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# *Legal News Wales Budget 2021 Update*

# Brewin Dolphin – who we are

## Brewin Dolphin Group

Providing investment management and financial planning services through our network of offices around the UK and Ireland



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# Contents

<b>An optimistic Outlook</b>	<b>04</b>
<b>Pre budget rumours</b>	<b>05</b>
<b>How accurate were they</b>	<b>06</b>
<b>Some new ideas</b>	<b>07</b>
<b>And Finally</b>	<b>08</b>
<b>Q&amp;A</b>	<b>09</b>

# An Optimistic Outlook

- Office of Budget Responsibility
  - UK Economy to grow by 4% in 2021
  - UK Economy to grow by 7.3% in 2022
- BUT
  - UK economy shrunk by 10% in 2020
  - Unemployment to peak at 6.5% (over 500,000 people)
  - Government borrowing to reach a peace time high of £354.6bn (17% GDP in 2021)

Tax treatment depends on the individual circumstances of each client and may be subject to change in the future. Information contained in this document is believed to be reliable and accurate, but without further investigation cannot be warranted as to accuracy or completeness.

# Pre Budget Rumours

- Furlough scheme to continue
- Corporation Taxes to rise
- Income Tax thresholds to be held
- Capital gain tax and income rates to equalize
- Capital Gains Tax allowance to be cut to £2,000
- Tax relief of pension contributions to move to one standard rate
- Freeze pension lifetime allowance
- Property Stamp duty holiday to be retained

The value of investments, and any income from them, can fall and you may get back less than you invested. Tax treatment depends on the individual circumstances of each client and may be subject to change in the future.

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# How Accurate Were The Rumours

- Furlough scheme to end in September but with employer contributions from July (10%) August (20%)
- Corporation Tax to rise from 19% – 25% in 2023 but small profit rate unchanged and tapering upwards towards profit of £250,000
- Income Tax thresholds to rise in April then no increase until 2026
- No change to Capital gains tax allowances or rates
- No change to tax treatment of pension contributions but lifetime allowance not increased next year
- Stamp duty holiday extended until June until the introduction of 95% mortgages – backed by the Government guarantee

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# The Green Economy

- UK Infrastructure Bank - £12bn initial funding to support the transition to net zero carbon emissions by 2050.
- Retail Savings Bonds – to support the move to net zero by 2050

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# And Finally!

- All alcohol duties to be frozen for second year running
- Fuel duty to be frozen for eleventh consecutive year
- Contactless payment limit will rise to £100 later this year

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*Q&A*

# Disclaimer

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