



for immediate release

Decision time is nigh for Child Benefit opt out

The deadline is approaching for families with one parent earning more than £50k to decide whether to opt out of Child Benefit. NASDAL is reminding its dentist clients that the January 7th deadline is nigh. If you are a parent in the high income bracket and you do not opt out, you will have to pay back some or all of the benefit via a new High Income Tax Benefit Charge (HITBC).

Chancellor George Osborne announced the tax charge on Child Benefit in 2010 with an introductory date of January 7th 2013. From this date, if one parent earns between £50k and £60k, the tax will be less than the Child Benefit but if it's over £60k, it will be the same as the child benefit.

Ian Simpson, NASDAL member and a partner in specialist dental accountants Humphrey & Co, advises that if your income fluctuates between £50,000 and £60,000 a year, it will be best to carry on receiving the Child Benefit and paying the charge as and when is appropriate through a self-assessment Tax Return.

He also advises:

- the tax charge applies where the individual income is £50,000+, not joint

income

- the child does not have to be your child for you to be affected by this charge
- a Child Benefit claim form still needs to be completed when a child is born as this helps the claimant qualify for credits to protect their State Pension.

Ian said: "This is a confusing change to the previously universal Child Benefit scheme which we anticipate will be costly to administer and mean more people will need to file self-assessment tax returns."

Please contact Ian Simpson via email isimpson@humph.co.uk for further information on the changes. To find a NASDAL member in your area, go to www.nasdal.org.uk