

# INCOME TAX

## RATES OF TAX

2018/2019

Starting rate of 0% on savings income up to*	£5,000
Personal Savings Allowance	
Basic rate	£1,000
Higher rate	£500
Basic rate of 20%	£0 to £34,500
Higher rate of 40%	£34,501 to £150,000
Additional rate of 45%	£150,001 and over

*\*Not available if taxable non-savings income exceeds the starting rate band.*

Dividend Allowance	£2,000
Dividend tax rates	
Basic rate	7.5%
Higher rate	32.5%
Additional rate	38.1%
Trusts	
Standard rate band	£1,000
Rate applicable to trusts	
- Dividends	38.1%
- other income	45%

## MAIN PERSONAL ALLOWANCES AND RELIEFS

Income limit for Personal Allowance §	£100,000
Personal Allowance (basic) §	£11,850
Transferable Tax allowance for married couples and civil partners	£1,190
Rent-a-room tax-free income	£7,500

*§ Reduced allowance of £1 for every £2 of adjusted net income over and above £100,000*

## NATIONAL INSURANCE CONTRIBUTIONS

Class 1 Employee	per week
Lower Earnings Limit (LEL)	£116
Primary threshold	£162
Upper Earnings Limit (UEL)	£892

Class 1	Employee	Employer
NICs rate	12%	13.8%
No NICs on the first (per week)*	£162	£162**
NICs rate charged up to (per week)	£892	No limit
2% NICs on earnings over	£892	n/a

*\*This is the primary threshold below which no NI contributions are payable. However, the lower earnings limit is £116 per week. This £116 to £162 band is a zero rate band introduced in order to protect lower earners' rights to contributory State benefits e.g. the new State Pension.*

*\*\* Secondary earnings threshold.*

<b>Class 2 (self-employed)</b>	Flat rate per week £2.95 where profits exceed £6,205 per annum.
<b>Class 3 (voluntary)</b>	Flat rate per week £14.65.
<b>Class 4 (self-employed)</b>	9% on profits between £8,424 - £46,350. 2% on profits above £46,350.

## CAPITAL GAINS TAX

TAX RATES	2018/2019
Individuals:	
Up to basic rate limit	10%
Above basic rate limit	20%
Surcharge for residential property and carried interest	8%
Trustees and Personal Representatives	20%
Entrepreneurs' Relief* – Gains taxed at:	
Lifetime limit	10% £10,000,000

*\*For trading businesses and companies (minimum 5% employee or director shareholding) held for at least one year.*

EXEMPTIONS	
Individuals, estates etc	£11,700
Trusts generally	£5,850
Chattels proceeds (restricted to five thirds of proceeds exceeding limit)	£6,000

# PENSIONS

2018/2019

Lifetime Allowance	£1,030,000
Annual Allowance*	£40,000
Money Purchase Annual Allowance	£4,000

\* Tapered by £1 for every £2 of 'adjusted income' over £150,000 to a minimum of £10,000 if 'threshold income' is also over £110,000.

# INHERITANCE TAX

## RATES OF TAX ON TRANSFERS

2018/2019

Transfers made on death	
- Up to £325,000	Nil
- Excess over £325,000	40%
- Reduced rate (where appropriate charitable contributions are made)	36%
Chargeable lifetime transfers to trusts	20%

## MAIN EXEMPTIONS

Transfers to	
- UK-domiciled spouse/civil partner	No limit
- non-UK-domiciled spouse/civil partner (from UK-domiciled spouse)	£325,000
- main residence nil-rate band*	£125,000
- UK-registered charities	No limit

\* Available for estates up to £2,000,000 and then tapered at the rate of £1 for every £2 in excess until fully extinguished.

Lifetime transfers	
- Annual exemption per donor	£3,000
- Small gifts exemption	£250

Wedding/civil partnership gifts by	
- Parent	£5,000
- Grandparent/bride or groom	£2,500
- other person	£1,000

100% relief: businesses, unlisted/AIM companies, certain farmland/building

50% relief: certain other business assets

Reduced tax charge on gifts within 7 years of death:

- Years before death	0-3	3-4	4-5	5-6	6-7
- Inheritance Tax payable	100%	80%	60%	40%	20%

Quick succession relief:

- Years since IHT paid	0-1	1-2	2-3	3-4	4-5
- Inheritance Tax relief	100%	80%	60%	40%	20%

## CORPORATION TAX

2018/2019

Standard rate 19%

## VALUE ADDED TAX

2018/2019

Standard rate 20%  
Annual registration threshold £85,000  
Deregistration threshold £83,000

## STAMP DUTY LAND TAX

Residential

Value up to £125,000	0%
£125,001 - £250,000	2%
£250,001 - £925,000	5%
£925,001 - £1,500,000	10%
£1,500,001 and over	12%

- *Stamp Duty Land Tax (SDLT) is payable in England and Northern Ireland only. Land Transaction Tax (LTT) is payable in Wales and Land and Buildings Transaction Tax (LBTT) is payable in Scotland. The rates for LTT and LBTT are different to the rates shown above.*
- *Additional SDLT of 3% may apply to the purchase of additional residential properties purchased for £40,000 or greater.*
- *SDLT may be charged at 15% on interests in residential dwellings costing more than £500,000 purchased by certain corporate bodies or non-natural persons in some circumstances.*
- *First-time buyers benefit from SDLT relief on purchases up to £500,000 when purchasing their main residence. On purchases up to £300,000, no SDLT is payable. On purchases between £300,000 and £500,000, a flat rate of 5% is charged on the balance above £300,000.*
- *Additional rates of LBTT and LTT apply in Scotland and Wales respectively for the purchase of additional residential properties. First-time buyers benefit from LBTT relief in Scotland. There is no LTT relief for first-time buyers in Wales.*

## MAIN SOCIAL SECURITY BENEFITS

2018/2019

Child Benefit	First child	£20.70
	Subsequent children	£13.70
	Guardian's allowance	£17.20
Basic State Pension	Single	£125.95
	Married	£201.45
New State Pension	Single	£164.35
Pension Credit	Single person standard minimum guarantee	£163
	Married couple standard minimum guarantee	£248.80
Bereavement Support Payment *	Higher rate - lump sum	£3,500
	Higher rate - monthly payment	£350
	Standard rate – lump sum	£2,500
	Standard rate – monthly payment	£100

\* Only applicable where spouse or civil partner died on or after 6 April 2007.

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