

COMPANY DIRECTORS - TAX EFFICIENT PAYMENT STRATEGIES



WELCOME

"With each unique client we challenge ourselves to ensure you achieve strategic growth within your organisation"

We achieve this with emphasis on
clear and concise reporting

HELPING YOU MAKE THE CONNECTION BETWEEN
SALES, FINANCE & PROFITS

F D OUTSOURCE

more than accountants

National Insurance - Employment Allowance

The National Insurance Employment Allowance is a maximum of £4,000 for 2020/21. This reduces the employers' NI payable on salaries, etc... to that amount

It is not available to companies where the only employee is a director. If the allowance is available because you have other employees, it may be beneficial to pay yourself a salary above the NI-free threshold of £9,500.

If you paid a salary up to the tax-free personal allowance of £12,500, the NI payable by you on the salary of £3,000 ($£12,500 - £9,500$) payable by you is £360 ($£3,000 \times 12\%$).

However, the employers' NI that would otherwise be payable is covered by the employment allowance provided that it hasn't been used against NI contributions payable in respect of other employees. The additional salary is deductible for Corporation Tax purposes saving £570 ($£3,000 \times 19\%$)

Tip: Review your optimal salary level for 2020/21. If your personal allowance is not used against other income and the employment allowance is available, it will be £12,500 as the NI you will pay on the salary in excess of £9,500 is more than offset by the Corporation Tax deduction on that additional salary. However, if you are a director and the sole employee, the employment allowance isn't available, although this restriction will not apply if you employ another person or cease to be a director.

Where the employment allowance is not available, the most tax and NI-efficient salary for 2020/21 is equal to the earnings threshold of £9,500.

Regardless of whether the employment allowance is available, if the director is under 21, the optimal salary for 20/21 is equal to the personal allowance of £12,500 as no employers' NI is payable for under 21s until their earnings exceed £962 per week.

To Our Stakeholders

FD Outsource is committed to working directly with Sales Driven MD's within their specialised sector to ensure they achieve continual strategic growth.

The Strategic Growth can be measured against the business plan using quantifiable financial measures.

These financial measures can be within Sales/Revenue, Gross Margins, Cashflow, Profitability and Net Worth.

The milestones set in the business plan will be monitored and reviewed at regular intervals through the business life cycle with continual focus on succession planning with the management team.

Our internal core values can be seen within our 5c Guarantee provided to all clients. These are:

- CCommunication
- CCreativity
- CCoherence
- CCommitment
- CConclusion

Analyse , Identify and Plan

Our priority is that cash flow doesn't become a Barrier to Growth and business profits be converted in to personal wealth.

Sincerely

A handwritten signature in white ink that reads 'Mark Terrington'.

Mark Terrington
Founder & CEO

WE WORK WITH SALES DRIVEN
BUSINESS OWNERS

HELPING YOU MAKE THE CONNECTION
BETWEEN
SALES, FINANCE AND PROFITS



For a Free discussion on how you can
make the connection and convert
business profit in to personal wealth.
Contact us today

enquiries@fdoutsource.co.uk