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Tax Tables 2018/19

The figures contained in these tax tables are for guidance only.

Please note that the income tax thresholds and rates are those applicable in England, Wales and Northern Ireland.

V1 – 23/04/2018

Income Tax

ALLOWANCES

| Personal Allowances | 2017/18 | 2018/19 |
|---|----------------|----------------|
| Personal Allowance | £11,500 | £11,850 |
| Income limit for Personal allowance(1) | £100,000 | £100,000 |
| Transferable Tax Allowance for married couples and civil partners (2) | £1,150 | £1,190 |
| Dividend Allowance | £5,000 | £2,000 |
| Personal Savings Allowance (3) | £1,000 | £1,000 |
| Married Couples Allowance (MCA) | 2017/18 | 2018/19 |
| Maximum MCA (4) | £8,445 | £8,695 |
| Income limit for the MCA (5) | £28,000 | £28,900 |
| Minimum MCA | £3,260 | £3,360 |
| Blind Persons Allowance | 2017/18 | 2018/19 |
| | £2,320 | £2,390 |

- (1) Personal allowance reduced by £1 for every £2 that adjusted net income exceeds the £100,000 threshold. Reduced to zero once adjusted net income reaches £123,700.
 (2) Available to spouses and civil partners born after 5 April 1935. The recipient must not be liable to tax above the basic rate.
 (3) Reduced to £500 for higher rate taxpayer and £Nil for additional rate taxpayers.
 (4) Can be claimed by individuals born before 6 April 1935. Tax relief for the MCA is 10% and is given as a tax reducer.
 (5) MCA is reduced by £1 for each £2 of gross income above the income limit (£28,900 in 2018/19) but can't be reduced to less than the minimum (£3,360 in 2018/19)

TAXABLE INCOME

| Thresholds | 2018/19 | Savings Income | Dividend Income | Non-Savings Income |
|------------------|---------------------|----------------|-----------------|--------------------|
| Starting Rate(1) | £0 to £5,000 | 0% | n/a | n/a |
| Basic Rate | £0 to £34,500 | 20% | 7.5% (2) | 20% |
| Higher Rate | £34,501 to £150,000 | 40% | 32.5% (2) | 40% |
| Additional Rate | Over £150,000 | 45% | 38.1% (2) | 45% |

- (1) The 0% starting rate is for savings income only. If an individual's taxable non-savings income exceeds the starting rate limit the 0% starting rate band will not be available for savings income.
 (2) These tax rates only apply to the extent that dividend income exceeds the tax-free dividend allowance (£2,000 in 2018/19 reduced from £5,000 in 2016/17 and 2017/18).

| | 2017/18 | | 2018/19 | |
|----------------------------|-----------|-------|-----------|-------|
| | Dividends | Other | Dividends | Other |
| Interest in Possession | 7.5% | 20% | 7.5% | 20% |
| Discretionary | | | | |
| The first £1,000 of income | 7.5% | 20% | 7.5% | 20% |
| Income above £1,000 | 38.1% | 45% | 38.1% | 45% |

VENTURE CAPITAL SCHEMES

| Scheme | 2017/18 | | 2018/19 | |
|----------|------------|-------------------|------------|-------------------|
| | Max | Income Tax relief | Max | Income Tax relief |
| EIS | £1,000,000 | 30% | £1,000,000 | 30% |
| Seed EIS | £100,000 | 50% | £100,000 | 50% |
| VCT | £200,000 | 30% | £200,000 | 30% |

National Insurance

| National Insurance - rates and allowances | | |
|--|------------------|------------------|
| £ per week | 2017/18 | 2018/19 |
| Lower earnings limit, primary Class 1 | £113 | £116 |
| Upper earnings limit, primary Class 1 | £866 | £892 |
| Primary threshold | £157 | £162 |
| Secondary threshold | £157 | £162 |
| Employees' primary Class 1 rate between primary threshold and upper earnings limit | 12% | 12% |
| Employees' primary Class 1 rate above upper earnings limit | 2% | 2% |
| Class 1A rate on employer provided benefits | 13.8% | 13.8% |
| Married women's reduced rate between primary threshold and upper earnings limit | 5.85% | 5.85% |
| Married women's rate above upper earnings limit | 2% | 2% |
| Employers' secondary Class 1 rate above secondary threshold | 13.8% | 13.8% |
| Class 2 rate | £2.85 | £2.95 |
| Class 2 small profits threshold | £6,025 per year | £6,025 per year |
| Special Class 2 rate for share fishermen | £3.50 | £3.60 |
| Special Class 2 rate for volunteer development workers | £5.65 | £5.80 |
| Class 3 rate | £14.25 | £14.65 |
| Class 4 lower profits limit | £8,164 per year | £8,424 per year |
| Class 4 upper profits limit | £45,000 per year | £46,350 per year |
| Class 4 rate between lower profits limit and upper profits limit | 9% | 9% |
| Class 4 rate above upper profits limit | 2% | 2% |

Capital Gains Tax

ANNUAL EXEMPTION & RATES

| Annual Exemption | 2017/18 | 2018/19 |
|------------------|---------|---------|
| Individuals | £11,300 | £11,700 |
| Trustees | £5,650 | £5,850 |

| Main rates for individuals | 2017/18 | 2018/19 |
|---|---------|---------|
| Basic Rate | 10% | 10% |
| Higher Rate | 20% | 20% |
| Rates on gains subject to entrepreneur's relief | 10% (1) | 10% (1) |
| Rates for individuals (gains on residential property) | 2017/18 | 2018/19 |
| Basic rate | 18% | 18% |
| Higher Rate | 28% | 28% |

- (1) Entrepreneur's relief is available on qualifying disposals up to a maximum lifetime limit of £10,000,000. Gains in excess of this limit are taxed at 20%.

Corporation Tax

| Main Rate | 2017/18 | 2018/19 |
|-----------|---------|---------|
| | 19% | 19% |

Inheritance Tax

TAX RATES

| Tax Year | Nil Rate Band (1) (2) | IHT due on a chargeable lifetime transfers in excess of the NRB | IHT due on Death on chargeable transfers in excess of the NRB |
|----------|-----------------------|---|---|
| 2016/17 | £325,000 | 20% | 40% |
| 2017/18 | £325,000 | 20% | 40% |

(1) The NRB will remain frozen at £325,000 until 2020/21

(2) Unused NRB can be transferred to enhance the NRB of the surviving spouse on second death. The maximum percentage that can be transferred is 100% which would double the NRB available.

| Tax Year | Residence Nil Rate Band (1) (2) | IHT due on a chargeable lifetime transfers in excess of the RNRB (3) | IHT due on Death on chargeable transfers in excess of the RNRB <i>plus</i> any available normal ('any assets') NRB (4) |
|----------|---------------------------------|--|--|
| 2016/17 | n/a | n/a | 40% |
| 2017/18 | £100,000 | n/a | 40% |
| 2018/19 | £125,000 | n/a | 40% |
| 2019/20 | £150,000 | n/a | 40% |
| 2020/21 | £175,000 | n/a | 40% |

(1) The RNRB is only available to offset against the value of a residential property that is (or has been previously) used by the deceased as their main residence *and* which is transferred on death to a lineal descendant, or the spouse or civil partner of a lineal descendant.

(2) Unused RNRB can be transferred to enhance the RNRB of the surviving spouse on second death. The maximum percentage that can be transferred is 100% which would double the RNRB available.

(3) The RNRB is only available on death – it cannot be offset against lifetime transfers of a main residence.

MAIN EXEMPT TRANSFERS

| | Maximum £ |
|--|-------------|
| Gifts to a UK domiciled spouse | No limit |
| Gifts to a Non UK domiciled spouse | £325,000(1) |
| Gifts to charities | No limit |
| Gifts to political parties | No limit |
| Annual exemption | £3,000 |
| Small gifts | £250 (2) |
| Normal expenditure out of income | No limit |
| Gifts in consideration of marriage | (see below) |
| Parents | £5,000 each |
| Grandparents and bride/groom to each other | £2,500 each |
| Any other person | £1,000 |

(1) This £325,000 exemption applies to cumulative transfers. It is therefore necessary to consider previous gifts and transfers to a non UK domiciled spouse in order to determine whether any of this exemption remains. It is also possible for a non-domiciled spouse to instead make an irrevocable election to be treated as UK domiciled for IHT purposes.

(2) The gift has to be outright; not a gift into trust.

IHT RELIEFS

Business or farming assets may attract relief at either 50% or 100%, depending on the circumstances and type of the assets concerned. The relief can apply during lifetime and on death but if the relief is 100%, the practical effect is to make the transaction exempt.

Pensions

ANNUAL ALLOWANCE AND LIFETIME ALLOWANCE

| Tax Year | Annual Allowance | Lifetime Allowance |
|----------|------------------|--------------------|
| 2014/15 | £40,000 | £1.25million |
| 2015/16 | £80,000 (1) | £1.25million |
| 2016/17 | £40,000 (2) | £1.00 million (3) |
| 2017/18 | £40,000 | £1.00 million |
| 2018/19 | £40,000 | £1.03 million |

1) From 6 April 2015, a Money Purchase Annual Allowance (MPAA) was introduced which applies to anyone who accesses their pension 'flexibly' on or after this date. The MPAA was £10K in 2015/16 and 2016/17 but reduced to £4K from the start of the 2017/18 tax year.

Changes to pension input periods which took immediate effect from 8 July 2015 also meant that some people not restricted by the MPAA had up to an extra £40K annual allowance in 2015/16, giving them an annual allowance of up to £80K in total.

2) From 6 April 2016, the £40K annual allowance for individuals with 'threshold income' over £110K *and* 'adjusted income' over £150K is reduced by £1 for every £2 of adjusted income over £150K. This, however, is subject to a minimum annual allowance of £10K for individuals with adjusted income of £210K or more.

3) To help counteract the reduction in the lifetime allowance to £1m on 6 April 2016, individuals can apply for 'fixed protection 2016' to preserve an entitlement to a £1.25m lifetime allowance provided (broadly) they do not accrue further pension benefits after this date. Individuals with total pension rights valued at greater than £1m as at 5 April 2016 can also apply for 'Individual protection 2016.'

TAX CHARGES ON PAYMENTS FROM REGISTERED PENSION SCHEMES

| Charges | Rates 2018/19 |
|--|---|
| Lifetime allowance charge | 55% - if the amount over the lifetime allowance is paid as a lump sum 25% - if the amount over the lifetime allowance is taken as income |
| Annual allowance charge | Up to 45% |
| Unauthorised payments charge | 40% |
| Unauthorised payments surcharge | 15% |
| Short service refund lump sum charge | 20% on first £20,000, 50% on any amount over £20,000 |
| Special lump sum death benefits charge | No tax charge where member dies prior to age 75 Beneficiary's marginal rate where death occurs after age 75 |
| Scheme sanction charge | 15% - 40% |

PENSION CREDIT

| Guarantee Credit | 2017/18 | 2018/19 |
|------------------|---------|---------|
| Single Person | £159.35 | £163.00 |
| Married couple | £243.25 | £248.80 |

BASIC STATE PENSION

| SPA pre 6 April 2016 | 2017/18 | 2018/19 |
|-----------------------|---------|---------|
| Category A | £122.30 | £125.95 |
| Category B Supplement | £73.30 | £75.50 |

| SPA post 6 April 2016 | 2017/18 | 2017/18 |
|--|---------|---------|
| New single tier pension if got full qualifying years | £159.55 | £164.35 |

Stamp Duty Land Tax

RESIDENTIAL

| Band | 2018/19 (standard rates) | 2018/19 (Additional property rates) |
|------------------------|--------------------------|-------------------------------------|
| Up to £125,000 | Zero | 3% |
| £125,001 to £250,000 | 2% | 5% |
| £250,001 to £925,000 | 5% | 8% |
| £925,001 to £1,500,000 | 10% | 13% |
| Over £1,500,000 | 12% | 15% |

Rates for first time buyers purchasing properties worth £500,000 or less

| Band | 2018/19 |
|----------------------|----------------------------|
| Up to £300,000 | Zero |
| £300,001 to £500,000 | 5% |
| Over £500,000 | Standard rates above apply |

COMMERCIAL

| Band | 2018/19 |
|----------------------|---------|
| Up to £150,000 | Zero* |
| £150,001 to £250,000 | 2% |
| Over £250,000 | 5% |

Individual Savings Account (ISAs)

ISA CONTRIBUTION LIMITS

| Limits | 2017/18 | 2018/19 |
|----------------------|---------------------------|---------------------------|
| Overall Limit | £20,000 | £20,000 |
| Lifetime ISA | £4,000 | £4,000 |
| Help to Buy ISA | £2,400 (£3,400 in year 1) | £2,400 (£3,400 in year 1) |

JUNIOR ISA CONTRIBUTION LIMITS

| Limits | 2017/18 | 2018/19 |
|--------|---------|---------|
| | £4,128 | £4,260 |