REMUNERATION PLANNING
REVIEW HOW YOU TAKE REMNERATION FROM YOUR COMPANY?

If you are a company director-shareholder, how you take money out of your business is one of the most important decisions you make each year. Salary, dividends, pensions and benefits all have different tax treatments, and the right mix can save you significant money.

DIVIDENDS AND NATIONAL INSURANCE

Many directors reduce salary and take income mainly as dividends, because dividends are not subject to National Insurance contributions. This can cut both employer's and employee's NIC.

However, if you eliminate salary entirely, you may not build enough qualifying years for a full State Pension. At present, you need at least 35 qualifying years. If your NIC record has gaps, your State Pension income could be reduced, which is a costly oversight in the long term.

WHY REVIEWS MATTER

Tax rules change frequently. In a few months the Chancellor will be delivering her Autumn Budget, and with tax rises required to balance her books, watch out for changes to tax reliefs for pension contributions, dividend tax and tax-free benefits.

A strategy that saved tax last year may not be the most effective approach this year.
An annual remuneration review ensures you remain compliant and efficient, while protecting your future entitlements. Everyone's circumstances are different. The right plan for you depends on your income, family position, retirement planning and your company's profits.

Think of remuneration planning like a set of cogs. Salary, dividends, pensions and allowances all need to move in unison. If one part is out of line, the whole system becomes less effective.

TAKE ACTION NOW

If you have not reviewed your remuneration plan recently, now is the time. The savings can be substantial, and a small adjustment could also protect your future pension rights.

WE CAN HELP

Call us today to arrange a remuneration planning session and make sure your strategy is working at its best. Call us on **01753 888 211** or email **info@nhllp.com**. We are here to help.