

## **BUSINESS**

### **Apprenticeships**

- Three million new apprenticeships will be created by 2020, funded by a levy on large employers. Firms that are committed to training will be able to get back more than they put in.

### **Annual Investment Allowance** raised to permanent high .

- The annual investment allowance, which has previously been increased temporarily, will be set permanently at £200,000 from January 2016.

### **Buy-to-let reforms will hit landlords**

- Tax relief for buy-to-let landlords will drop from current levels (40 or 45 %) to 20% from April 2020.

### **Bank levies phased out**

- A trio of measures here, including the introduction of an 8% tax on profits from January 2016, coinciding with a phased reduction on the bank levy charged on balance sheets from 0.21% to 0.1% by 2021. The govt will also exclude UK banks' overseas subsidiaries from the bank levy from Jan 2021

### **Corporation tax cut**

- Corporation tax is being dropped down steadily from 20% to 19% in 2017, and then to 18% in 2020, benefiting over a million businesses.

### **Employment allowance** will increase from £2,000 to £3,000.

- This reduces the amount of national insurance paid by businesses

### **Insurance premium tax will increase to 9.5%**

- From Nov 2015 the standard rate of insurance premium tax will be increased from six per cent to 9.5%..

### **TAX.** Making sure individuals and businesses pay what they owe

- HMRC will be given increased investment to clamp down on tax evasion and non-compliance. HMRC will be given greater access to data looking at businesses that aren't declaring or paying tax.
- Chancellor renewed his pledge to ensure international companies pay tax on profits diverted from the UK.
- A 'general anti-abuse rule' penalty and tough new measures for serial avoiders, including publishing the names of people who repeatedly use failed tax avoidance schemes, is also being introduced.

## **FAMILY**

### **Free Child Care** 30 hours of free childcare for three and four year-olds

- From September 2017, working families with three and four year-olds will receive 30 hours of free childcare – an increase from the 15 hours they're currently offered.

### **Maternity Allowance, maternity pay, paternity pay and sick pay.**

- The household benefit cap will be reduced to £20,000, or £23,000 in London

### **Welfare system**

- Changes include freezing working-age benefits, including tax credits and local housing allowance, for four years from 2016-17 - this doesn't include
- The child tax credit will be limited to two children for children born from April 2017. Those aged 18 to 21 who are on universal credit will have to apply for an apprenticeship or traineeship, gain work-based skills, or go on a work placement 6 months after the start of their claim
- Rents for social housing will be reduced by 1% a year for 4 years, and tenants on higher incomes (over £40,000 in London and over £30,000 outside London) will be required to pay market rate, or near market rate.

## **NATIONAL POLICY**

### **Budget surplus** will be reached by 2019 {Aspiration}

- The chancellor pledged to reduce the deficit by 1% of GDP, resulting in a surplus being reached by 2-19/20.

### **£30m of funding**

- for "Transport for the North" Cities and counties in the north will be given even more control over local transport, and will have more responsibility for setting out policy and investments.

### **Defence spending**

- The Ministry of Defence's budget will rise by 0.5% (above inflation) each year to 2020-21. The government will meet the NATO pledge to spend 2% of national income on defence every year of this decade.

### **Public sector pay**

- Public sector pay will increase by one per cent a year for four years from 2016-17.

## **NON DOMS**

- Permanent non-dom status will be abolished from April 2017. From that date, anyone who's been resident in the UK for 15 of the past 20 years will be considered UK-domiciled for tax purposes.

## **PERSONAL**

- The tax-free personal allowance –will be increased from £10,600 in 2015-16 to £11,000 in April 2016..

### **Reforming dividend tax**

- The dividend tax credit, which reduces the amount of tax paid on income from shares, will be replaced by a new £5,000 tax-free dividend allowance for all taxpayers from April 2016.
- Tax rates on dividend income will be increased. Those with significant dividend income will pay more tax,.

### **Inheritance Tax**

- From April 2017, individuals will be offered a family home allowance, so they can pass on their main property to children or grandchildren tax free after their death.
- Currently, inheritance tax is charged at 40% on estates over the tax-free allowance of £325,000 per person. Married couples and civil partners can pass any unused allowance on to one another.
- The family home allowance will be added to the existing £325,000 inheritance tax threshold, meaning the total tax-free allowance for a surviving spouse or civil partner will be up to £1m in 20201. Allowance will be gradually withdrawn for estates worth more than £2m

### **Pensions reforms**

- Most people can contribute up to £40,000 a year to their pension tax-free.
- From April 2016, this amount will be reduced for individuals with incomes of over £150,000, including pension contributions.

### **Tax threshold Raised**

- The higher rate tax threshold of 40% will increase from £42,385 in 2015-16 to £43,000 in 2016-17.

### **New National living wage**

- From April 2016, a new national living wage of £7.20 an hour for the over 25s will be introduced. This will rise to over £9 an hour by 2020.

## **SOCIAL**

### **Clamping down on cold calls**

- The amount that can be charged by claims management companies – such as those that encourage claims for payment protection insurance (PPI) or personal injury insurance – will be capped, reducing nuisance calls to potential customers.

## **STUDENTS**

### **Student maintenance grants will be replaced with loans**

- From the 2016-17 academic year, cash support for new students will increase by £766 to £8,200 a year, the highest level ever for students from low-income households.
- New maintenance loan support will replace student grants. Loans will be paid back only when graduates earn above £21,000 a year.

## **MOTORING**

### **Road tax reformed**

- From 2017, there will be a flat rate of £140 for most new cars bought, except in the first year when tax will remain linked to the CO2 emissions that cars produce.
- The money brought in from road tax in England will be spent on England's roads from 2020. Electric cars won't pay any road tax at all and the most expensive cars will pay more.
- Existing cars won't be affected – no one will pay more for a car that they already own.
- The money brought in from road tax in England will be spent on England's roads from 2020.