

Retirement income planning

AF8: 2017–18 edition

Web update 2: 14 February 2018

Please note the following update to your copy of the AF8 2017–18 study text:

Pensions advice

The plan to introduce a new income tax exemption to cover the first £500 of pensions advice provided by an employer to an employee was initially dropped from Finance Act 2017. It was reintroduced in **Finance (No. 2) Act 2017** and takes retrospective effect from 6 April 2017. The exemption replaces a previous, more restrictive exemption, which was limited to £150.

This change affects the following section:

- Chapter 1, section D2, page 1/8.

Dividend allowance

Finance (No. 2) Act 2017 reinstated that the dividend allowance will be reduced from £5,000 to £2,000 from the tax year 2018/19. It will remain at £5,000 for 2017/18.

This change affects the following sections:

- Chapter 1, section D2, page 1/8.
- Chapter 6, section B1, page 6/7.

Class 2 National Insurance contributions (NICs)

In its policy paper on the abolition of Class 2 NICs, dated 7 November 2017, the Government announced the delay of the abolition by one year. This delays the previously announced abolition from 6 April 2018 to 6 April 2019.

This change affects the following sections:

- Chapter 2, section B5E, page 2/15.
- Chapter 3, section D2, page 3/30.