



## More anti-avoidance measures

***The Chancellor hopes to raise another £12bn from anti-avoidance measures announced in the Budget.***

A Budget would not be a Budget without the announcement of a range of new measures to counter tax avoidance and tax evasion. The latest Budget did not disappoint. Among the targets under the heading of “Avoidance, Evasion, Imbalances, and Operational Measures” were:

- Legislation to tackle ‘historic’ disguised remuneration schemes. This will levy a new tax charge on loans paid through disguised remuneration schemes (typically employee benefit trusts – EBTs) which have not been taxed and remain outstanding on 5 April 2019.
- The current exemption from employer’s national insurance contributions for termination payments (“golden handshakes”) will be restricted to the income tax-free amount of £30,000 from April 2018.
- From April 2017 public sector bodies will decide whether the IR35 rules apply when hiring an individual who works through their own personal service company. At present the decision is the individual’s.

This trio is a reminder that the anti-avoidance net is spreading ever-wider, to areas which once seemed to be accepted practice. The imposition of a tax on EBT loans, long after they were made is a classic example. In many instances the loan was made with the intention that it would run for decades. Now those who spent their everlasting loans could face financial ruin.

There are still areas where you can save tax – for example, the Chancellor explicitly endorsed salary sacrifice for pension provision in his Budget – but grey areas are turning increasingly black. As ever, the key is to take advice and consider all your options before acting.

*The value of tax reliefs depends on your individual circumstances. Tax laws can change. The Financial Conduct Authority does not regulate tax advice.*