

Autumn Budget Webinar

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What this webinar will cover

- Announcements from the Autumn Budget including IR35
- What happens next with IR35
- OBR forecasts that informed the Government's decisions

The context

- The Conservatives lost their majority in the General Election
- The Chancellor was under pressure from Conservative colleagues
- Brexit talks are still ongoing
- The Bank of England has raised interest rates for the first time in a decade

The Budget build up

Are the self-employed facing another Budget bombshell?

Andrew Chamberlain

Budget 2017 UK predictions: What you can expect from the chancellor's Autumn Budget

Philip Hammond is once again plotting an attack on Britain's self-employed army

CHRIS BRYCE

Chancellor will create a crisis for the self-employed if he rolls out 'disastrous' IR35 tax regulation - IPSE

Self-employed face new onslaught in the Budget as Chancellor plans to toughen rules on tax

- Chancellor is likely to tighten tax rules under which freelance workers are paid
- Treasury officials are thought to be considering two major proposals

Tories delay pledge to cut national insurance for the self-employed

WHY IS HAMMOND TRYING TO STRANGLE THE GOLDEN GOOSE?

Agenda: Freelance sector fears the worst from the Budget

What IPSE did for you

- Expressed concerns directly to officials at the IR35 Forum
- Wrote to 120 MPs explaining the issues with the legislation
- Organised a letter writing campaign for the IPSE membership
- Generated a lot of online interest across a variety of different platforms
- Continued to develop relationships with stakeholder groups such as APSCo and REC
- Officials have confirmed that lobbying has led to the consultation as opposed to immediate rollout

Off-payroll working

- Since April 2017, in the public sector only, IR35 status has been determined by the client rather than the contractor
- Many believed that this measure would be rolled out to the private sector
- This would mean that contractors will be taxed like employees, but will not receive any employment rights
- Rather than an immediate rollout, the Government has committed to a consultation

The consultation on off-payroll working

- The Government is looking at ways of dealing with non-compliance of IR35 in the private sector
- Therefore, there is going to be a consultation which will look at the experience of the public sector reforms, including through external research already commissioned by the Government
- This research will be published in 2018 alongside the consultation

Taylor Review

- As part of the response to the Taylor Review, the Government will publish a discussion paper
- This discussion paper will review employment practices in the modern economy
- The Government is exploring the options for longer-term reform to make the employment status tests for employment rights and tax clearer

Dividend Tax Allowance

- The Government reaffirmed its commitment to cut the Dividend Tax Allowance from £5,000 to £2,000
- This change will impact you from April 2018
- The Dividend Tax rates remained at 7.5%, 32.5% and 38.1%

Personal Allowance

- The Personal Allowance and Higher Rate Threshold continued to rise
- The Personal Allowance will rise to £11,850
- The Higher Rate Threshold will rise to £46,350

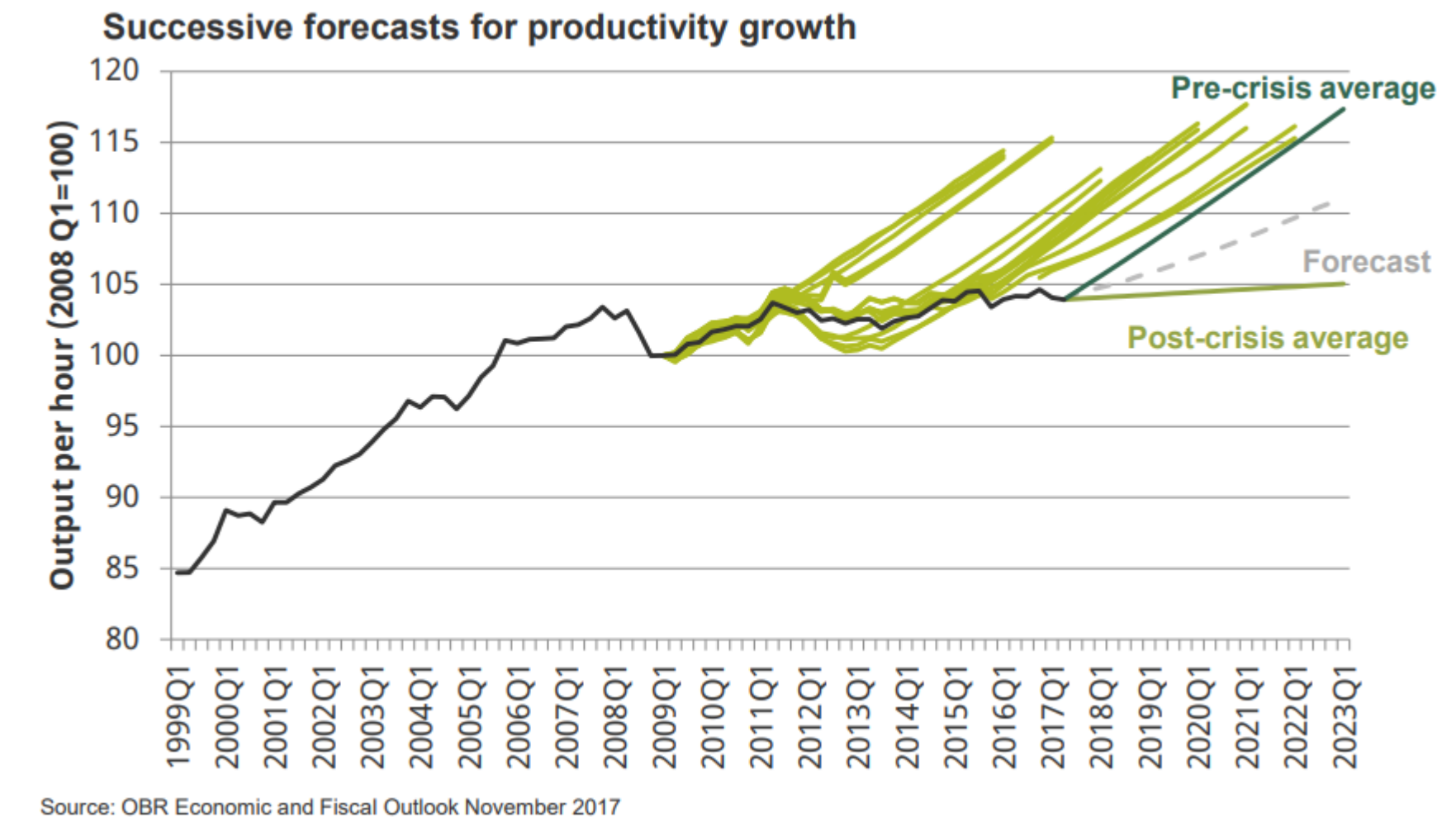
VAT Threshold

- The Office for Tax Simplification released a report looking at the VAT Threshold
- It was rumoured that the VAT Threshold would be lowered from £85,000
- The Government promised to freeze the VAT Threshold at £85,000 for the next two years

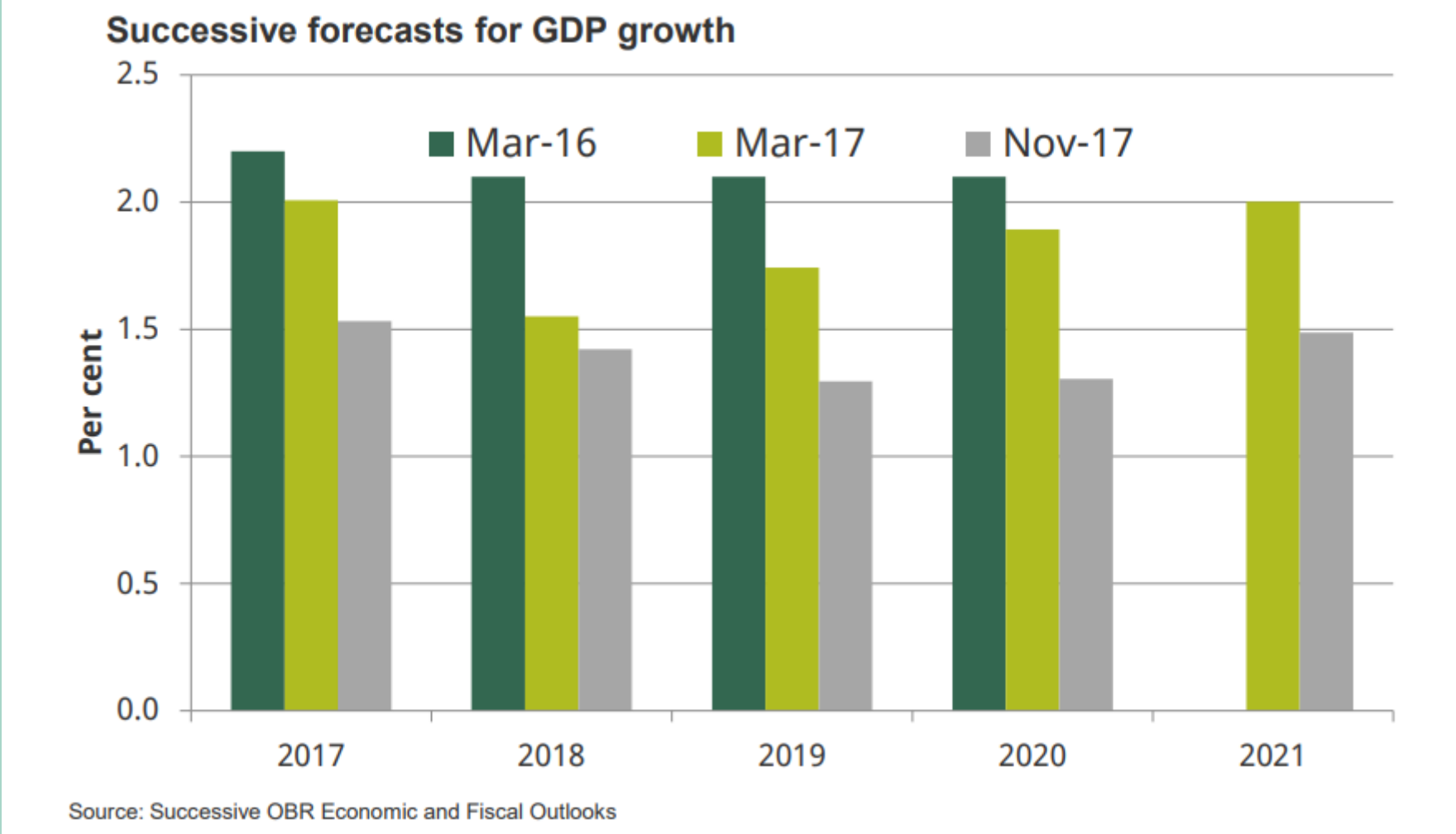
National Insurance Contributions

- Class 2 NICs were due to be abolished from April 2018
- The Government has delayed this by one year
- The Government is going to complete a full review of the taxation of self-employment

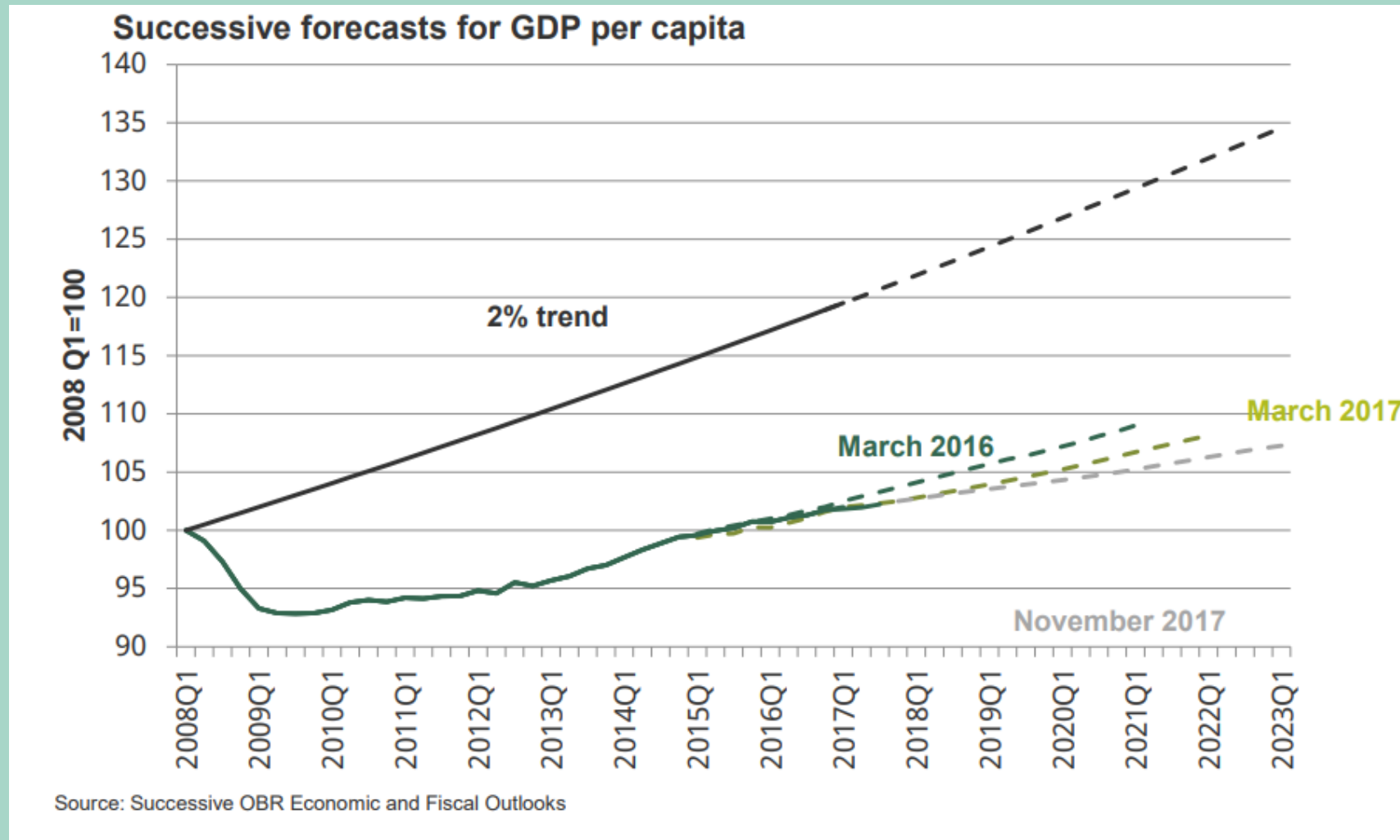
Productivity



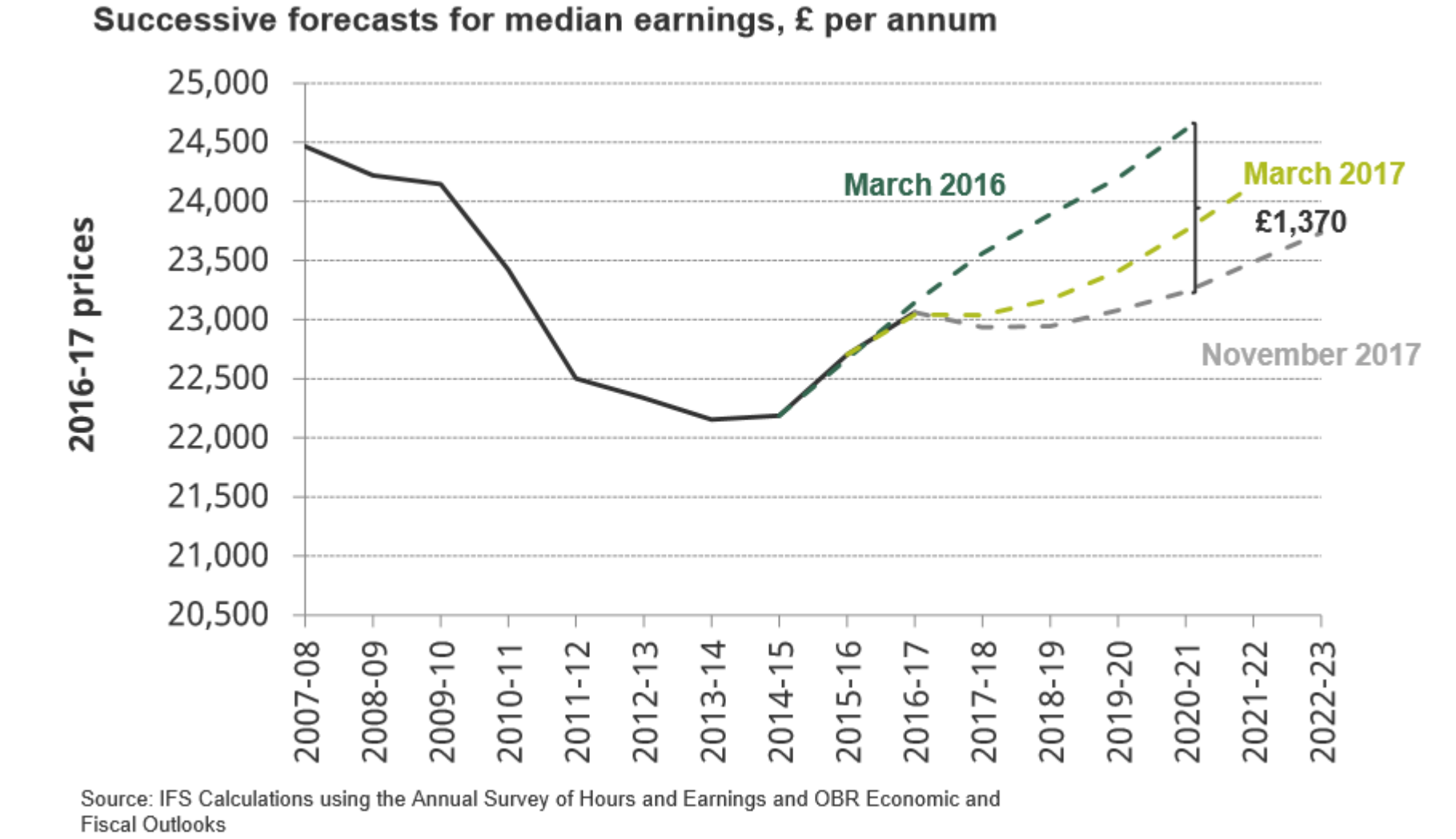
Economic growth



Trend growth



Earnings



Summary

- IPSE was successful in lobbying the Government to halt the immediate implementation of IR35 into the private sector
- The Government will respond to the Taylor Review which will lead to consultations over employment and tax status
- The Dividend Allowance will fall to £2,000 from April 2018
- The Personal Allowance and Higher Rate Threshold increased as expected to £11,850 and £46,350
- The VAT Threshold has been frozen for two years at £85,000
- The economic challenge of productivity is squeezing growth, the public finances and living standards

Questions?