



BUDGET – MARCH 2020

- 1. Capital Gains Tax**
- 2. Pensions**
- 3. Junior ISAs**
- 4. Inheritance Tax**
- 5. Income Tax**

Capital Gains Tax

1. A reduction in the lifetime allowance for entrepreneur's relief from £10 million to £1 million
2. An increase in the annual ("use it or lose it") Capital Gains Tax annual exemption to £12,300

Pensions

1. For higher earners, and seemingly targeted at GPs and Consultants, an increase in threshold and adjusted income figures (£200,000 and £240,000 respectively), which, once breached, can trigger a reduction in the allowable amount payable into a pension each year. Anyone earning over £300,000 per annum will now have a maximum annual pension contribution limit of £4,000. Down from the previous limit of £10,000.
2. The pension lifetime allowance increases from £1,055,000 to £1,073,100 from 6 April 2020

Junior ISAs (long term tax-free saving account for a child)

1. The annual contribution limit increased to £9,000 per annum from £4,368
2. The adult ISA subscription limit remains at £20,000

Inheritance Tax

1. The inheritance tax nil rate band remains at £325,000 and the residence nil rate band increases to £175,000 for 2020/2021 for those with estates below £2 million

Income Tax

1. The personal allowances (aside from a slight increase in the married couples' allowance) for income tax remain unchanged. This means that those with 'adjusted net income' below £100,000 will have a personal allowance of £12,500 from 6 April 2020. (The personal allowance reduces by £1 for every £2 for those with adjusted net income in excess of £100,000. This means that, as now, there will be no personal allowance available once adjusted net income exceeds £125,000 in 2020/21.)

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