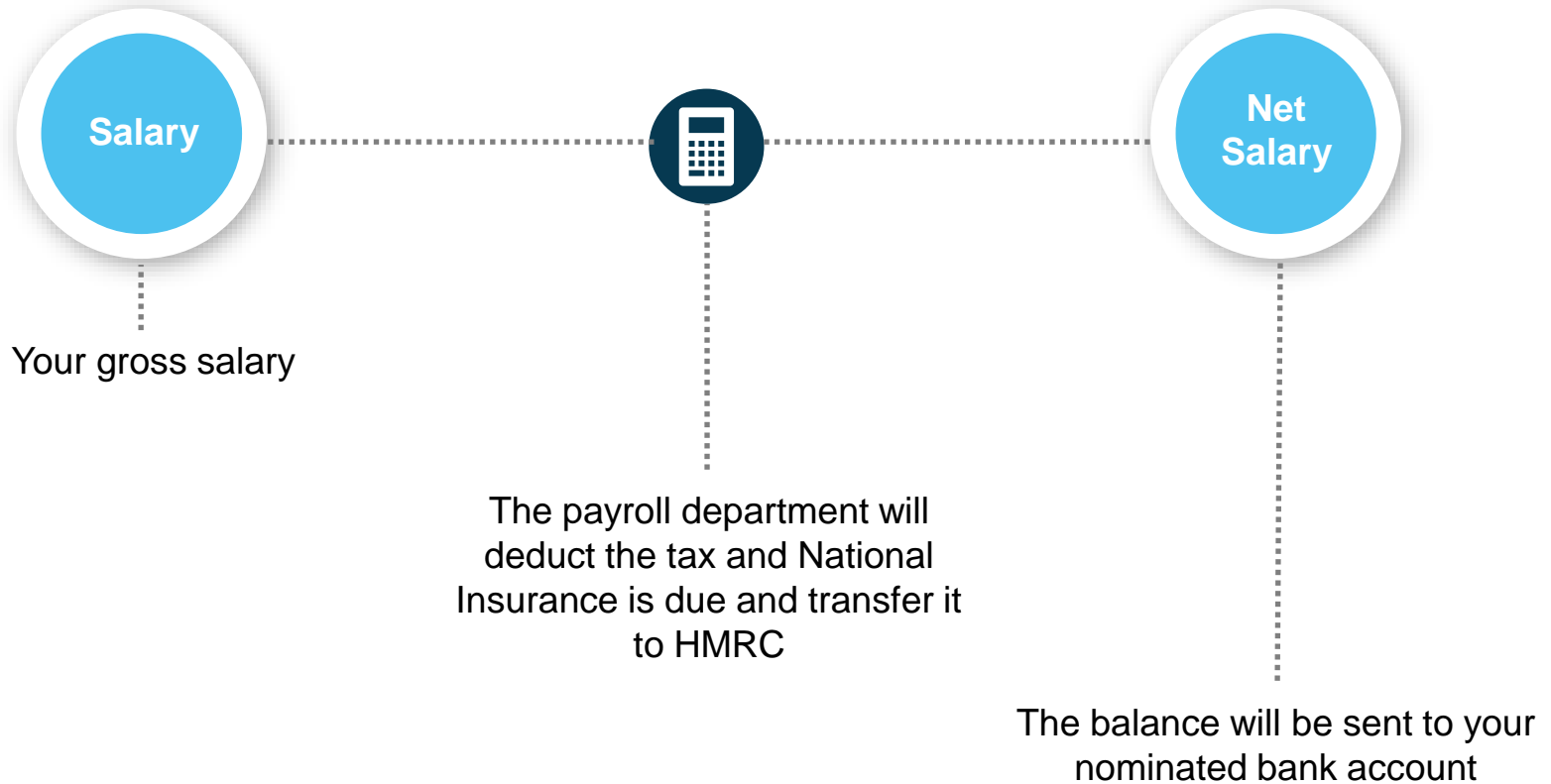
tax on your income.

what gets deducted from my salary?



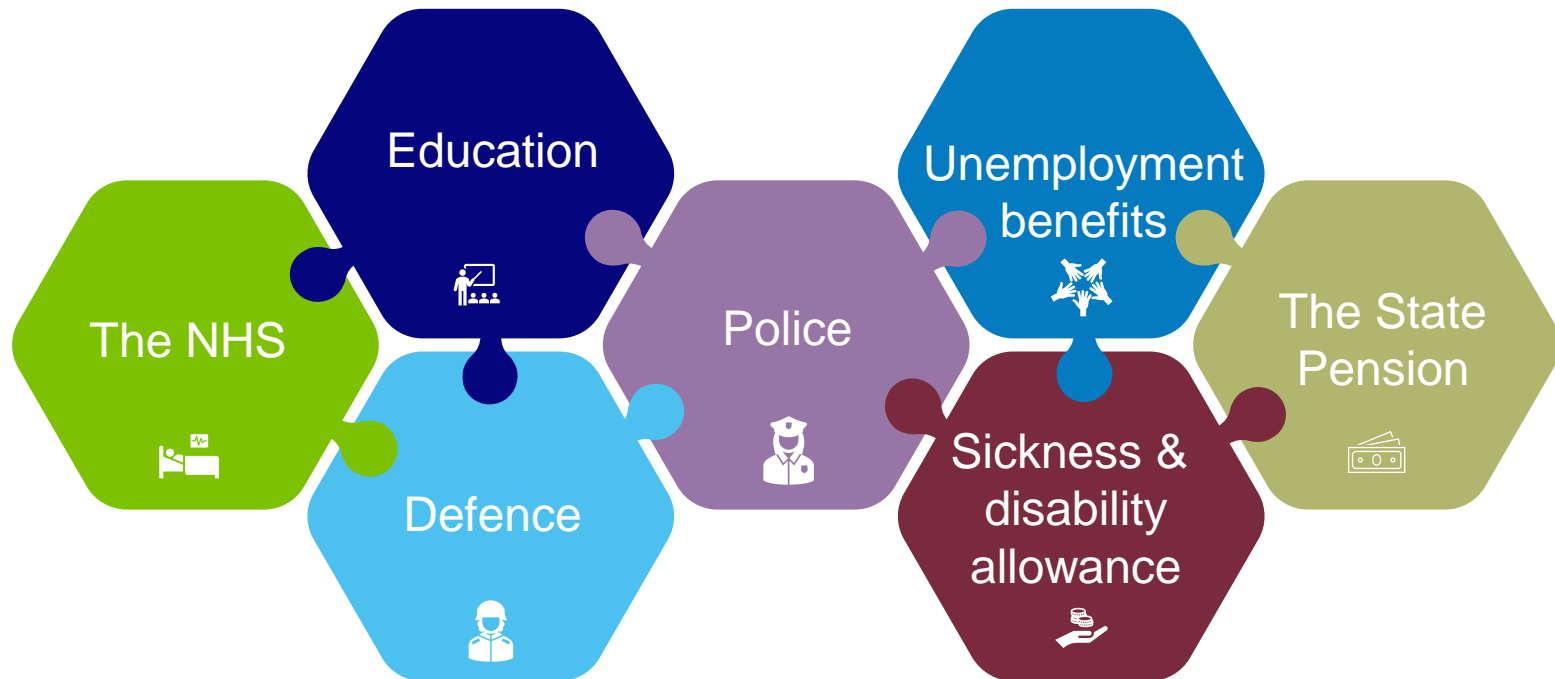
- The UK operates an independent taxation system – partners and spouses are taxed separately
- HMRC use a system called 'Pay As You Earn' (PAYE) to collect Income Tax and National Insurance
- The taxes will be deducted from your pay by your payroll department

Pay As You Earn.



income tax & national insurance.

What do these deductions from your salary pay for?



rates of income tax 2022/23.

Personal Allowance

on the first
£12,570*



£12,570*

Basic Rate Tax

on the next
£37,700



£50,270

Higher Rate Tax

on the next
£99,730



£150,000


Additional Rate Tax

on earnings above
£150,000



*The Personal Allowance reduces by £1 for every £2 of income above £100,000.

tax codes.

 HM Revenue & Customs	PAYE Coding Notice Tax code for the year 2022-23
Personal Allowance	£12,570
Tax Code	1257L

- A tax code is used to determine your Personal Allowance
- It is used by employers to calculate how much tax to deduct from your pay
- The standard tax code for 2022/23 tax year is 1257L
- To calculate your Personal Allowance from your tax code take the digits and multiply by 10

common tax codes.

**Standard
1257L**

The standard tax code for most employees in the current tax year

**Emergency
Ending in:
W1, M1 or X**

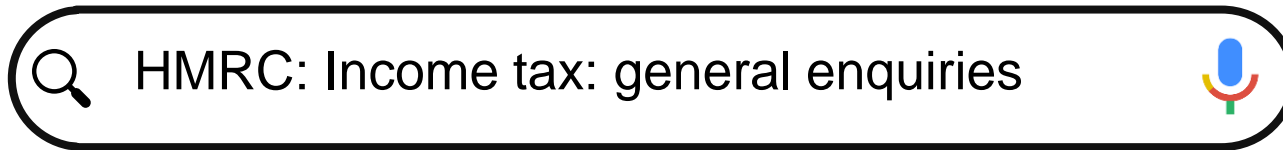
You may have started a new job or be in receipt of company benefits.

**Other
Starting:
K**

You could be receiving benefits you need to pay tax on.

how to fix an error.

If you believe your tax code is incorrect you should contact HMRC.



Monday to Saturday: 8am to 8pm

Sunday: 9am to 5pm



Webchat



@HMRCcustomers (general enquiries only)

Monday to Friday: 8am to 6pm



0300 200 3300

National Insurance 2022/23.

Lower Earnings Limit (LEL)

Primary Threshold (PT)

Upper Earnings Limit (UEL)

National Insurance Rate: 0%
Qualifying Year : ✗

£0 - £6,396

National Insurance Rate: 0%
Qualifying Year : ✓

£6,396 - £9,880

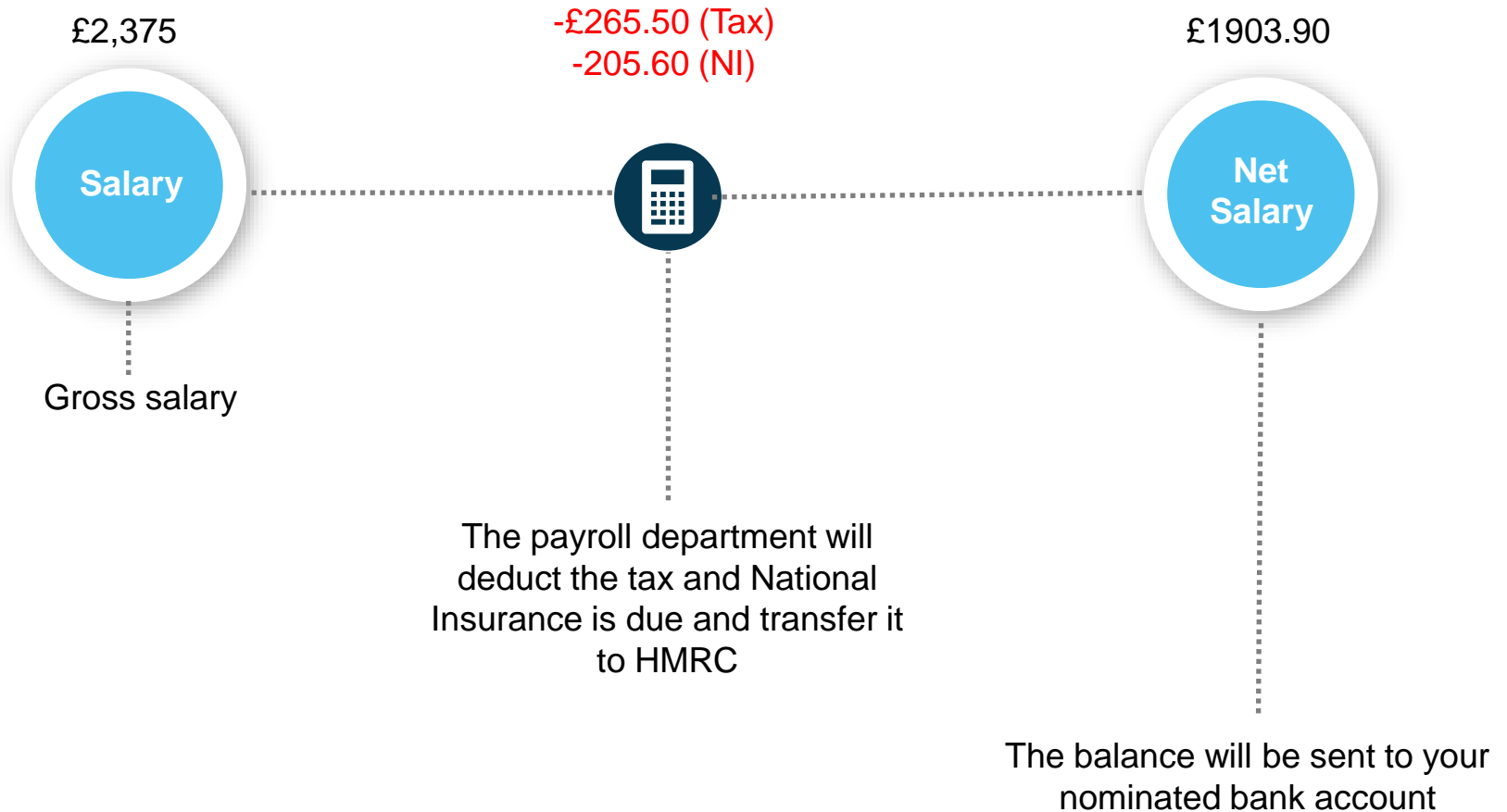
National Insurance Rate: 13.25%
Qualifying Year : ✓

£9,880 - £50,270

National Insurance Rate: 3.25%
Qualifying Year : ✓

£50,270+

example.



*figures used for illustration purposes only.

understanding your payslip.

Payments			Deductions			Description	Units	Amount
Description	Units	Amount	Description	Units	Amount			
Salary		2500.00	Tax paid		265.50	Salary		2500.00
Pension		-125.00	Employee NIC		125.00			
Total Payments			Total Deductions					
		2375.00			454.82			
	Gross Pay	Taxable Pay	Tax	EE's NIC	Pension	AVC		
This Period	2375.00	2375.00	265.50	205.60	125.00			
To date	7125.00	7125.00	796.50	616.18	375.00			
					Net Pay			1903.90

understanding your payslip.

Payments			Deductions			
Description	Units	Amount	Description	Amount		
Salary		2500.00	Tax paid	265.50		
Pension		-125.00	Employee NIC	205.60		
Total Payments		2375.00	Total Deductions		454.82	
	Gross Pay	Taxable Pay	Tax	EE's NIC	Pension	AVC
This Period	2375.00	2375.00	265.50	205.60	125.00	
To date	7125.00	7125.00	796.50	616.18	375.00	
					Net Pay	1903.90

Description	Amount
Tax paid	265.50
Employee NIC	205.60

understanding your payslip.

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pensions.

defined benefit (DB) schemes.

Employer and employees contribute (tax free*)



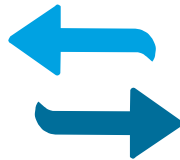
A secure pension income is built up



Scheme rules determine when the pension normally starts



It may be possible to start the pension income before or after this time

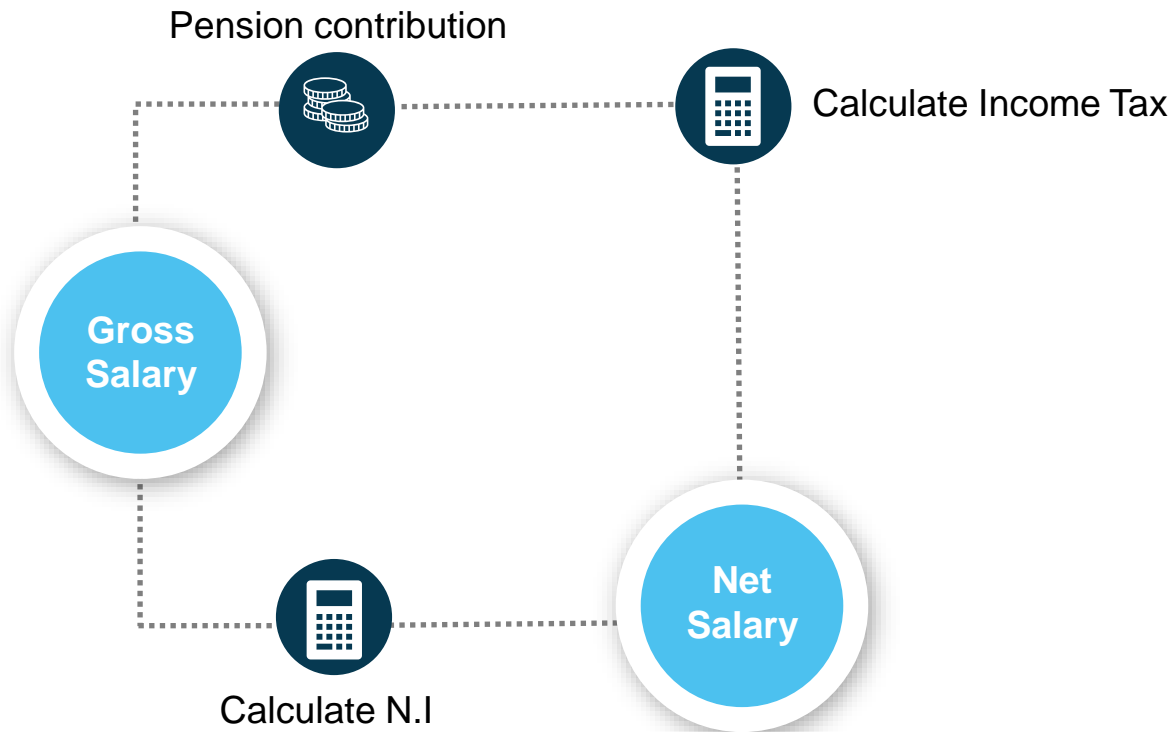


A tax-free cash lump sum is also available



*subject to HMRC limits

pension tax relief.



You save:

**Basic-rate
Taxpayers
up to 20%***

**Higher-rate
Taxpayers
up to 40%***

* Tax relief on pension contributions is limited to the greater of 100% of relevant earnings and £3,600.

the Teachers' Pension Scheme

Prior to 1 April 2022

1/60th Final Salary

No automatic tax free cash

Joined on or before



Between these dates

Joined on or after



1/80th Final Salary

3x pension tax free cash

**Career Average
(CARE)**

1/57th pension accrual
No automatic tax free cash

the Teachers' Pension Scheme

After 1 April 2022



All members join the career average section

**Career Average
(CARE)**

1/57th pension accrual
No automatic tax free cash



The final salary sections close for future accrual



You will retain any benefits earned before 1 April 2022



These benefits can be accessed in the same way and at the same time as you could before 1 April 2022



The calculation of the final salary sections will still be linked to your final salary

defined contribution (DC) schemes.

Employer and employees contribute (tax free*)



Any investment growth is tax-free



You can access your pension from age 55**



Receive up to 25% tax free



Receive a taxable lump sum or generate a taxable income with remaining pot



*subject to HMRC limits

**The minimum age for accessing your pension is expected to increase to age 57 from 6 April 2028. Pension savings in certain schemes may be protected from this change.

Salary Exchange.



You save:

Basic-rate Taxpayers
up to **33.25%***

Saving made up of:

- 20% income tax, &
- 13.25% National Insurance

Higher-rate Taxpayers
up to **43.25%***

Saving made up of:

- 40% income tax, &
- 13.25% National Insurance

* Tax relief on pension contributions is limited to the greater of 100% of relevant earnings and £3,600.

the UCRSS.

Your contribution	Employer contribution	Total
2%	7%	9%
3%	8%	11%
4%	9%	13%
5% (default)	10% (default)	15%

- You can increase or decrease your contribution if you wish
- As a member of the pension plan, you must contribute at least 2% of salary
- Your contributions are normally paid free of income tax*
- Visit the HR Portal page dedicated to the UCRSS to change your contributions

*Tax relief on pension contributions is subject to HMRC limits.

the State Pension.

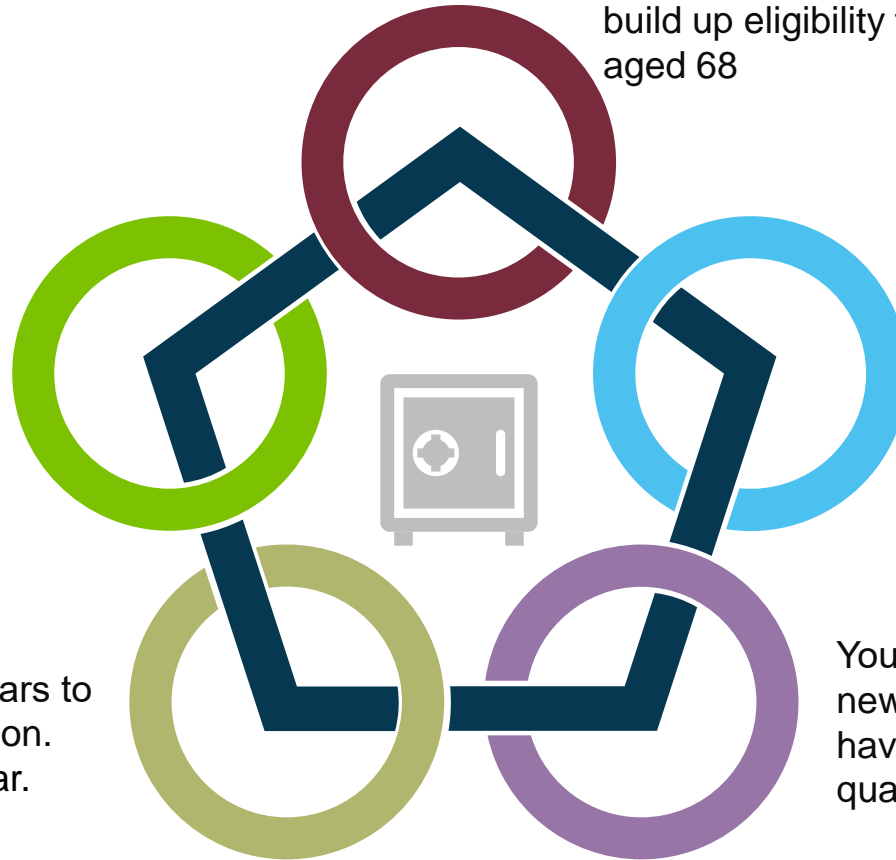
If you were born after 6 April 1978 you may build up eligibility to a UK State Pension from aged 68

If you are retiring abroad, you can continue to receive your UK State Pension

You'll usually need at least 10 qualifying years on your National Insurance record to get any State Pension.

You'll need 35 qualifying years to get the full new State Pension. Currently £9,371.27 per year.

You'll get a proportion of the new State Pension if you have between 10 and 35 qualifying years



[www:// gov.uk/moving-or-retiring-abroad](http://www.gov.uk/moving-or-retiring-abroad)

accessing a pension from abroad.



Transfer your pension to an overseas scheme

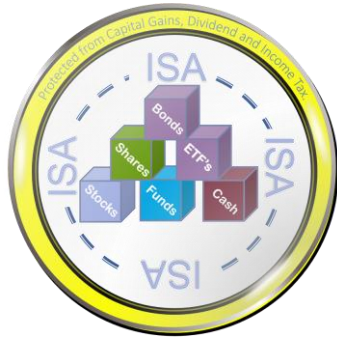
- Transfer it to a qualifying recognised overseas pension scheme (QROPS).
- You may have to pay a tax charge or have the transfer refused if it is not a QROPS



Leave your pension in the UK

- Access as if you're living in the UK
- Payments may not be able to be paid into an overseas account
- You may be charged for sending money abroad

other savings when moving abroad.



You must tell your ISA provider if you are no longer a UK resident.

You can not contribute to the ISA in the tax year following your departure.

You can keep the ISA open and continue to receive tax relief.



You should inform your bank if you move address at any point.

Your bank account may offer an international account to convert existing savings.

Most UK banks will allow your account to remain open.

UK residence and domicile.

UK residence.

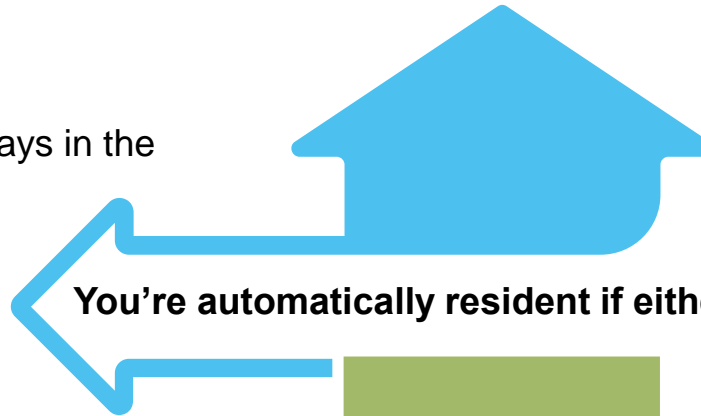
When you're UK resident you're normally taxed on the arising basis of taxation. This means that all your worldwide income and gains will be taxable in the UK.

You spent 183 or more days in the UK in the tax year

Or

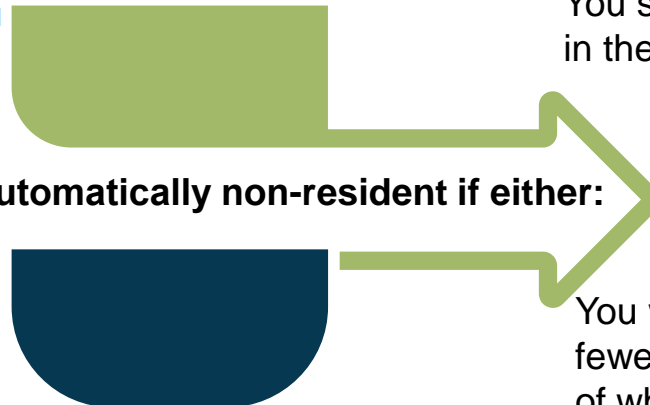
Your only home was in the UK - you must have owned, rented or lived in it for at least 91 days in total - and you spent at least 30 days there in the tax year

You're automatically resident if either:



You spent fewer than 16 days in the UK

You're automatically non-resident if either:



Or

You work abroad and spent fewer than 91 days in the UK, of which no more than 30 were spent working

www://hmrc.gov.uk/international/residence.htm

domiciled in the UK.

An individual will be treated as domiciled in the UK for all tax purposes if either Condition A or Condition B is met.



- be born in the UK
- have the UK as his/her domicile of origin
- be resident in the UK for 2017 to 2018, or later years

The individual has been UK resident for at least 15 of the 20 tax years immediately before the relevant tax year.



domiciled in the UK.

An individual will be treated as domiciled in the UK for all tax purposes if either Condition A or Condition B is met.



Residents will be subject to tax on an arising basis on their worldwide personal income and gains. Inheritance tax will also be paid on worldwide personal assets.

non domiciled.

You do not pay UK tax on your foreign income or gains if:

They're less than £2,000 in the tax year



You do not bring them into the UK, for example by transferring them to a UK bank account.

You must report foreign income or gains of £2,000 or more, or any money that you bring to the UK, in a Self Assessment tax return.

next steps.

seeking advice.

- Regulated financial advice can provide you with the most suitable course of action relating to a wide range of financial needs.
- It is important that you take steps to ensure you are dealing with genuine firms/individuals and that they are authorised to provide advice in the areas you require.
- A list of regulated financial advice firms can be found here:
<https://register.fca.org.uk>



See more about the financial services register on the next slide

the financial services register.

- Under each firm listing there is a section titled 'activities and services' – this details the types of services the firm are regulated to provide.
- Each firm has a regulatory responsibility to ensure Advisers working for them are deemed appropriate for the role – the firm can provide you with a list of their regulated Advisers.
- The FCA are publishing a Directory detailing all regulated advisers, which will then enable you to independently verify any individuals you are dealing with.

Contents

Who is this firm?

How are customers protected?

What can this firm do in the UK?

Restrictions

Activities and services

Who is involved with activities at this firm?

Who is this firm connected to?

contact us.

We provide a telephone helpline and a regulated financial advice service through **my wealth** - a trading name of Wealth at Work Limited which is a member of the Wealth at Work group of companies.

It helps individuals to understand their personal financial situation especially when selecting their retirement income options.

- Telephone **0800 028 3200**



thank you.

0800 028 3200

www.wealthatwork.co.uk/mywealth



WEALTH at work

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