



Insurance Premium Tax (IPT) is on the rise again

The Chancellor announced in his recent Budget that Insurance Premium Tax (IPT) will increase by 0.5%, from 9.5% to **10%**. This latest increase will mean your insurance premiums will rise in due course.

This future increase in premiums will also mean higher personal tax charges for your employees as well as increases in Employers' National Insurance contributions.

The new rate of tax will be due on insurance premiums received on or after 1 October 2016. We are currently awaiting guidance from insurers as to how they intend to bill clients to reflect the new IPT rate. We will update you accordingly once this has been confirmed.

The latest increase was widely anticipated but it is our belief that this rise will not be the last. The Chancellor has been clear that further increases are necessary to bring the UK insurance taxation level more in line with mainland Europe.

As a result of this latest tax rise, you may wish to consider options to reduce the impact of Insurance Tax. We are seeing a number of providers launching solutions that could be cost-effective for clients.

If you have any queries or require further information on ways of reducing IPT tax liabilities and getting better value from corporate healthcare policies, please get in touch with myself or your dedicated healthcare consultant.

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