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Higher stamp duty rates for buy-to-let property

Stamp duty land tax (SDLT) on additional properties such as buy-to-let investments and second homes will be 3 percentage points higher than current SDLT from April 2016.

Corporate properties and properties in Scotland (which are subject to land and building transaction tax) are not affected by the new rules.

The new rates will not apply to caravans, mobile homes or house boats and properties below £40,000.

The government will consult on the exact policy details including a possible exemption for corporates and funds that own more than 15 residential properties.

SDLT rates for additional properties

Portion of property price	Current SDLT rate	SDLT from April 2016 rate
Up to £40,000	Zero	Zero
£40,001 - £125,000	Zero	3%
£125,001 - £250,000	2%	5%
£250,001 - £925,000	5%	8%
£925,001 - £1.5 million	10%	13%
Above £1.5 million	12%	15%

In his Autumn Statement speech George Osborne said:

"People buying a home to let should not be squeezing out families who can't afford a home to buy."

Richard Lambert, CEO at the National Landlords Association, said:

"The Chancellor's political intention is crystal clear; he wants to choke off future investment in private properties to rent.

"The exemption for corporate investment makes this effectively an attack on the small private landlords."

Talk to us about how changes to stamp duty could affect you.

Women unsure about pension savings

When it comes to retirement plans, 71% of women don't know what size pension pot they need to provide the retirement income they want.

According to research by Scottish Widows and the Fawcett Society, 43% of women have little or no understanding of individual pension savings.

Important findings:

- 14% of women have no understanding of workplace pension schemes, compared to 10% of men
- 25% of women aged 30-49 aren't saving for retirement
- 12% of women who are in work are not enrolled in a workplace pension scheme
- 38% don't think automatic enrolment is a good idea or don't know, compared to 32% of men.

Liz McKenzie, chief operating officer of Wesleyan, commented on the report:

"Auto enrolment and greater pension freedoms have been successful in getting people to talk more about finances in later life, but in doing so, it seems that women in particular are more concerned that they are not doing enough."

Talk to us today about your retirement plans.

Consumer confidence rises despite uncertainty over economy

People feel more confident about their personal finances but still have concerns about the state of the economy.

According to GFK's consumer confidence index, most people report a rise in confidence in the past year with forecasts predicting further growth in the next 12 months.

However, expectations for the economy have decreased over the last 12 months, with further signs of decline in 2016.

Office for National Statistics figures show that GDP grew by 0.5% in the third quarter of 2015.

Inflation fell to -0.1% in September 2015, with a rise in clothing prices and falling fuel costs as the main contributors.

Joe Staton, head of market dynamics at GFK, says:

"The good news on the domestic front – with households lifted by wage growth, low interest rates and near-zero-inflation – is being tempered by concerns about our ability to shrug off the global downturn."

Safeguarding your finances

As well as concerns over the overall performance of the economy in the future, people may be concerned about the effect that interest rate rises may have on their financial situation.

People who want to try and safeguard their personal finances could consider the following options:

- ISAs allow you to save tax free, with a current maximum allowance of £15,240
- Self-invested pension funds can help you grow your return for increased retirement income.

Talk to our team about your personal finances.

National Audit Office highlights auto enrolment dangers

There are "significant risks" ahead as 1.8 million smaller employers begin the process of auto enrolment, a report by the National Audit Office (NAO) has warned.

Although more than 5 million people have been auto enrolled in workplace pensions so far, 97% of employers are yet to reach their staging date.

Smaller employers are expected to have different requirements than their larger counterparts which will create challenges both for individual companies and the Department for Work and Pensions.

Morten Nilsson, CEO of NOW: Pensions, commented on the NAO report:

"These smaller employers are fundamentally different to those that have gone before them.

"At best they may have somebody managing finance and payroll but many small business owners will be fitting auto enrolment around their other day-to-day responsibilities."

NOW: Pensions highlights a lack of preparation among small employers as a key concern going forward. A survey by the company showed that 20% of small and micro firms said they hadn't given any thought to the process.

Upcoming changes

The changes to workplace pensions are not the only potentially significant changes on the employment landscape that may affect the financial health of smaller employers.

Employers should be aware of the following as well:

- the introduction of the national living wage
- the incoming apprenticeship levy
- holiday pay entitlement
- gender pay gap reporting.

Contact our team to talk about employer obligations.