

# 7 self-employed tax changes you need to know about for 2019

by Sam Bromley

From changes to your personal allowance to a big increase in the national living wage, we've created some handy tables you can refer back to when you need to.

## 1. Personal allowance and higher rate increases for the UK

Income tax rates and thresholds	2018-19	2019-20
Basic rate (20%)	£11,851 – £46,350	£12,501 – £50,000
Higher rate (40%)	£46,351 – £150,000	£50,001 – £150,000
Additional rate (45%)	Above £150,000	Above £150,000
Income tax rates and thresholds for Scotland		
Starter rate (19%)	£11,850 – £13,850	£12,500 – £14,549
Basic rate (20%)	£13,851 – £24,000	£14,550 – £24,944
Intermediate (21%)	£24,001 – £44,273	£24,945 – £43,430
Higher rate (41%)	£44,274 – £150,000	£43,431 – £150,000
Additional rate (46%)	Over £150,000	Over £150,000

These bands assume that you're using your full personal allowance of £11,850 for 2018-19 and £12,500 for 2019-20. Your personal allowance reduces by £1 for every £2 of earnings above £100,000.

## 2. Have employees? The national living wage increases nearly 5%

Year	25 & over	21 to 24	18 to 20	Under 18	Apprentice
April 2018	£7.83	£7.38	£5.90	£4.20	£3.70
April 2019	£8.21	£7.70	£6.15	£4.35	£3.90

Also, the **employee pension contributions** you need to make to your employees' pension funds goes from **2 per cent** to **3 per cent** from April 2019.

## 3. Are there any more changes to the dividend allowance?

Dividend tax rates and allowance	2018-19	2019-20
Dividend allowance	£2,000	£2,000
Basic rate	7.5% on dividends	7.5% on dividends
Higher rate	32.5% on dividends	32.5% on dividends
Additional rate	38.1% on dividends	38.1% on dividends

## 4. National Insurance contributions

Employee National Insurance contributions	2018-19		2019-20	
	Weekly	Annually	Weekly	Annually
Lower earnings limit (earnings below this limit will incur no NICs)	£116	£6,032	£118	£6,136
Primary threshold (earnings below this limit will incur no NICs)	£162	£8,424	£166	£8,632
Upper Earnings Limit (earnings above the primary threshold and below the upper earnings limit will be taxed at 12%)	£892	£46,350	£962	£50,000
Earnings above the upper earnings limit are taxed at 2%.				

Employer National Insurance contributions	2018-19		2019-20	
	Weekly	Annually	Weekly	Annually
Secondary threshold (salary payments above this threshold will incur employer NICs at 12.8%)	£162	£8,424	£166	£8,632

Self-employed National Insurance contributions	2018-19	2019-20
<b>Small profits threshold</b> (earnings below this threshold incur no NICs)	£6,205	£6,365
<b>Class 2 NICs</b> (for those earning above the small profits threshold)	£2.95 per week	£3.00 per week
<b>Lower profits limit</b> (earnings up to this limit incur only Class 2 NICs. Over this limit incurs Class 4 NICs)	£8,424	£8,632
<b>Upper profits limit</b> Earnings up to this limit incur: <ul style="list-style-type: none"> <li>Class 2 NICs</li> <li>Class 4 NICs at 9% of the profit between the lower profits limit and upper profits limit</li> </ul>	£46,350	£50,000
<b>Earnings above the upper profits limit</b> Any earnings above this limit incur: <ul style="list-style-type: none"> <li>Class 2 NICs</li> <li>Class 4 NICs at 9% of the profit between the lower profits limit and upper profits limit</li> <li>Class 4 NICs at 2% of the profit above the upper profits limit</li> </ul>	Over £46,350	Over £50,000

## 5. An increase in the Capital Gains Tax allowance

Capital Gains Tax annual exemption	2018-19	2019-20
For individuals and personal representatives	£11,700	£12,000
For trustees	£5,850	£6,000

Capital Gains Tax rates	2018-19	2019-20
<b>Basic rate taxpayers:</b>		
Gains from other <b>residential property</b>	18%	18%
Gains from <b>other chargeable assets</b>	10%	10%
<b>Higher rate taxpayers:</b>		
Gains from other <b>residential property</b>	28%	28%
Gains from <b>other chargeable assets</b>	20%	20%
<b>Entrepreneurs' relief</b> (lifetime limit of £10 million)	10%	10%

## 6. Your ISA allowance and personal savings allowance

Individual savings accounts (ISAs)	2018-19	2019-20
Savings allowance	£20,000	£20,000
Junior ISA savings allowance	£4,260	£4,368

Personal savings allowance	2018-19	2019-20
Basic rate	£1,000	£1,000
Higher rate	£500	£500
Additional rate	£0	£0

## 7. Making Tax Digital

From 1 April 2019, **VAT-registered businesses with a taxable turnover above the VAT threshold of £85,000** need to comply with the new rules.

See our [guide to Making Tax Digital](#) for more information.

**Please use this card as a guide only. Remember the details may change depending on your circumstances so get professional advice if you're not sure about anything.**

## Further reading



### UK self-employed income tax: a simple guide

What are the self-employed income tax rates, and how do self-employed people pay income tax in the UK?



### Dividend tax rate: all about dividend tax

The dividend tax rate is important for self-employed people who pay themselves in dividends. Learn about the tax on dividends.



### Late payments increase by £1b: here's how to recover debt

New research has revealed that late payments have increased by £1 billion on figures released just six months ago.



### What expenses can I claim as a self-employed person?

When you're completing a self assessment tax return, you need to add up your allowable expenses to calculate your taxable income.