

INCOME TAX

RATES OF TAX

2017/2018

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 £33,500
Higher rate of 40%	£33,501 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	£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
Personal Allowance (basic) §	£11,500
Transferable Tax allowance for married couples and civil partners	£1,150
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)	£113
Primary threshold	£157
Upper Earnings Limit (UEL)	£866

Class 1	Employee	Employer
NICs rate	12%	13.8%
No NICs on the first (per week)*	£157	£157**
NICs rate charged up to (per week)	£866	No limit
2% NICs on earnings over	£866	n/a

**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.*

*** 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.

CAPITAL GAINS TAX

TAX RATES	2017/2018
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:	10%
Lifetime limit	£10,000,000

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

EXEMPTIONS	
Individuals, estates etc	£11,300
Trusts generally	£5,650
Chattels proceeds (restricted to five thirds of proceeds exceeding limit)	£6,000

PENSIONS

2017/2018

Lifetime Allowance	£1,000,000
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

2017/2018

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*	£100,000
- 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

2017/2018

Standard rate 19%

VALUE ADDED TAX

2017/2018

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, 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 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.*

MAIN SOCIAL SECURITY BENEFITS

2017/2018

Child Benefit	First child	£20.70
	Subsequent children	£13.70
	Guardian's allowance	£16.70
basic State Pension	Single	£122.30
	Married	£195.60
new State Pension	Single	£159.55
Pension Credit	Single person standard minimum guarantee	£159.35
	Married couple standard minimum guarantee	£243.25
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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