

Retiring from your own business...

Have you considered the tax consequences?

If you own your own business and are thinking about retiring, there are many tax issues that you need to think about. This is best done well in advance of your retirement date to ensure that all is in order when the big day arrives and there are no nasty surprises.

Retirement affects your tax position in many different ways. Some are obvious but others less so and many are easily overlooked.

As well as keeping HMRC informed, you should be thinking about what taxes you may need to pay both as a direct result of your retirement and on an ongoing basis after retirement. This may affect

your choice of retirement date.

Sole traders and partnerships need to consider how and when final profits will be taxed as there is often a large catch up of profits on ceasing to trade. This can come as a shock if you have not planned in advance.

If you are selling the business and its assets, have you considered the timing of the sale and the reliefs that may be available to reduce any tax due? If you are passing the business down to your children, is this being done in the most tax efficient way?

Assets which were part of the business may have been exempt



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from Inheritance Tax up to now. After retirement, this may not be the case and so your exposure to this tax may suddenly increase. Have you planned for this? Does your Will need to be revised?

So think ahead and make sure you know what your position is. If you are unsure take professional advice.