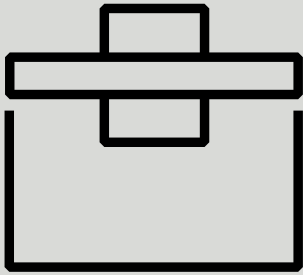




SPRING STATEMENT 2019

BROOKSON
ONE



1. INTRODUCTION

Today's Spring Statement did not include any further announcements in respect of tax rates & allowances. This document summarises the key changes to tax rates relevant to contractors, freelancers & self-employed professionals that have been announced in the previous Budget's.

This summary is published by Brookson, a leading provider of accountancy, tax advice and support services to freelance contractors, interims, locums and small businesses.



2. PERSONAL TAX & NATIONAL INSURANCE

2.1 Personal Tax

The Chancellor announced in the 2018 Autumn Budget increases to personal allowances and the higher rate threshold:

- The personal allowance will increase to £12,500 from 6 April 2019 (£11,850 2018/2019)
- The basic rate tax band will increase to £37,500 from 6 April 2019 (£34,500 2018/2019)
- This results in an overall increase to the higher rate tax threshold (personal allowance plus basic rate tax band) of £3,650 to £50,000 from 6 April 2019.
- The additional tax rate threshold remains unchanged at £150,000

2.2 National Insurance Contributions

The lower earnings limit (the amount which you need to earn to qualify for certain state benefits) will increase from £116 to £118 per week from 6 April 2019. The Class 1 primary threshold (over which you need to pay employees National Insurance at a rate of 12%) will increase from £162 to £166 and the Class 1 secondary threshold (over which you need to pay employers National Insurance at a rate of 13.8%) will increase from £162 to £166 per week from 6 April 2019.

If you are an existing Brookson One Customer you will shortly be receiving communication with our recommended director's fee for the 2019/2020 tax year.



3. OTHER TAXES

3.1 Capital Gains Tax

It was previously announced that the capital gains tax annual exemption will be increased to £12,000 effective from April 2019; this is an increase of £300 from the current £11,700 threshold.

3.2 Pensions and Savings

The band of savings income that is subject to the 0% starting rate will be kept at its current level of £5,000.

It has been announced that from April 2019, the annual subscription limit for Junior ISAs and Child Trust Funds for 2019-20 will be uplifted to £4,368

The overall annual ISA subscription limit will remain unchanged for 2019-20 at £20,000.

3.3 Corporation Tax Rate

As previously announced, the Corporation Tax rate will continue to be applied at 19% and is expected to be reduced further to 17%, effective from April 2020.

3.4 VAT Measures

The VAT registration threshold will remain at £85,000 for a further 2 years, similarly the VAT deregistration threshold will remain at £83,000.

From 1 April 2019 the new “Making Tax Digital” rules will apply to VAT registered businesses. If you are a Brookson One customer we will ensure that you are working compliantly and will let you know when you need to take any action. It should be noted that as HMRC have still not finalised systems, processes and guidance that tax payers require, HMRC have announced that they will take a light touch approach to penalties in the first year of implementation.