



The Adviser Spring 2017

*“Brighter Future for the
economy”*

£2 billion extra for social care
and tax rise for self-employed

Chancellor Philip Hammond presented his Spring Budget Report to The House of Commons on 8th March 2017. In this newsletter we focus on some of the main announcements that may affect you.



An extra £2 billion for social care over the next three years

An extra £2 billion for social care over next three years, with £1 billion available in 2017-2018

£100 million has been pledged to place more GPs in accident and emergency departments for next winter.

Long-term funding options are to be considered, but so-called "death tax" on estates has been ruled out.

£325 million is to be available immediately to allow the first NHS Sustainability and Transformation Plans to proceed.

Our social care system provides care for over a million people and the system is under pressure.

The announced social care package aims to enable elderly patients to be discharged, thereby freeing up hospital beds.

T-Levels

New technical qualifications called T-levels are to simplify the process of vocational training in England.

T-levels will allow 16 to 19-year-olds to study in 15 sectors in subjects like hair and beauty or construction.

The courses will replace thousands that are currently on offer and it's claimed they will make access to the job market easier.



Housing / infrastructure / transport / science

£23 billion of additional infrastructure and innovation investment is to be made as announced at the Autumn Statement.

£300 million of the fund would be to support the brightest and the best research talent, including support for 1000 new PhD places and fellowships,

focused on STEM subjects.

£270 million is to keep the UK at the forefront of disruptive technologies like biotech, robotic systems and driverless vehicles.

£16 million is for a new 5G mobile technology hub.



Previously announced



Several previously-announced changes will start to come into force from this April.

They include an increase in the personal tax allowance to £11,500, a new inheritance tax allowance, a rise in the annual ISA limit to £20,000, the introduction of a levy to fund apprenticeships and the launch of a new Lifetime Individual Savings Account (LISA) for those aged between 18 and 40.

Income tax allowance

The personal allowance will rise to £11,500 in April 2017 and then to £12,500 by 2020.

The higher rate income threshold will rise to £45,000 in April 2017 and then to £50,000 by 2020. In Scotland, unlike the rest of the UK, the higher-rate threshold will NOT be increased to £45,000 next year and ultimately to £50,000. Instead

it will only be increased in line with inflation.

ISA limit

The individual savings account (ISA) allowance will rise to £20,000 in April 2017.

Inheritance Tax

IHT is payable on assets such as property, money and possessions that are passed on when you die. Tax is 40% on assets that exceed the threshold (the nil-rate band) which is currently at £325,000.

From April 2017 each person will have a family home allowance of £100,000 in addition to the existing IHT threshold.

Apprenticeship Levy

The government are introducing the apprenticeship levy on 6 April

2017. The levy requires all employers operating in the UK, with a pay bill over £3 million each year, to invest in apprenticeships.

The levy will apply to employers across the UK.

The amount entering your apprenticeship service account will be how much you have available to spend on apprenticeship training in England.

Lifetime ISA

April will see the launch of a new Lifetime Individual Savings Account (LISA), its purpose being to assist with a purchase of a first home. It's for those aged between 18 and 40. You will be able to save up to £4,000 a year, and the government will add a 25% bonus if the money is used to buy a home or as a pension from the age of 60.

Personal

Pensions and Savings

It was announced that Qualifying Recognised Overseas Pension Schemes (QROPS) transfers for individuals not in the European Economic Area (EEA) will be hit with a 25% tax charge.

Investment Guaranteed Growth Bonds will be offered by National Savings and Investments from April, paying interest of 2.2% on deposits up to £3,000.

The bond will be open to those aged 16 and over, subject to a minimum investment limit of £100 and a maximum investment limit of £3,000. Savers must lock in their money for three years.

Personal tax

The main rate of Class 4 National Insurance contributions is to increase from the current rate of 9% to 10% in April 2018 and 11% in April 2019.

This will raise £145 million a year by 2021-22 at an average cost of 60p a week to those affected.

No changes to income tax, VAT or other National Insurance categories.

Personal tax-free allowance is to rise as planned to £11,500 this year and to £12,500 by 2020.

Dividend allowance

The tax-free dividend allowance will be reduced from £5,000 to £2,000 from April 2018.



Women

£20 million of government funding has been pledged to support the campaign against Violence Against Women and Girls.

Centenary “women getting the vote”

£5 million is to be committed to a project to celebrate the centenary of women first getting the vote, and to educate young people about its significance.

Childcare

Working families across the UK are to receive up to £2,000 a year towards the cost of childcare for each child under 12.

The scheme will be rolled out to all eligible parents by the end of the year.



Business and Business Taxation

Small Businesses and landlords have an extra year to prepare for Making Tax Digital (MTD)

Unincorporated businesses (businesses owned privately by one or more people) that have an annual turnover below the VAT registration threshold will have until April 2019 to prepare before MTD becomes mandatory.

Under MTD, businesses will use digital software to keep tax records and update HMRC quarterly.

National Insurance increase for self-employed

Self-employed workers will see their Class 4 national insurance contributions (NICs) increase by 1% to 10% in April 2018, with a 1% rise to 11% from April 2019. The government had previously announced that Class 2 NICs will be abolished from April 2018.

Pubs and small businesses receive business rate help

All pubs with a Rateable Value of less than £100,000 will be provided with a £1,000 discount on business rates bills in 2017.

Companies coming out of business rate relief as a result of the revaluation will have the increase in their bills capped at £50 per month.

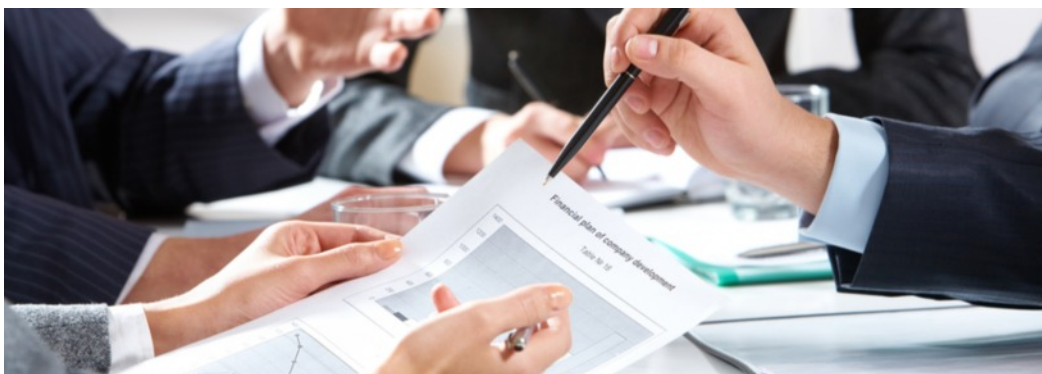
Local authorities will be given a £300 million fund to deliver discretionary relief to target individual hard cases in their local areas.

Business Tax

As set out at Autumn Statement 2016, the government will cut the rate of corporation tax to 19% from April this year and then again to 17% in 2020.

Measures to stop businesses converting capital losses into trading losses

Further measures from July will be put in place to stop businesses from converting capital losses into trading losses to tackle abuse of foreign pension schemes and introduce UK VAT on roaming telecoms services outside the EU.



Kudos Financial Consultancy

Kudos House, 22 Albert Road, Farnborough,
Hampshire GU14 6SH
Tel: 01252 376444 info@kudosifa.com
<http://www.kudosifa.com/>

The value of your investments can go down as well as up, so
you could get back less than you invested.

Tax advice which contains no investment element is not regulated
by the Financial Conduct Authority .

Past performance is not a reliable indicator of future performance.

Kudos Financial Consultancy is authorised and regulated by the Financial Conduct Authority
(www.register.fca.org.uk). Financial Services Register No: 436910

The information contained within this brochure is subject to the UK regulatory regime and is
therefore targeted primarily at consumers based in the UK.

This publication is based on press releases and other online information. The publication is for
guidance only and no responsibility can be accepted by ourselves or our representatives.

Tax treatment varies according to individual circumstances and is subject to change.
Any reference to legislation and tax is based on our understanding of United Kingdom law
and HM Revenue & Customs practice at the date of production. These may be subject to
change in the future.

**Any information in this brochure does not constitute advice and should not be acted upon
without taking professional advice.**