

INCOME TAX

| RATES OF TAX | 2016/2017 | 2017/2018 |
|---|-----------|-----------|
| Starting rate for savings* | 0% | 0% |
| Basic rate | 20% | 20% |
| Higher rate | 40% | 40% |
| Additional rate | 45% | 45% |
| Starting-rate limit | £5,000* | £5,000* |
| Threshold of taxable income above which higher rate applies | £32,000 | £33,500 |
| Threshold of taxable income above which additional rate applies | £150,000 | £150,000 |
| Child benefit charge from 7 January 2013: | | |
| 1% of benefit for every £100 of income over | £50,000 | £50,000 |
| <i>*not applicable if taxable non-savings income exceeds the starting rate band.</i> | | |
| Dividend Allowance | | £5,000 |
| 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 | £100,000 |
| Personal Allowance (basic) | £11,000 | £11,500 |
| Married/civil partners (minimum) at 10% † | £3,220 | £3,260 |
| Married/civil partners at 10% † | £8,355 | £8,445 |
| Transferable tax allowance for married couples/civil partners | £1,100 | £1,150 |
| Income limit for age-related allowances † | £27,700 | £28,000 |
| Rent a Room relief | £4,250 | £7,500 |
| Blind Person's Allowance | £2,290 | £2,320 |
| Enterprise Investment Scheme relief limit on £1,000,000 max | 30% | 30% |
| Seed Enterprise Investment relief limit on £100,000 max | 50% | 50% |
| Venture Capital Trust relief limit on £200,000 max | 30% | 30% |
| <i>§ the Personal Allowance reduces by £1 for every £2 of income above the income limit irrespective of age (under the income threshold).</i> | | |
| <i>† where at least one spouse/civil partner was born before 6 April 1935.</i> | | |
| Child Tax Credit (CTC) | | |
| - Child element per child (maximum) | £2,780 | £2,780 |
| - family element | £545 | £545 |
| Threshold for tapered withdrawal of CTC | £16,105 | £16,105 |

NATIONAL INSURANCE CONTRIBUTIONS

Class 1 Employee

Weekly

| | |
|----------------------------|------|
| Lower Earnings Limit (LEL) | £113 |
| Primary threshold | £157 |
| Upper Earnings Limit (UEL) | £866 |

Total earnings £ per week

CLASS 1 EMPLOYEE CONTRIBUTIONS

| | |
|-----------------|-----|
| Up to 157.00* | Nil |
| 157.01 – 866.00 | 12% |
| Above 866.00 | 2% |

**This is the primary threshold below which no NI contributions are payable. However, the lower earnings limit is £113 per week. This £113 to £157 band is a zero-rate band introduced in order to protect lower earners' rights to contributory State benefits e.g. the new State Pension.*

Total earnings £ per week

CLASS 1 EMPLOYER CONTRIBUTIONS

| | |
|--------------------|-------|
| Below 157.00** | Nil |
| 157.01 – 866.00 | 13.8% |
| Excess over 866.00 | 13.8% |

*** Secondary earnings threshold.*

Class 2 (self-employed)

Flat rate per week £2.85 where profits exceed £6,025 per annum.

Class 3 (voluntary)

Flat rate per week £14.25.

Class 4 (self-employed)

9% on profits between £8,164 - £45,000.

2% on profits above £45,000.

PENSIONS

| TAX YEAR | LIFETIME ALLOWANCE |
|-----------|--------------------|
| 2006/2007 | £1,500,000 |
| 2007/2008 | £1,600,000 |
| 2008/2009 | £1,650,000 |
| 2009/2010 | £1,750,000 |
| 2010/2011 | £1,800,000 |
| 2011/2012 | £1,800,000 |
| 2012/2013 | £1,500,000 |
| 2013/2014 | £1,500,000 |
| 2014/2015 | £1,250,000 |
| 2015/2016 | £1,250,000 |
| 2016/2017 | £1,000,000 |
| 2017/2018 | £1,000,000 |

LIFETIME ALLOWANCE CHARGE

55% of excess over lifetime allowance if taken as a lump sum.

25% of excess over lifetime allowance if taken in the form of income, which is subsequently taxed under PAYE.

ANNUAL ALLOWANCE

| TAX YEAR | ANNUAL ALLOWANCE |
|-----------|------------------|
| 2011/2012 | £50,000 |
| 2012/2013 | £50,000 |
| 2013/2014 | £50,000 |
| 2014/2015 | £40,000 |
| 2015/2016 | £40,000~ |
| 2016/2017 | £40,000* |
| 2017/2018 | £40,000* |

~ increased to £80,000 for pension input between April - 8 July 2015. If not used, can be carried forward to pension input period of 9 July 2015 - 6 April 2016, subject to a maximum of £40,000.

*tapered at a rate of £1 for every £2 of adjusted income in excess of £150,000 where threshold income exceeds £110,000.

| MONEY PURCHASE ANNUAL ALLOWANCE | 2016/2017 | 2017/2018 |
|---------------------------------|-----------|-----------|
| | £10,000 | £10,000 |

ANNUAL ALLOWANCE CHARGE

20% - 45% determined by the member's taxable income and the amount of total pension input in excess of the annual allowance or money purchase annual allowance.

CAPITAL GAINS TAX

| EXEMPTIONS | 2016/2017 | 2017/2018 |
|---|-----------|-----------|
| Individuals, estates etc | £11,100 | £11,300 |
| Trusts generally | £5,550 | £5,650 |
| Chattels proceeds (restricted to five thirds of proceeds exceeding limit) | £6,000 | £6,000 |

TAX RATES

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

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

INHERITANCE TAX

| RATES OF TAX ON TRANSFERS | 2016/2017 | 2017/2018 |
|---|-----------|-----------|
| Transfers made on death after 5 April 2015 | | |
| - Up to £325,000 | Nil | Nil |
| - Excess over £325,000 | 40% | 40% |
| Transfers made after 5 April 2015 | | |
| - Lifetime transfers to and from certain trusts | 20% | 20% |

A lower rate of 36% applies where at least 10% of deceased's net estate is left to a registered charity.

MAIN EXEMPTIONS

| | | |
|--|----------|----------|
| Transfers to | | |
| - UK-domiciled spouse/civil partner | No limit | No limit |
| - non-UK-domiciled spouse/civil partner (from UK-domiciled spouse) | £325,000 | £325,000 |
| - main residence nil rate band* | £100,000 | £100,000 |
| - UK-registered charities | No limit | 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 | £3,000 |
| - Small gifts exemption | £250 | £250 |

| | | |
|------------------------------------|--------|--------|
| Wedding/civil partnership gifts by | | |
| - parent | £5,000 | £5,000 |
| - grandparent/bride and/or groom | £2,500 | £2,500 |
| - other person | £1,000 | £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:

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

Quick succession relief:

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

CAR BENEFIT FOR EMPLOYEES

The charge for company car benefits is based on the carbon dioxide (CO₂) emissions. There is no reduction for high business mileage users.

For 2017/2018:

- The percentage charge is 9% of the car's list price for CO₂ emissions of 50g/km or less.
- For cars with CO₂ emissions of 51g/km to 75g/km the percentage is 13%.
- For cars with CO₂ emissions of 76g/km to 94g/km the percentage is 17%.
- Cars with CO₂ emissions of 95g/km have a percentage charge of 18% and thereafter the charge increases by 1% for every complete 5g/km to a maximum of 37% (emissions of 200g/km and above).

There is an additional 3% supplement for diesel cars not meeting Euro IV emission standards. However, the maximum charge remains 37% of the car's list price.

Car fuel The benefit is calculated as the CO₂ emissions % relevant to the car and that % applied to a set figure (£22,600 for 2017/2018) e.g. car emission 100g/km = 17% on car benefit scale. 17% of £22,600 = £3,842.

1. **Accessories** are, in most cases, included in the list price on which the benefit is calculated.
2. **List price** is reduced for capital contributions made by the employee up to £5,000.
3. **Car benefit** is reduced by the amount of employee's contributions towards running costs.
4. **Fuel scale** is reduced only if the employee makes good **all** the fuel used for private journeys.
5. **All car and fuel benefits** are subject to employers National Insurance contribution's (Class 1A) of 13.8%.

PRIVATE VEHICLES USED FOR WORK

| | 2016/2017 Rates | 2017/2018 Rates |
|--|-----------------|-----------------|
| Cars | | |
| On the first 10,000 business miles in tax year | 45p per mile | 45p per mile |
| Each business mile above 10,000 business miles | 25p per mile | 25p per mile |
| Motor Cycles | 24p per mile | 24p per mile |
| Bicycles | 20p per mile | 20p per mile |

MAIN CAPITAL AND OTHER ALLOWANCES

| | 2016/2017 | 2017/2018 |
|--|-------------|------------------|
| Plant & machinery (excluding cars) 100% annual investment allowance (first year) | £200,000 | £200,000 |
| Plant & machinery (reducing balance) per annum | 18% | 18% |
| Patent rights & know-how (reducing balance) per annum | 25% | 25% |
| Certain long-life assets, integral features of buildings (reducing balance) per annum | 8% | 8% |
| Energy & water-efficient equipment | 100% | 100% |
| Zero emission goods vehicles (new) | 100% | 100% |
| Qualifying flat conversions, business premises & renovations | 100% | 100% |
| Motor cars: Expenditure on or after 01 April 2016 (Corporation Tax) or 06 April 2016 (Income Tax) | | |
| CO ₂ emissions of g/km: | 75 or less* | 76-130 |
| | | 131 or more |
| Capital allowance: | 100% | 18% |
| | first year | reducing balance |
| | | reducing balance |

*If new

MAIN SOCIAL SECURITY BENEFITS

| | | 2016/2017 | 2017/2018 |
|---|---|--------------|--------------|
| | | £ | £ |
| Child Benefit | First child | 20.70 | 20.70 |
| | Subsequent children | 13.70 | 13.70 |
| | Guardian's allowance | 16.55 | 16.70 |
| Employment and Support Allowance | Assessment Phase | | |
| | Age 16 – 24 | Up to 57.90 | Up to 57.90 |
| | Aged 25 or over | Up to 73.10 | Up to 73.10 |
| | Main Phase | | |
| | Work Related Activity Group | Up to 102.15 | Up to 102.15 |
| | Support Group | Up to 109.30 | Up to 109.65 |
| Attendance Allowance | Lower rate | 55.10 | 55.65 |
| | Higher rate | 82.30 | 83.10 |
| basic State Pension | Single | 119.30 | 122.30 |
| | Married | 190.80 | 195.60 |
| new State Pension | Single | 155.65 | 159.55 |
| Pension Credit | Single person standard minimum guarantee | 155.60 | 159.35 |
| | Married couple standard minimum guarantee | 237.55 | 243.25 |
| | Maximum savings ignored in calculating income | 10,000.00 | 10,000.00 |
| Bereavement Payment Support Payment* | | 2,000.00 | 2,000.00 |
| Higher rate - lump sum | | N/A | 3,500.00 |
| Higher rate - monthly payment | | N/A | 350.00 |
| Standard rate – lump sum | | N/A | 2,500.00 |
| Standard rate – monthly payment | | N/A | 100.00 |
| Jobseekers Allowance | Age 18 - 24 | 57.90 | 57.90 |
| | Age 25 or over | 73.10 | 73.10 |
| Statutory Maternity, Paternity and Adoption Pay | | 139.58 | 140.98 |
| <i>Only applicable where spouse or civil partner died on or after 6 April 2007*</i> | | | |

CORPORATION TAX

| | 2016/2017 | 2017/2018 |
|---------------|-----------|-----------|
| Standard rate | 20% | 19% |

VALUE ADDED TAX

| | 2016/2017 | 2017/2018 |
|-------------------------------|-----------|-----------|
| Standard rate | 20% | 20% |
| Annual registration threshold | £83,000 | £85,000 |
| Deregistration threshold | £81,000 | £83,000 |

STAMP DUTY LAND TAX

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

Stamp Duty Land Tax (SDLT) is payable in England, Wales and Northern Ireland only. Land and Buildings Transaction Tax (LBTT) is payable in Scotland at different rates to the above.

Additional SDLT of 3% may apply to the purchase of additional residential properties purchased for £40,000 or greater.

SDLT is charged at 15% on interests in residential dwellings costing more than £500,000 purchased by certain corporate bodies or non-natural persons.

| | Non residential |
|-----------------------|-----------------|
| Value up to £150,000 | 0% |
| £150,001 and £250,000 | 2% |
| £250,001 and over | 5% |