

Tax Rates

2018/2019



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INCOME TAX RATES

England & Wales

Band (£)	Rate
Basic rate (£11,851 - £34,500)	20%
Higher rate (£34,501 - £150,000)	40%
Additional rate (over £150,000)	45%

Scotland 2018/19 *

Band (£)	Rate
Starter tax rate (up to £2,000 **)	19%
Basic tax rate (£2,001 - £12,150)	20%
Intermediate tax rate (£12,151 - £31,580)	21%
Higher tax rate (£31,581 - £150,000)	41%
Top rate (over £150,000)	46%

* Pending approval by Scottish Parliament in April 2018.

** This is up to £2,000 of taxable income.

INCOME TAX ALLOWANCES

Personal allowance £11,850

Personal allowance reduced by £1 for every £2 of net income over £100,000

Married couples/civil partners transferable allowance £1,190

Married couples/civil partners allowance £8,695
(maximum if at least one born before 6 April 1935)

Blind person's allowance £2,390

NATIONAL INSURANCE RATES

Class 1 Employees' Rates

Weekly Earnings	Rate
Up to £162	Nil
£162 to £892	12%
Over £892	2%

Class 1 Employers' Rates

Weekly Earnings	Rate
Up to £162	0%
Over £162 *	13.8%
Annual allowance for most employers	£3,000

* Special rules for employees under 21 years old, or apprentices under 25 years old.

Other Rates

Class 1A Employer	13.8% on most benefits in kind not within Class 1.
Class 2 Self-employed	Flat rate £2.95 pw (on profits above £6,205)
Class 3 Voluntary	Flat rate £14.65 pw.
Class 4 Self-employed	9% on annual profits between lower profit limit of £8,424 and higher profit limit of £46,350. 2% on annual profits above £46,350.

INHERITANCE TAX

Chargeable Transfers

Amount	Death Rate	Lifetime Rate
Below £325,000	Nil	Nil
Over £325,000	40%*	20%

* 36% reduced death rate applies to taxable estates where 10% or more is left to charity.

Reliefs

Annual exemption	£3,000	Marriage	- Parent	£5,000
			- Grandparent	£2,500
			- Bride / Groom	£2,500
			- Other	£1,000
Small gifts	£250			

Reduced charge on gifts made within 3-7 years of death

Years before death	0-3	3-4	4-5	5-6	6-7
% of death rate due	100	80	60	40	20

CAPITAL GAINS TAX

Individuals

Annual exemption amount	£11,700
Basic rate tax payer	10% *
Higher rate tax payer	20%**

Trusts

Annual exemption amount	£5,850
Rate	20%**

* 18% may apply to the disposal of certain residential property and carried interest.

** 28% may apply to the disposal of certain residential property and carried interest.

STAMP DUTY - SHARES & SECURITIES

Standard rate 0.5%

Higher rate 1.5%

STAMP DUTY LAND TAX

Applies to England and Northern Ireland

Rate	Residential *	Non-residential	Rate
0%	£0 - £125,000	£0 - £150,000	0%
2%	£125,001 - £250,000	£150,001 - £250,000	2%
5%	£250,001 - £925,000	More than £250,000	5%
10%	£925,001 - £1,500,000		
12%	Over £1,500,000		

* Rates may be increased by 3% for purchases of residential property where the purchaser already owns at least one residential property.

A charge of 15% applies to purchases of residential property by 'non-natural person' (usually companies) in excess of £500,000 subject to certain exclusions.

From 1 April 2018 Land Transaction Tax will apply on any land transactions in Wales; operated by the Welsh Revenue Authority.

LAND & BUILDING TRANSACTION TAX

Applies to Scotland (since 1 April 2015)

Rate	Residential *	Non-residential	Rate
0%	£0 - 145,000	£0 - £150,000	0%
2%	£145,001 - £250,000	£150,001 - £350,000	3%
5%	£250,001 - £325,000	Over £350,000	4.5%
10%	£325,001 - £750,000		
12%	Over £750,000		

*Rates may be increased by 3% where further residential properties costing £40,000 or over are acquired.

INDIVIDUAL SAVINGS ACCOUNT (ISA)

Overall investment limit	£20,000
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Junior ISA limit	£4,260
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Lifetime ISA limit - counts towards the annual overall investment limit	£4,000
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TAX RELIEF ON INVESTMENTS

Enterprise Investment Scheme (EIS)

Relief on investments in certain unquoted trading companies up to £1,000,000 pa.

- Income tax relief at 30%
- Capital gains exemption on disposal

Unlimited amounts of capital gains from the disposal of other assets may be able to be deferred by making an EIS investment.

Seed Enterprise Investment Scheme (SEIS)

Relief on investments in certain unquoted trading companies up to £100,000 pa.

- Income tax relief at 50%
- Capital gains exemption on disposal

Capital gains from the disposal of other assets may be exempt up to £50,000 p.a. by making a SEIS investment.

Venture Capital Trusts (VCT)

Relief on investments in certain quoted companies up to £200,000 pa.

- Income tax relief at 30%
- Capital gains exemption on disposal

Dividends received from VCTs may be exempt from income tax.

PENSION ALLOWANCES

Lifetime Allowance limit ¹	£1,030,000
Annual Allowance limit ²	£40,000
Money Purchase Annual Allowance ³	£4,000

¹ Lifetime Allowance is set to increase each year with inflation.

² The Annual Allowance is tapered by £1 for every £2 of adjusted income in excess of £150,000 subject to a minimum of £10,000. If relief is not used in a year it may be carried forward up to 3 years provided the individual was a member of a registered scheme in the year to which the unused relief relates.

³ The Money Purchase Annual allowance relates to those individuals who have already started to draw pension benefits. There is no ability to carry forward unused allowances from the previous 3 years.

STATUTORY PAY RATES

		Weekly benefits
Basic State Pension	single person	£125.95
	married couple	£244.60
New State Pension		£164.35
Statutory Sick Pay ¹	standard rate	£92.05 ²
Statutory Maternity Pay	- first six weeks	90% of weekly earnings
Adoption Pay	- next 33 weeks	£145.18 ³
Statutory Paternity Pay	- two weeks	£145.18 ³

¹ Paid for up to 28 weeks but excluding the first 3 days.

² Based on number of Qualifying Days which apply for the week.

³ Or 90% of weekly earnings if lower.

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- Financial Planning
- Pensions, Retirement & Annuities
- Estate & Inheritance Tax Planning
- Financial Protection & Life Assurance
- Regular Savings
- Investment Management Services

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