A short guide to the new tax year

Pensions and investments

Some things have changed

The **state pension** has gone up

The **basic state pension** (for people who retired before 6 April 2016) is now **£125.95**

Basic state pension
£125.95

The **new state pension** (for people who retired from 6 April 2016) is now **£164.35**

New state pension
£164.35

The **workplace pensions** contribution rates have risen

The minimum contribution rates for those in workplace pensions (known as automatic enrolment) have gone up:

Your contribution: **1% ▶ 3%**

Employer contribution: **1% ▶ 2%**

The **Lifetime Allowance** for pension contributions has risen to **£1,030,000**

The **Junior ISA** allowance has risen to **£4,260** per child

Some have stayed the same

The **ISA allowance** stays at **£20,000**

The **Money Purchase** Annual Allowance for pension contributions stays at **£4,000** a year

The **annual allowance** for pensions contributions is still capped at **£40,000** a year

The **tapered annual allowance** for pension contributions hasn't changed

Tax and benefits

The **marriage allowance** is rising to **£1,190**

The **annual dividend allowance** has fallen from **£5,000** to **£2,000**

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Tax rates for 2018/19

	England, Wales and Northern Ireland	Scotland
Personal Allowance	£11,850	£11,850
Starter rate	N/A	**19%** on earnings between £11,850 and £13,850
Basic rate	**20%** on earnings between £11,851 and £46,350	**20%** on earnings between £13,851 and £24,000
Intermediate rate	N/A	**21%** on earnings between £24,001 and £43,430
Higher rate	**40%** on earnings between £46,531 and £150,000	**41%** on earnings between £43,431 and £150,000
Additional rate	**45%** on earnings above £150,000	**46%** on earnings above £150,000

The tax bands shown assume that you are in receipt of the full personal allowance. For every £2 of 'adjusted net income' over £100,000, this allowance is reduced by £1. This changes the starting point for the other tax bands. Individuals with income of £123,700 or more will see their personal allowance drop to zero. Scottish Income Tax rates do not apply to savings or dividend income. These are taxed at the standard UK rates.

	Savings allowance rates	Dividend tax rates	Savings income tax rates
Basic rate tax payer	£1,000	7.5%	20%
Higher rate tax payer	£500	32.5%	40%
Additional rate tax payer	£nil	38.1%	45%

Glossary

Here's a quick overview of what the technical terms in this document mean. You can find out more at **fidelity.co.uk**

- **Annual allowance:** The limit on how much you can save into your pensions each tax year while still benefiting from tax relief on your contributions, any employer contributions and any contributions made on your behalf by someone else. 'Carry forward' can allow you to pay in more than the allowance in a tax year and still receive the tax relief. Please see our website for more information.
- **Automatic enrolment:** Auto enrolment is a government initiative that makes it compulsory for employers to bring eligible workers into a pension arrangement to help their employees save for later life.
- **Lifetime Allowance:** The total amount you can build up in pension benefits over your lifetime that will enjoy full tax benefits. If you go over the allowance you will generally pay a tax charge on the excess when you take a lump sum or income from your pension pot, transfer overseas or reach age 75 with unused pension benefits.
- **Money Purchase Annual Allowance:** Limits how much can be paid into your money purchase pensions in any one tax-year while still benefiting from tax relief if you have taken taxable income from your pension pot using pension freedoms (i.e. more than the tax-free part). If you exceed the MPAA, a tax charge is payable, which effectively claws back any tax relief that was given at source.
- **Tapered annual allowance:** Since the 6th April 2016, the annual allowance of £40,000 may be reduced or 'tapered' if your 'threshold income' (your annual income before tax less any personal pension contributions and ignoring any employer contribution) is over £110,000. It reduces the annual allowance by £1 for every £2 that your 'adjusted income' is over £150,000. The maximum reduction is £30,000 which reduces the annual allowance to £10,000, but only once adjusted income reaches £210,000.

The value of tax savings and eligibility to invest in an ISA or self-invested personal pension (SIPP) depend on personal circumstances. All tax rules may change in future.

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