

Equity release

ER1: 2020–21 edition

Web update 2: 18 August 2020

Please note the following update to your copy of the **ER1** study text:



Be aware

SDLT cuts for 2020/21

Due to the coronavirus (COVID-19) pandemic, the Chancellor has announced a temporary increase in the stamp duty land tax (SDLT) nil rate band in England and Northern Ireland from 8 July 2020 until 31 March 2021. This SDLT cut will also apply to purchases of residential properties in addition to an existing home during this period.

The temporary rates are shown in the following table.

SDLT rates from 8 July 2020 until 31 March 2021 in England and Northern Ireland		
Slice of property value	SDLT rates where no other property is owned	SDLT rates on additional properties
Up to £500,000	0%	3%
£500,001 to £925,000	5%	8%
£925,001 to £1,500,000	10%	13%
Over £1,500,000	12%	15%

LBTT and LTT cuts for 2020/21

Scotland and Wales have also announced temporary cuts to their land and buildings transaction tax (LBTT) and land transaction tax (LTT) rates:

- In Scotland, the LBTT nil rate band is temporarily increased to £250,000 from 15 July 2020 to 31 March 2021. The change also applies to the additional properties, but not to non-residential LBTT.
- In Wales, the LTT nil rate band is temporarily increased to £250,000 from 27 July 2020 to 31 March 2021. The change does not apply to additional properties and to non-residential LTT.

These changes affect the following sections:

- chapter 6, section C6, page 6/14;
- chapter 7, sections A4, A5 and A6, pages 7/8 and 7/9; and
- chapter 9, section A7, page 9/6.