

Some Important Tax Rates for 2017/18

<p>Tax-free Savings For Individuals</p> <ul style="list-style-type: none"> ISA allowance ➔ £20,000 Junior ISA allowance ➔ £4,128 Help to Buy ISA ➔ £2,400* (made up of monthly contributions of £200 max) <p>*+£1,000 one-off contribution when the account is opened</p>	<p>Dividend Taxation</p> <p>£5,000 tax-free dividend allowance</p> <p>Dividends above this level will be taxed at;</p> <ul style="list-style-type: none"> ➔ 7.5% (basic rate) ➔ 32.5% (higher rate) ➔ 38.1% (additional rate) <p>The dividend allowance will be reduced to £2,000 from April 2018</p>	<p>Income Tax Allowances</p> <p>Income tax personal allowance increased to £11,500 from 6/4/17</p> <p>There is one income tax personal allowance regardless of an individual's date of birth</p> <p>Your Personal Allowance reduces by £1 for every £2 your adjusted net income exceeds £100,000</p>	
<p>NEW from April 2017</p> <p>Lifetime ISA (LISA) For adults up to the age of 40</p> <p>Save up to £4,000 each tax year Receive a government bonus of 25%* Use some or all of your money to buy your first home or use it to save for retirement*</p> <p>*Conditions and restrictions apply</p>	<p>Personal Savings Allowance</p> <p>up to £1,000 of savings interest tax free</p> <p>to basic rate taxpayers and £500 for those who pay higher rate tax</p>	<p>Pension Annual Allowance (AA) (was tapered from April 2016)</p> <p>The current AA of £40,000 will be tapered for anyone whose total 'adjusted income', including the value of any pension savings, is above £150,000.</p> <p>Their AA will be reduced by £1 for every £2 of income above £150,000, with a maximum reduction of £30,000</p>	
<p>State pension</p> <p>To rise by 2.5% in April '17 Flat rate state pension to rise 6/4/17 to ➔ £159.55</p> <p>applicable if you reached state pension age after 6/4/16 (35 qualifying National Insurance years needed) Old state pension rise to £122.30 from 6/4/17</p>			
<p>Capital Gains Tax Allowance</p> <p>Annual personal CGT exemption ➔ £11,300</p> <p>(Higher rates of 18% and 28% still apply to sales of residential property on the sale of second homes)</p>		<p>CGT levied at 10% for basic rate taxpayers ➔ or 20% for higher rate taxpayers*</p> <p>*On gains in excess of the personal exemption, exclusions apply</p>	
<p>Inheritance Tax</p> <p>Nil-rate IHT band £325,000</p> <p>40% IHT payable above this threshold</p> <p>or 36% if you leave at least 10% of your assets to charity</p>		<p>Additional main residence nil rate band (RNRB): Allowance introduced from April 2017 when a residence is passed on death to a direct descendant. The maximum available amount of RNRB will increase yearly</p> <p>For the 2017/18 tax year the allowance will be £100,000</p> <p>Gradually increasing to £175,000 by 2020/21</p> <p>This will be subject to a maximum estate value of £2m</p> <p>Other IHT-free gifts, include;</p> <ul style="list-style-type: none"> Gifts between UK domiciled husband or wife or between civil partners; Small gifts to other recipients up to £250 each in a year Total gifts up to £3,000 in a year (can be carried forward one tax year) Gifts in consideration of marriage or civil partnership ranging from £5,000 from each parent of the couple, to £1,000 from anyone else <p>Chargeable lifetime transfers and potentially exempt transfers attract taper relief, if made up to seven years before death on the amount of gift over the nil rate band</p>	

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