



2017 Autumn Budget – a quick ‘best of’

Abolition of stamp duty for first time buyers in England, Wales and Northern Ireland

In England, Wales and Northern Ireland, stamp duty will be abolished for first time buyers for a purchase price up to £300,000. For FTBs buying between £300,000 and £500,000 the tax will also be less than before the Budget. Above £500k there is no change. Stamp Duty issues in Scotland have been devolved since April 2015 where it is called Land and Buildings Transaction Tax.

Income tax changes from April 2018 – England, Wales and Northern Ireland

The personal allowance – the first part of your taxable income on which the tax rate is 0% - will increase from £11,500 to £11,850. The personal allowance is gradually withdrawn for those with taxable income of more than £100,000, and those with taxable income above £123,700 (2018/19) won't get any personal allowance.

The basic rate tax band of 20% applies to the £34500 of income above the personal allowance of £11,850. This means that up to £46350 can be earned before higher rate tax is paid.

Higher rate tax of 40% is charged on income above £46350 and up to £150,000

Additional rate tax of 45% is paid on income above £150,000.

Income tax - Scotland

Scotland now sets its own rates, but not all taxes.

Employees National Insurance Contributions – applies to all UK taxpayers

The NI threshold before NI starts to be paid by employees rises from £157pw to £162 per week.

The upper earnings limit, taxed at 12%, applies between £162pw and £892 pw.

Above £892 pw, employees pay a NI rate of 2%

Self-employed National Insurance Contributions – applies to all UK taxpayers

Class 2 National Insurance contributions will be payable on income above the Small Profits Threshold of £6,205 pa. Class 2 contributions above the Small Profits Threshold increase to £2.95 per week.

Class 4 contributions are payable at 9% between the Lower Profit Limit of £8,424 and the Upper Profit Limit of £46,350. The rate is 2% on all income above the upper limit.

Pensions – applies to all UK taxpayers

The pensions Lifetime Allowance will increase from £1,000,000 to £1,030,000 where benefits are taken after 6 April 2018.

Annual ISA Allowance – applies to all UK taxpayers

The annual ISA allowance will remain unchanged at £20,000.

Lifetime Individual Savings Accounts (LISA)

Savers and investors aged 18 to 40 can put away up to £4,000 a year. For every £1 paid into a LISA, the government will add a bonus of 25 pence. The bonus is available on contributions paid in until the plan holder is 50. Money paid into a LISA also counts towards the normal ISA allowance. The LISA can be used to purchase a first home or for retirement from age 60 onwards.

Dividend Tax Allowance – previously announced changes taking effect from 6th April 2018 – applies to all UK taxpayers

From April 2018 dividend income above £2,000 will be taxed at 7.5% (basic rate taxpayers), 32.5% (higher rate taxpayers) and 38.1% (additional rate taxpayers.)

Capital Gains tax – applies to all UK taxpayers

The annual exempt amount (excluding Trusts) will be £11,700. Most trusts will have an annual exempt amount of £5,850.

Inheritance Tax – applies to all UK taxpayers

No changes were announced to Inheritance Tax rates or allowances for 2018/19 in the Autumn Budget

Electric vehicle and charge point funding

£400m - made up from £200m of public funding matched by £200m of private sector investment - has been set aside for EV charging infrastructure, while the government will also provide £100m to guarantee continuation of the Plug-in Car Grant up to 2020 to help consumers with cost of new EVs. A further £40m will go towards R&D for EV charging. Interestingly, the government has said that 25% of central government cars will be electric by 2022.

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