Essential Wealth Management
T 01488 669840
www.essential-wealth.co.uk

Spring Statement

2018

The Spring Statement 2018

March has traditionally been the month for Budgets, but no longer. In Autumn 2016 the then new Chancellor, Philip Hammond, announced he would be moving to Autumn Budgets and Spring Statements; a mirror image of the past. However, the change was not instantaneous, and we thus had two Budgets last year, in March and November. Now we have had our first Spring Statement.

Mr Hammond had made clear that he thought the propensity of previous Chancellors to turn their Autumn Statements into second Budgets was not a good idea and that he wanted to make only one set of tax announcements each year. Consequently, Tuesday's parliamentary set piece lasted only 25 minutes. While it contained no new tax or spending measures, it was accompanied by the more normal deluge of documents where the interesting detail is usually to be found.

The economic background has changed only marginally since last November's Budget, helping the Chancellor to keep his speech short:

- Whereas in November the Office for Budget Responsibility (OBR) was projecting that government borrowing would be £49.9bn in 2017/18, it is now forecasting £45.2bn. The drop is hardly surprising: ten months into the fiscal year the government had borrowed just £37.7bn, helped by the second highest ever recorded surplus of £10bn in January.

- Economic growth in 2017 was 1.7% according to the latest Office for National Statistics estimate. While that number is better than the OBR's November 2017 projection of 1.5%, it is still below the March 2017 forecast of 2%. The OBR's November Budget estimate of 1.4% for the current year has now been increased by 0.1% to 1.5%, but for the next two years the OBR has left its growth projections unchanged at 1.3%.

- Inflation has reappeared, largely because of the post-referendum decline in the value of the pound. At the time of the March 2017 Budget annual inflation on the Consumer Prices Index (CPI) measure was running at 2.3%: the latest figure (for January 2018) is 3.0%. In November the OBR forecast for inflation in 2017 was 2.7%, falling to 2.4% this year. The OBR has left the 2018 projection unchanged, with a fall to 1.8% expected in 2019.

- Sterling has strengthened from its 2017 autumnal lows, but it is still 10% below the level it reached in June 2016, immediately before the referendum. As crunch dates near for Brexit decisions – 29 March 2019 is exit day – the pound could come under pressure again, aggravating the Bank of England's problems in meeting its inflation target.

The Chancellor may have revealed nothing on the tax and spending front, but there was no such reticence when it came to consultations. In all the Treasury website listed 13 consultations, although in practice the number included some responses to earlier consultations and several calls for evidence. Their topics ranged from single use plastic to the bringing forward of English business property rate revaluation by one year to 2021.

Income Tax
In the November Budget, the Chancellor announced that the personal allowance would rise by £350 in 2018/19 to £11,850. The same Budget increased the basic rate limit to £34,500, although Scotland subsequently chose a lower figure for 2018/19 for non-savings, non-dividend income and introduced four new tax rates, using its devolved powers. The higher rate threshold for 2018/19 will therefore be £46,350 outside Scotland (and £43,430 in Scotland, together with a 41% higher rate). The Conservative's manifesto 2020/21 goal of a £50,000 higher rate threshold (outside Scotland) remains broadly on track, but now will require an above inflation increase.

The 0% starting rate band for savings income will stay at £5,000. The £50,000 threshold for the high income child benefit tax charge, the £100,000 threshold for phasing out the personal allowance and the £150,000 starting point for additional rate tax are all once again frozen for the coming year. The result is that the overall tax burden is little changed for basic rate taxpayers, but most higher rate taxpayers will see a useful boost. This starts to fade once the personal allowance is lost, as the table below demonstrates:

Income Tax Changes

Total Income £	2017/18 £	2018/19 £	Tax Saving £
Less than 11,500	0	0	0
15,000	700	630	+70
20,000	1,700	1,630	+70
30,000	3,700	3,630	+70
40,000	5,700	5,630	+70
50,000	8,700	8,360	+340
75,000	18,700	18,360	+340
100,000	28,700	28,360	+340
125,000	43,300	43,100	+200
150,000	53,300	53,100	+200
200,000	75,800	75,600	+200

Note: Assumes a non-Scottish taxpayer with all income taxed as earned income with personal allowance only (phased out above £100,000) and no high income child benefit tax charge.

The married couple's allowance (which is only available if you or your partner were born before 6 April 1935) will rise to £8,695 (minimum £3,360) because it is linked to the CPI. The married couple's transferable tax allowance rises to £1,190.

The personal savings allowance levels are unaltered for 2018/19 at £1,000 for basic rate taxpayers, £500 for higher rate taxpayers and nil for additional rate taxpayers. However, the dividend allowance, only introduced in 2016/17, will fall from £5,000 to £2,000. If you have a large portfolio and/or draw dividends from a private company you could face higher tax bills.

The Extra Dividend Tax Bill in 2018/19

Dividend Income £	Basic Rate Taxpayer £	Higher Rate Taxpayer £	Additional Rate Taxpayer £
Up to 2,000	0	0	0
3,000	75	325	381
4,000	150	650	762
5,000 and above	225	975	1,143

One technical income tax change which has not received much attention is that from 6 April 2018 all payments in lieu of notice (PILONs in the jargon) will be chargeable to income tax. At present, only contractual payments attract tax, although what constitutes 'contractual' has proved hard to define.

The 2018/19 higher rate threshold is 3% above the current year's (1% in Scotland). Important income thresholds, such as the £100,000 threshold for personal allowance tapering, have again remained unaltered. If you want to minimise your tax in the coming tax year, now is an ideal time to review your options.

National Insurance

The 2018/19 National Insurance Contribution (NIC) thresholds will rise marginally, thanks to the 3.0% September 2017 inflation number. The starting points for employer's and employee's NICs rise by £5 a week to £162 a week, while the upper earnings/profits limit will rise to £46,350 (£892 a week), in line with the (UK ex-Scotland) higher rate threshold.

The result is an effective clawing back of about £104 of the income tax savings for most higher rate taxpaying employees. There's no change in the main employer and employee NIC rates for 2018/19, but both could face higher contributions to auto-enrolled pensions (see below).

Class 2 contributions will be £2.95 a week in 2018/19 and should then disappear from 2019/20 – a year later than previously planned. The Class 3 voluntary rate will rise by £0.40 to £14.65.

Paralleling the income tax change to PILONs, from 6 April 2018 these will become subject to NICs (employer and employee), whether or not the payment is contractual. The plan to levy employer's NICs on taxable payments above the £30,000 tax exemption for redundancy payments has been deferred one year to 6 April 2019.

National Insurance is a tax in all but name, a fact which governments of all hues have used to their advantage. Its dual identity can also be used to the taxpayer's advantage by taking advantage of salary sacrifice as a way of paying pension contributions. Whilst a clampdown on most salary sacrifice arrangements came into operation last April, those involving pensions were specifically excluded from attack.

Capital Gains Tax
The capital gains tax (CGT) annual exempt amount for 2018/19 will rise by £400 to £11,700.

The 2018/19 CGT annual exemption is worth up to £3,276. By realising gains in this tax year and 2018/19, you could take profits of up to £23,000 without any tax liability.

Inheritance Tax
The inheritance tax (IHT) nil rate band, which has been frozen at £325,000 since April 2009, will remain unchanged until at least April 2021. The residence nil rate band, which was introduced in 2017/18, will rise by £25,000 to £125,000 for 2018/19.

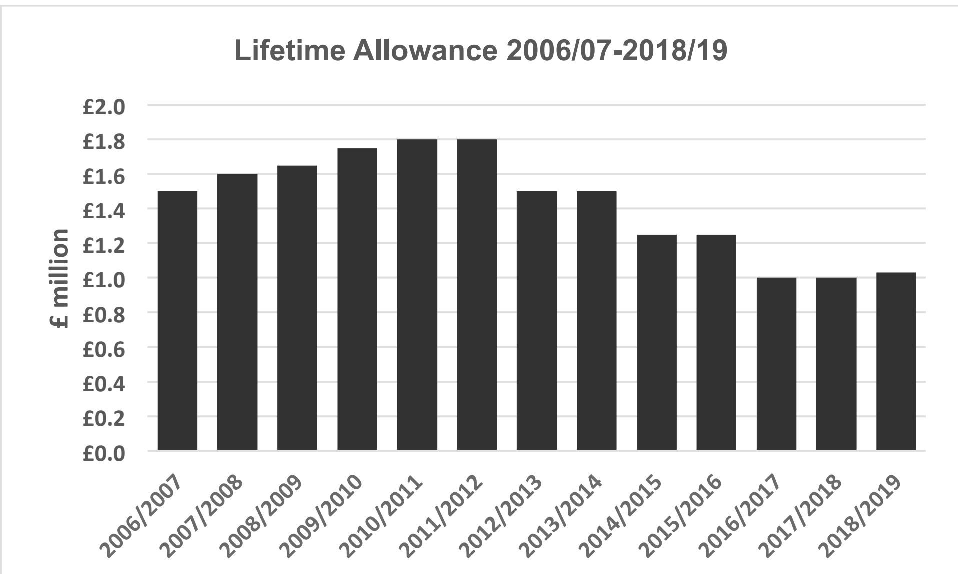
According to Nationwide, the average UK property price has increased by over 37% since the second quarter of 2009. While the residence nil rate band has helped to counteract this, the fact is that in 2016/17 IHT raised more than twice the tax revenue it did in 2009/10. Estate planning remains essential if you want to minimise the impact of IHT on your family.

Individual Savings Accounts
For 2018/19 the overall ISA investment limit will remain at £20,000, with the Junior ISA (JISA) and Child Trust Fund limits increasing to £4,260. LISA and Help to Buy ISA limits remain unchanged.

From 6 April 2018 revised regulations will take effect for the inheritance of ISAs by surviving spouses or civil partners. The new rules are more generous than their predecessors and add to the appeal of ISAs as a source of retirement income for couples.

Pensions
Two important changes to pensions occur on 6 April 2018:

1. ***The lifetime allowance*** will increase from £1m to £1.03m, the first increase in eight years. The rise in the lifetime allowance is an inflation-linked increase which should now be a yearly feature. However, it will take many years or some serious inflation for the lifetime allowance to regain the £1.8m peak it reached in April 2010.



2. ***Minimum contributions for automatically enrolled workplace pension schemes*** will increase sharply. For many employees, the increase is likely to swamp the savings from the adjustments to allowances and tax/NIC bands outlined above. The new limits are set out below, both for the coming tax year and 2019/20, based on the assumptions that the employer pays the minimum required by law and the employee is automatically enrolled:

Tax year	**2017/18**	**2018/19**	**2019/20**
Employer Minimum Contribution	1% of Band earnings (£5,876 - £45,000)	2% of Band earnings (£6,032- £46,350)	3% of Band earnings (£6,188- £47,500)*
Employee Contribution	1% of Band earnings (£5,876 - £45,000)	3% of Band earnings (£6,032- £46,350)	5% of Band earnings (£6,188- £47,500)*
Total Minimum Contribution	2% of Band earnings (£5,876 - £45,000)	5% of Band earnings (£6,032- £46,350)	8% of Band earnings (£6,188- £47,500)*

** based on a projected 2.5% increase in 2019/20*

For example, thanks to the higher personal allowance and NIC starting point an employee earning £26,000 a year will save £101.20 in tax and NICs in 2018/19 but face an extra £318.24 in net auto-enrolment contributions (assuming the employer pays their doubled minimum of 2%). The net result is a net income drop of about £18 a month – enough to be noticeable.

The increase in auto-enrolment contributions could come as a shock to many employees, even though the level of contributions is still far too low to provide an adequate pension. Be sure you - and your workforce - are prepared.

Venture Capital Trusts and Enterprise Investment Schemes

Last November's Budget contained a range of measures designed to sharpen the focus of Venture Capital Trusts (VCTs), Enterprise Investment Schemes (EISs) and Seed Enterprise Investment Schemes (SEISs) on growth companies and away from capital protection strategies. Promotors have been reviewing their investment approaches while they await further clarification from HMRC. As the measures were anticipated, many VCTs and EISs raised capital in early Autumn 2017, ahead of the Budget. The result is that supply in the run up to the tax year end has become restricted.

One of the consultation papers issued alongside the Spring Statement considers the creation of a new type of EIS fund, primarily for knowledge-intensive companies. This would replace the existing – and little used – HMRC approved EIS fund structure. The new regime could offer additional tax incentives, such as a tax exemption for dividends. Currently EIS companies rarely pay dividends, as to do so is generally tax-inefficient for their investors.

Tax Avoidance and Evasion
HMRC's anti-avoidance armoury has been strengthened over the past 12 months with two important developments:

- In September, the Common Reporting Standard (CRS) began to operate. This involves an annual automatic exchange of information on offshore financial accounts to the tax authorities of the residence country of account holders. The initial CRS exchange covered 49 jurisdictions, but by September 2018 the number will expand to over 100.

- In November, the Requirement to Correct (RTC) provisions contained in the Finance (No. 2) Act 2017 became law. RTC is targeted at taxpayers (including trustees) with offshore assets. Under RTC, any such person with a potentially undeclared income tax, capital gains tax and/or inheritance tax liability must 'correct' their tax position by 30 September 2018 (when CRS comes fully on stream).

  After that deadline failure to correct will attract punitive penalties, such as a tax-geared penalty of up to 200% of the avoided tax plus a possible 10% asset-based penalty.

These two measures are further reminders that the tax cannot be ignored by merely placing assets overseas. If you have any doubts about the tax position of assets held overseas, you need to act before the RTC deadline, which is little more than six months away.

The Spring Statement was accompanied by several papers focusing on the area of tax evasion and avoidance, including:

- An update to last year's consultation paper on corporate tax and the digital economy. Predictably, this was mainly concerned with taxing the usual Silicon Valley suspects.

- A consultation on "split payment" of VAT. This would aim to counter online VAT fraud by making the 'merchant acquirer' (eg. eBay) or some other intermediate body (eg payment services provider) responsible for deducting VAT from gross transaction payments and remitting the amount directly to HMRC. The main target is offshore businesses selling into the UK.

- A consultation on the role of online platforms in ensuring that their users comply with their tax obligations. This is targeted at traders who sell online but do not register with the tax authorities.

There remains a variety of acceptable ways to mitigate the burden of tax without straying into territory that makes you a five-star client of HMRC. Some involve offshore arrangements, but over the years successive Chancellors have largely removed the benefits of moving assets outside the UK.

Business Taxes
The main rate of corporation tax is currently 19% and remains at this level from April 2018. It is currently destined to decline to 17% from April 2020.

For those running their own business, the low corporation tax rate (compared with the higher and additional rates of income tax) can make trading through a company an appealing option. However, the decision was complicated in 2016/17 by new tax rules for dividends, which will change again in 2018/19. Further out there is a risk of government action to limit the financial benefits of incorporation, with the Chancellor having promised last November to issue a consultation paper on private sector off-payroll working. Somewhat surprisingly, this document did not appear on 13 March. The best choice for any business depends on all the facts and it is important to take more than just today's tax rules into account when deciding on the appropriate trading vehicle.

The Spring Statement included the government's response to an earlier consultation on changes to business property revaluation in England. The plan to move from five to three-yearly revaluations has been confirmed, with the first revaluation taking place in 2021, a year earlier than previously proposed.

MAIN INCOME TAX ALLOWANCES AND RELIEFS

	2017/18	2018/19
	£	£
Personal allowance – standard	11,500	11,850
Personal allowance reduced if total income exceeds ∞	100,000	100,000
Transferable tax allowance (marriage allowance)§	1,150	1,190
Married couple's allowance* – minimum amount	3,260	3,360
– maximum amount	8,445	8,695
Maintenance to former spouse *	3,260	3,360
Married couple's allowance reduced if total income exceeds	28,000	28,900
Trading allowance	1,000	1,000
Property allowance	1,000	1,000
Reant-a-room relief	7,500	7,500
Employment termination lump sum limit º	30,000	30,000

∞ For 2017/18 and 2018/19 the reduction is £1 for every £2 additional income over £100,000. As a result there is no personal allowance if total income exceeds £123,700 (£123,000 for 2017/18).

§ Available to spouses and civil partners born after 5 April 1935, provided neither party pays tax at above basic rate.

* Relief at 10%. Available only if at least one of the couple was born before 6 April 1935.

¶ For 2017/18 and 2018/19 the reduction is £1 for every £2 additional income over the total income threshold. The standard allowance is **only** available if total income exceeds:-

	2017/18	**2018/19**
	£	**£**
Taxpayer born before 6 April 1935 [married couple's allowance]	38,370	39,570

º Excluding contractual payments in lieu of notice (PILONs) in 2017/18 and all PILONs in 2018/19

INCOME TAX RATES

England, Wales, Northern Ireland: all income
Scotland: Dividend and Savings Income only

	2017/18	2018/19
	£	£
Starting rate	0%	0%
Starting rate on savings income	1-5,000	1-5,000
Personal savings allowance (for savings income)		
- Basic rate taxpayers	1,000	1,000
- Higher rate taxpayers	500	500
- Additional rate taxpayers	Nil	Nil
Basic rate	20%	20%
Maximum tax at basic rate+	6,700+	6,900+
Higher rate - 40%	33,501-150,000+	34,501-150,000+
Tax on first £150,000+	53,300+	53,100+
Additional rate on income over £150,000	45%	45%
Discretionary and accumulation trusts (except dividends)	45%	45%
Discretionary and accumulation trusts (dividends) °	38.1%	38.1%
Tax credit attaching to dividends	N/A	N/A
Dividend nil rate band (dividend allowance)	1-5,000	1-2,000
Basic rate on dividends	7.5%	7.5%
Higher rate on dividends	32.5%	32.5%
Additional rate on dividends	38.1%	38.1%
High income child benefit charge	1% of benefit per £100 income between £50,000 and £60,000	

\+ Assumes starting rate band not available and personal savings allowance is ignored. If the full starting rate band is available £5,900 on first £34,500 (£5,700 on first £33,500 in 2017/18) and £52,100 (£52,300 in 2017/18) on first £150,000.

° Up to the first £1,000 of gross income is generally taxed at the standard rate, ie. 20% or 7.5% as appropriate.

INCOME TAX RATES: SCOTLAND

Non-Dividend, Non-savings income only

	2017/18	**2018/19**
	£	**£**
Starter rate	N/A	19%
Starter rate on savings income	N/A	1-2,000
Basic rate	20%	20%
Basic rate on income	0 – 31,500	2,001-12,150
Intermediate rate	N/A	21%
Intermediate rate on income	N/A	12,151-31,580
Maximum tax below higher rate	6,300	6,490
Higher rate	40%	41%
Higher rate on income	31,501-150,000	31,581-150,000
Tax on first £150,000+	53,700	55,043
Additional rate on income over £150,000	45%	46%
High income child benefit charge	1% of benefit per £100 income between £50,000 and £60,000	

CAR BENEFITS

The charge is based on a percentage of the car's "price". "Price" for this purpose is the list price at the time the car was first registered plus the price of extras.

For cars first registered after 31 December 1997 the charge, based on the car's "price", is graduated according to the level of the car's approved CO_2 emissions.

For petrol cars with an approved CO_2 emission figure.

CO_2 g/km[1]	% of price subject to tax[2]		CO_2 g/km	% of price subject to tax[2]		CO_2 g/km	% of price subject to tax[2]	
	17-18	**18-19**		**17-18**	**18-19**		**17-18**	**18-19**
50 or less	9	13	120–4	23	25	160–4	31	33
51–75	13	16	125–9	24	26	165–9	32	34
76–94	17	19	130–4	25	27	170–4	33	35
95–99	18	20	135–9	26	28	175–9	34	36
100–4	19	21	140–4	27	29	180–4	35	37
105–9	20	22	145–9	28	30	185–9	36	37
110–4	21	23	150–4	29	31	190 or more	37	37
115–9	22	24	155–9	30	32			

Notes

1. The exact CO_2 emissions figure should be rounded down to the nearest 5 g/km for levels of 95g/km or more.
2. 2018/19: for all diesels (other than diesel hybrids) not meeting RDE2 standards, add 4%, subject to maximum charge of 37%. For 2017/18 for all diesels (other than diesel hybrids) add 3% subject to maximum charge of 37%.

CAR FUEL BENEFITS

For cars with an approved CO_2 emission figure, the benefit is based on a flat amount of £23,400 (£22,600 for 2017/18). To calculate the amount of the benefit the percentage figure in the above car benefits table (that is from 9% to 37% in 2018/19) is multiplied by £23,400. The percentage figures allow for a diesel fuel surcharge. For example, in 2018/19 a petrol car emitting 132 g/km would give rise to a fuel benefit of 27% of £23,400 = £6,318.

INHERITANCE TAX

	Cumulative chargeable transfers [gross]		tax rate on death %	tax rate in lifetime* %
	2017/18 £	**2018/19 £**		
Nil rate band+	325,000	325,000	0	0
Residence nil rate band¶	100,000	125,000	0	N/A
Residence nil rate band reduced if estate exceeds°	£2,000,000	£2,000,000	N/A	N/A
Excess above available nil rate band(s)	No limit	No limit	40∞	20

* Chargeable lifetime transfers only.
+ On the death of a surviving spouse on or after 9 October 2007, their personal representatives may claim up to 100% of any unused proportion of the nil rate band of the first spouse to die (regardless of their date of death).
¶ On the death of a surviving spouse on or after 6 April 2017, their personal representatives may claim up to 100% of any residence nil rate band of the first spouse to die (regardless of their date of death, but subject to the tapered reduction).
° For all tax years the reduction is £1 for every £2 additional estate over £2,000,000. As a result, there is no residence nil rate band available in 2018/19 if the total estate exceeds £2,250,000 (£2,500,000 on second death if the full band is inherited).
∞ 36% where at least 10% of net estate before deducting the charitable legacy is left to charity.

CAPITAL GAINS TAX

Main exemptions and reliefs

	2017/18 £	2018/19 £
Annual exemption	11,300*	11,700*
Principal private residence exemption	No limit	No limit
Chattels exemption	£6,000	£6,000
Entrepreneurs' relief	Lifetime cumulative limit £10,000,000. Gains taxed at 10%	Lifetime cumulative limit £10,000,000. Gains taxed at 10%

* Reduced by at least 50% for most trusts.

Rates of tax

Individuals:	10% on gains within UK basic rate band, 20% for gains in UK higher and additional rate bands
Trustees and personal representatives:	20%
Additional rate for residential property and carried interest gains	8%

STAMP DUTY LAND TAX, LAND AND BUILDINGS TRANSATION TAX, LAND TRANSACTION TAX AND STAMP DUTY

England and Northern Ireland: SDLT

Residential (on slice of value)	**Rate¶**	**Commercial (on slice of value)**	**Rate**
£125,000 or less§	Nil	£150,000 or less	Nil
£125,001 to £250,000§	2%	£150,001 to £250,000	2%
£250,001 to £925,000§*	5%	Over £250,000	5%
£925,001 to £1,500,000*	10%		
Over £1,500,000*	12%		

** 15% for purchases over £500,000 by certain non-natural persons*
§For first-time buyers of property up to £500,000 there is no SDLT on the first £300,000
¶ *All rates increased by 3% for purchase of additional residential property if value is £40,000 or more*

Scotland: LBTT

Residential (on slice of value)	**Rate¶**	**Commercial (on slice of value)**	**Rate**
£145,000 or less§	Nil	£150,000 or less	Nil
£145,001 to £250,000§	2%	£150,001 to £350,000	3%
£250,001 to £325,000	5%	Over £350, 000	4.5%
£325,001 to £750,000*	10%		
Over £750,000*	12%		

¶ *All rates increased by 3% for purchase of additional residential property if value is £40,000 or more*
§ Scotland aims to have a 0% band up to £175,000 for first-time buyers from June 2018

Wales: LTT (From 1 April 2018)

Residential (on slice of value)	**Rate¶**	**Commercial (on slice of value)**	**Rate**
£180,000 or less	Nil	£150,000 or less	Nil
£180,001 to £250,000	3.5%	£150,001 to £250,000	1%
£250,001 to £400,000	5%	£250,001 to £1,000,000	5%
£400,001 - £750,000*	7.5%	Over £1,000, 000	6%
£750,001 to £1,500,000*	10%		
Over £1,500,000*	12%		

¶ *All rates increased by 3% for purchase of additional residential property if value is £40,000 or more*

UK Stamp Duty (including SDRT)

Stocks and marketable securities:	0.5%
No stamp duty charge unless the duty exceeds £5	

CORPORATION TAX

	Year Ending 31 March	
	2018	**2019**
Main rate	19%	19%
Diverted profits	25%	25%

TAX-PRIVILEGED INVESTMENTS (MAXIMUM INVESTMENT)

	2017/18 £	**2018/19 £**
ISA		
Overall per tax year:	20,000	20,000
Maximum in cash for 16 and 17 year olds	20,000	20,000
Junior ISA (additional to overall limit for 16-17 year olds)	4,128	4,260
Help to buy ISA	1,000 initial and 200 a month	
Lifetime ISA	4,000	4,000
ENTERPRISE INVESTMENT SCHEME (30% income tax relief)	1,000,000*	2,000,000*§
Maximum carry back to previous tax year for income tax relief	1,000,000	1,000,000
SEED ENTERPRISE INVESTMENT SCHEME (50% income tax relief)	100,000¶	100,000¶
VENTURE CAPITAL TRUST (30% income tax relief)	200,000	200,000

* No limit for CGT reinvestment relief.

§ Any investment over £1,000,000 must be in knowledge-intensive companies

¶ 50% CGT reinvestment exemption in 2017/18 and 2018/19

PENSIONS

	2017/18	**2018/19**
Lifetime allowance*	£1,000,000	£1,030,000
Lifetime allowance charge: Excess drawn as cash Excess drawn as income	 55% of excess 25% of excess	
Annual allowance	£40,000¶	£40,000¶
Money purchase annual allowance	£4,000	£4,000
Annual allowance charge	20%-45% of excess	
Max. relievable personal contribution	100% relevant UK earnings *or* £3,600 gross if greater	

* May be increased under 2006, 2012, 2014 or 2016 transitional protection provisions.

¶ Subject to 50% taper down to a minimum of £10,000 based on adjusted net income in excess of £150,000, if threshold income exceeds £110,000

NATIONAL INSURANCE CONTRIBUTIONS

Class 1 Employee				
	2017/18		2018/19	
	Employee	Employer	Employee	Employer
Main NIC rate	12%	13.8%	12%	13.8%
No NICs on first: Under 21* 21* & over	 £157 pw £157 pw	 £866 pw £157 pw	 £162pw £162 pw	 £892 pw £162 pw
Main NIC charged up to	£866 pw	No limit	£892 pw	No limit
Additional NIC rate on earnings over	2% £866 pw	N/A	2% £892 pw	N/A
Certain married women	5.85%	13.8%	5.85%	13.8%

* 25 for apprentices

Employment Allowance		
	2017/18	2018/19
Per business*	£3,000	£3,000

* Not available if a director is the sole employee

Limits and Thresholds	2017/18		2018/19	
	Weekly £	Yearly £	Weekly £	Yearly £
Lower earnings limit	113	5,876	116	6,032
Primary earnings threshold	157	8,164	162	8,424
Secondary earnings threshold	157	8,164	162	8,424
Upper secondary threshold – U21s*	866	45,000	892	46,350
Upper earnings limit	866	45,000	892	46,350

* Under 25 for apprentices

Self-employed and non-employed	2017/18	2018/19
Class 2		
Flat rate Small profits threshold	£2.85 pw £6,025 pa	£2.95 pw £6,205pa
Class 4 (*Unless over state pension age on 6 April)*		
On profits	£8,164 – £45,000 pa: 9% Over £45,000 pa: 2%	£8,424 – £46,350 pa: 9% Over £46,350 pa: 2%
Class 3 (Voluntary)		
Flat rate	£14.25 pw	£14.65 pw

Essential Wealth Management
1-2 Great Farm Barns
West Woodhay
Newbury
Berkshire
RG20 0BP

T 01488 669840
E enquiries@essential-wealth.co.uk
www.essential-wealth.co.uk