

Tax & Benefit Tables 2017-18

A Summary Guide



5th April 2017 - 6th April 2018

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Personal Income Taxes

Income Tax Rates

Tax Bands	Threshold Start	Threshold End	Tax Band	Dividend Tax
Nil Rate	£0	£11,000	0%	0.0%
Basic Rate	£11,000	£43,000	20%	7.5%
Higher Rate (1)	£43,000	£150,000	40%	32.5%
Additional Rate (2)	£150,000	No Maximum	45%	38.0%
Savings Income (3)	£0	£5,000	0.0%	
Dividend Income (4)	£0	£5,000	0.0%	
Interest Allowance	£0	£1,000	0.0%	

Income Tax Allowance Reductions

Threshold Start	Threshold End	Reduction
£100,000	£122,000	(1) Income Tax Free Allowance is reduced by £1 per £2 above £100,00 upto £122,000
£122,000	None	(2) Income Tax Free Allowance is removed above £122,000
£16,000	None	(3) Savings Allowance is removed above Total Personal Income of £16,000
£43,000	£150,000	(4) Interest Allowance is reduced to £500 for Higher Rate Taxpayers and Nil for Additional Rate Taxpayers

Other Income Taxes & Allowances (Annually)

Consideration	Threshold	Tax Rate	Conditions
Interest Allowance	£1,000	0%	Individual/Joint Income Allocation
Rent a Room	£7,500	0%	Individual/Joint Income Allocation
Venture Capital Trusts	£200,000	0%	Capital Gains Tax Free
Enterprise Investment Schemes	£1,000,000	0%	30% Income Tax Relief on Purchase
			Capital Gains Tax Free after 3 Years

National Insurance Contribution Thresholds (Monthly)

Class	Contributor	Band	Rate
1	Employed	£5,832	0.0%
		£8,064	12.0%
		£42,996	2.0%
1A	Voluntary	Any	£61.00
2	Self Employed	Stamp Rate	£12.36
4		£5,965	0.0%
		£8,060	9.0%
		£43,000	2.0%

Monthly Rates Annualised.
NIC's are paid as a statutory requirement by all UK Income Tax Residents aged 16 to 64 only, subject to their relevant Employed/Self Employed Income Threshold.

Capital Gains Tax

Tax Bands	Annual Threshold	Tax Rate
Nil & Basic Rate tax Payers	£11,000	10%
Higher Rate Tax Payers	£11,000	20%
Govt Gilts & Corporate Bonds	None	0%
Seed Enterprise Investment Schemes *	£100,000	0%
Enterprise Investment Schemes *	£2,000,000	
Chattels (Personal Valuables)	£6,000	0%
Trustees	£5,450	28%

Capital Gains Tax is only applied as and when any such gains are materialised. Although any unused Annual Allowance cannot be carried forward; any materialised losses in the previous 6 years can be brought forward and offset against a current year gain.

* Subject to Shares being held for minimum of 3 Years

Stamped Taxes (Duties)

Tax	Threshold	Tax Rate
VAT (Standard Charge Rate)	None	20%
VAT Registration Threshold	£79,000	
Stamp Duty Land Tax (SDLT)	£0 - £125,000	0%
SDLT as applied to Residential Property Purchases only.	£125,000 - £250,000	2%
	£250,000 - £1,000,000	5%
	£500,000 - £1,000,000	4%
	£1,000,000 - £1,500,000	10%
	£1,500,000 +	12%
Stamp Duty Reserve Tax (SDRT) Applies to all Stocks & Shares Purchase Transactions.	None	0.5%

Purchase Values upto £1,000 are Exempt.

ISA Contributions (Individual Savings Accounts)

Consideration	Annual Allowance	Tax Rate *
Adult ISA (Age 18+)	£20,000	0%
Child Cash ISA (Age 16-17)	£20,000	0%

Personal/Employer Pension Contributions

Annual Allowances	Gross Allowance	Maximum Tax Relief
Minimum Personal Allowance	£3,600	20%
Maximum Personal Allowance	£40,000 or 100% Qualifying Earnings	20% / 40%
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Maximum Employer Allowance	£40,000 or 100% Qualifying Earnings	20% / 25% (Subject to Business Profits)

Annual Contributions in excess of the Annual Allowance are permissible but do NOT receive any Personal or Employer Tax Relief. Likewise, they are NOT subject to any Annual Penalties.

Lifetime Allowances	Gross Allowance	Maximum Tax Surcharge
Maximum Lifetime Allowance	£1,000,000	25% TFC + 75% Income Tax Rates
Trivial Commutation *	£18,000	

* Trivial Commutation includes ALL Personal/Employer Pensions, and must be exercised within any ONE year from Age 60 to 74 only. Benefits remitted as Tax Free Capital Sum (25%) + Residual Capital Balance (75%).

State Pension & Child Benefit (Weekly)

Benefit	Gross Amount	Qualifying Years & Criteria
Basic State Pension	£122.30	30 Years
New State Pension	£159.55	35 Years
Pension Credit	£37.25	
Pension Deferral	10.4% Annualy	Pension Income or Cash Lump Sum (25% TFC)
Child Benefit (Family)	Only Child @ £20.70 Subsequent Child @ £13.70	

Inheritance Tax

UK Status *	Maximum Allowance	Allowance Period	Tax Rate
UK Domiciled Individuals	£325 000 Estate + £100,000 Main Residence	Lifetime	0%
			40%
UK Domiciled Couples	£650 000 Estate + £200,000 Main Residence		0%
			40%

* Individuals are 'Deemed Domicile' if UK Resident 17+ Years of 20 Years preceeding Death.

** Residual Estate IHT is reduced to 36% if Charity Donation equals 10% or more of Gross Estate Value.

Potentially Exempt Transfers	Years Preceding Death	IHT Rate Reduction	
UK Domiciled & Non UK Domiciled Individuals & Couples	0 -3 Years	0%	Full IHT Charge @ 40%
	3 - 4 Years	20%	
	4 - 5 Years	40%	
	5 - 6 Years	60%	
	6 - 7 Years	80%	
	7 Years +	100%	No IHT Charge (0%)

Exempt Transfers	Exemption	Basis
Capital Gifts	£3,000	Single Annual Gift
Wedding Gifts	£5,000	Each Son/Daughter
Small Gifts	£250	Each Person Annually (Unlimited)
Registered Charities *	Unlimited	Full PAYE Personal / Corporation Tax Relief

* Charities can reclaim Basic Rate Income Tax via 'Gift Aid' Donations;

Individuals/Businesses can reclaim Full Income/Corporation Tax Relief via HMRC.

or

General Notes

Please note that this document is provided for your information only, and is not therefore intended to convey any Financial Advice or Recommendations. We hope that you will find this information useful, and that you may be guided by it.

The data contained within this document has been sourced and compiled from HMRC, and whilst we believe it to be correct, we may not be held liable for any inaccuracies or subsequent changes to this information.

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