



Wordshop.

Benefits Update

February 2024

7 Tilton Court, Digby Road,
Sherborne, Dorset DT9 3NL
E: hello@wordshop.co.uk
www.wordshop.co.uk

Pensions, tax & benefits

- Following the announcement in the autumn statement, National Insurance has now been reduced to 10% as of 6 January, saving the average salaried worker £450 a year.
- Working parents of two-year-olds can now register for 15 hours of free childcare a week, which will start in April this year. The scheme is expected to be extended to include parents with children aged over nine months in September. Parents who individually earn more than £8,670 (from April 2023) but less than £100,000 per year are eligible. Individuals can apply now for April through the government's Childcare Choices website: www.childcarechoices.gov.uk
- Child benefit claims can now be made online for the first time. The claims process takes about 10 minutes and payments could be made in as little as three days.

If you or your partner has an income of over £50,000 a year, you will have to pay back some of the child benefit through Tax Self-Assessment. An income of over £60,000 means you have to pay back 100% of your child benefit. However, it might still be worth claiming for child benefit and registering your entitlement but opt out of actually receiving the benefit itself. In that way, you can still get National Insurance credits, which count towards your State pension.

To make an online claim or find out more, visit www.gov.uk/child-benefit/how-to-claim

- Families struggling with energy bills are being urged to speak to their local council for Household Support Fund help. With colder temperatures in recent weeks, the fund can be used to make homes more energy efficient, as well as help households with bills.
- A third cost-of-living payment will be paid between 6 and 22 February. The £299 payment will be paid automatically to people on qualifying means-tested benefits.
- The government is issuing a final reminder to bereaved parents who lost their partner between 9 April 2001 and 8 February 2023. Individuals who meet this criteria may be eligible for a backdated government payment, even if they no longer have dependent children. Anyone who thinks they may be eligible should visit www.gov.uk for more information.
- High earners in Scotland can expect to pay more tax from 6 April 2024. The 'top' rate of tax will increase from 47% to 48% and a new 'advanced' tax band will be added. This will see earnings of £75,001 to £125,140 taxed at 45%. This is an increase from the current 42% paid.

General

- Savers and investors will see more flexibility within ISA rules from April 2024. Under current rules you can open multiple accounts in a tax year but they need to be different types of ISAs. For example, you can open a cash ISA and a stocks and shares ISA but not two cash ISAs or two stocks and shares ISAs. The new measures will allow savers and investors to have multiple subscriptions to ISAs of the same type each tax year from 2024/25 onward. The Chancellor also announced he will align the age at which you can apply for an adult cash or stocks and shares ISA to 18. Currently you can apply for an adult cash ISA from age 16. Under 18s can still benefit from Junior ISAs with a £9,000 annual limit.
- Banks will be banned from closing branches unless high streets have a cash machine under new city watchdog plans. When considering branch or cash machine closures, banks would need to review areas where there is limited cash access and report back within eight weeks with plans to provide back-up facilities for savers. This includes whether locals have access to free-to-use cash withdrawal and deposit services. If it is deemed that an area has limited access to cash, lenders will have to ensure new cash facilities – such as replacement branches, cash points or banking ‘hubs’ – are in place within three months of reporting to the Financial Conduct Authority.
- The zero-emission vehicle mandate, the government’s pathway towards all new cars and vans being zero emission by 2035, is now law. By 2030, 80% of new cars and 70% of new vans sold in Great Britain will now be zero emission, increasing to 100% by 2035.
- Disposable vapes will be banned in the UK as part of government plans to tackle the rise in youth vaping. The government also plans to restrict vape flavours, introduce plain packaging and change how vapes are displayed in shops.
- A consultation has launched on a new Pumpwatch scheme that aims to make it easier for drivers to shop around for the cheapest fuel. New real-time fuel price data will help drivers via navigation apps, in-car devices and comparison websites.