

Change in Basic Rate Tax rate

From 6 April 2008, the basic rate of income tax will reduce to 20% (currently 22%). This will mean that individuals will have to increase their monthly contributions.

The lower basic rate of income tax means that an individual's net contribution will need to be higher to ensure the same gross contribution is invested. The increase will apply from 6 April 2008.

Clients currently contributing £3,600 gross per annum (£900 gross per quarter), to their Alliance Trust Savings Plan, would currently make quarterly direct debit net payments of £702. The net contributions will need to be adjusted to £720 per quarter in order to fund the same gross annual contribution.

We will not automatically adjust any direct debits or standing orders for clients. You and / or your clients will need to let us know in writing of any amends which need to be made in time for the next contribution.