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WEALTH **KNOWLEDGE**

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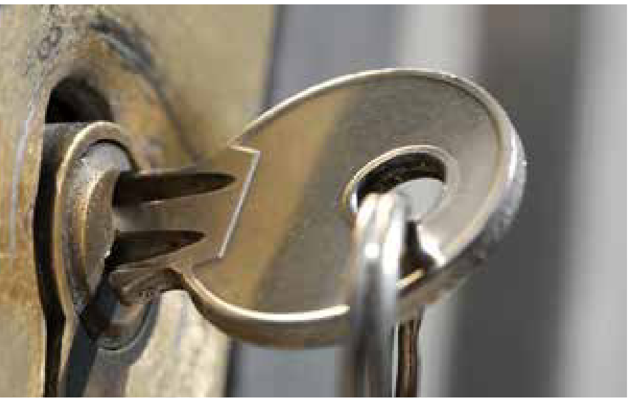

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First-time buyers handed stamp duty boost

Stamp duty land tax (SDLT) has been abolished for most first-time buyers on all properties worth up to £300,000.

Chancellor Philip Hammond, who announced the measure in his Autumn Budget on 22 November 2017, said the move would cut the tax for 95% of first-time buyers – and abolish it for 80% of them.

SDLT has been axed on the first £300,000 of all purchase prices up to a value of £500,000.

A 5% rate of SDLT is chargeable on the portion of transactions between £300,000 and £500,000.

The reform applies with immediate effect in England, Northern Ireland and Wales, although Wales is replacing SDLT with its own land transaction tax rates from April 2018.

The tax break will not extend to first-time buyers in Scotland, which has its own independent system of applying land tax.

Charles McDowell, commercial director for mortgages at Aldermore, said:

"We are pleased to see housing top the agenda, in particular the bold measure to abolish stamp duty for first-time buyers on properties up to £300,000 and for the first £300,000 on properties up to £500,000.

"This is very positive news for this segment of the market, who for too long have struggled with an overly complex and costly system."

The Office for Budget Responsibility suggests the measure will have domino effect on house prices, predicting a 0.3% rise over the next year on the back of the chancellor's speech.

Talk to us about personal tax planning.

Over-40s braced for working longer

Half of all workers aged 46 to 64 do not expect to have enough money in their pension pot to retire when they reach state pension age.

YouGov polled 2,112 working adults on behalf of charity Age UK and found 35% expect to be working the same hours into their late 60s.

Of those who expect to retire when they reach their state pension age, only 17% said it was because they will be financially secure enough to stop working.

Age UK is calling on the government to help people explore how they can put money aside for the future while there's enough time left to make a difference.

It proposes a 'career MOT' at the age of 50, which appealed to 51% of over-50s and 60% of those aged between 40 and 44.

Most respondents across all age groups were keen to receive guidance on how to boost their retirement savings, with 44% calling for an assessment of potentially transferable skills.

Caroline Abrahams, charity director at Age UK, said:

"Our research shows millions of people across the country will need to continue working in some capacity past their state pension age.

"With the state pension age continuing to rise, and people inevitably having to work longer, there is a growing need for everyone to make informed choices about training options, pension provision and future career options in order to make a successful transition to the retirement they aspire to."

Contact us to discuss your retirement planning.

Women 'worse off from divorce'

Women are missing out on more than £5 billion a year in pension payments after going through a divorce.

Scottish Widows' Women and Retirement report, which consulted 10,314 adults, found 48% of women have no clue what happens to their pension when a marriage breaks down.

40% of divorced women said their retirement prospects declined as a result of the split, while 10% were relying solely on the state pension to provide post-retirement income.

Almost a quarter (24%) of women said they are unable to make any contribution towards their retirement savings following the break-up of their marriage.

Catherine Stewart, retirement expert at Scottish Widows, said:

"Generally speaking, women's retirement prospects are worse than men's.

"The persistent gender pay gap, maternity leave and career breaks can all hold back women's earning potential and this often impacts pension savings.

"Relationship breakdowns can leave people really vulnerable but, quite simply, they're also throwing significant sums of money down the drain."

71% of couples gave no consideration to pensions and only 9% prioritised securing an equal share of the combined retirement savings, despite the average couple's pension pot standing at £132,000.

Ms Stewart added:

"We would urge men and women to better understand the legalities around what happens to pension pots during divorce as often they are the second largest, if not the largest, asset a couple owns."

Get in touch about your finances.

Autumn Budget 2017 round-up

Chancellor Philip Hammond has announced the rates at which employees start paying income tax and are pushed into the higher band will increase next year.

The tax-free **personal allowance** increases by £350 a year – up from £11,500 in 2017/18 to £11,850, while the higher-rate threshold rises from £45,000 to £46,350 from 6 April 2018.

The thresholds for Scotland have not been announced yet and are expected to be confirmed in the Scottish Budget on 14 December 2017.

While ISAs and pensions went largely untouched, the **junior ISA allowance** will be raised from £4,128 to £4,260 and the **lifetime pension allowance** is up to £1.03 million for 2018/19.

The **national living wage** will increase from £7.50 an hour in 2017/18 to £7.83 an hour in 2018/19 – a year-on-year rise of 4.4% for those aged over 25.

Following recommendations made by the Low Pay Commission, the following hourly rates will apply to eligible workers from April 2018:

Age	2018/19	2017/18
Over-25s	£7.83	£7.50
21 to 24	£7.38	£7.05
18 to 20	£5.90	£5.60
16 to 17	£4.20	£4.05
Apprentices*	£3.70	£3.50

*Hourly rate applies to apprentices under 19 or in first-year apprenticeships.

As previously announced, the **dividend allowance** is due to reduce from £5,000 a year to £2,000 from April 2018.

We can explain how these measures affect you.