

Tax Rate Card

2011/12

RAWLINSON & HUNTER



Income Tax Rates

| | 2011/12 | 2010/11 |
|--|----------|----------|
| Savings rate, 10% on first | +£2,560 | +£2,440 |
| Basic rate, 20% on first | £35,000 | £37,400 |
| Higher rate, 40% on income over | £35,000 | £37,400 |
| Additional rate, 50% on income over | £150,000 | £150,000 |
| Dividends for basic-rate taxpayers | 10% | 10% |
| Other investment income for basic-rate taxpayers | 20% | 20% |
| Dividends for higher-rate tax payers | 32.5% | 32.5% |
| Dividends for additional-rate taxpayers | 42.5% | 42.5% |
| Most trusts | 50% | 50% |
| Dividends for most trusts | 42.5% | 42.5% |

Main Income Tax Reliefs

| | 2011/12 | 2010/11 |
|--|----------|----------|
| Personal allowance (basic) [†] | £7,475 | £6,475 |
| Personal allowance (age 65 – 74) | £9,940 | £9,490 |
| Personal allowance (age 75 and over) | £10,090 | £9,640 |
| Married couple's allowance (age 75 and over)* | £7,295 | £6,965 |
| Income limit for age-related allowances | £24,000 | £22,900 |
| Blind person's allowance | £1,980 | £1,890 |
| Rent-a-room tax-free income | £4,250 | £4,250 |
| Enterprise Investment Scheme [≡] at 30% | £500,000 | £500,000 |
| Venture Capital Trust at 30% | £200,000 | £200,000 |

[†] Restricted to savings income and not available if non-savings income exceeds £2,560 (£2,440 for 2010/11)

[!] Allowance is reduced by £1 for every £2 of assessable income in excess of £100,000 until it is completely removed for assessable income over £114,950 (£112,950 for 2010/11)

* Allowances where relief is restricted to 10%

= 20% for 2011/12

Car Benefit Assessment 2011/12

Charge based on a percentage of the initial list price of the car; the percentage depends on the carbon dioxide emission rating of the car, if it has one. For older cars without a rating, the percentage depends on engine capacity.

For 2011/12 the percentage for a petrol engine is 15% for ratings up to 125g/km. The percentage increases by 1% for every complete 5g/km in excess of this, to a maximum of 35%. Diesel cars have 3% added to this figure, but still have a maximum percentage of 35%. For petrol engines with a rating of less than 120g/km the percentage rate is reduced to 10% (13% for Diesels) and is further reduced to 5% where the rating is 75g/km or less. For vehicles which cannot produce CO₂ engine emissions under any circumstances there will be a 0% charge.

Car Fuel 2011/12

The tax charge for fuel provided for private use is calculated by applying the relevant car benefit percentage to a scale charge. For 2011/12 the charge is £18,800.

Employee Benefits

| | 2011/12 | 2010/11 |
|--|---------|----------|
| Occupational Pension cap | £50,000 | £255,000 |
| Savings-related share options per month | £250 | £250 |
| Approved Share Option Plans | £30,000 | £30,000 |
| All Employee Share Schemes - Employers | £3,000 | £3,000 |
| - Employees | £1,500 | £1,500 |
| Cheap loan benefit tax-free if loan is up to | £5,000 | £5,000 |
| Golden handshake exemption | £30,000 | £30,000 |
| Relocation expenses | £8,000 | £8,000 |

Capital Gains Tax

| | 2011/12 | 2010/11 |
|----------------------------------|---------|---------|
| Individuals basic-rate taxpayers | 18% | 18% |
| higher/additional-rate taxpayers | 28% | +28% |
| Most trusts | 28% | +28% |
| + 18% up to 22 June 2010 | | |

Individuals and some trustees will be able to claim entrepreneurs' relief on the first £10 million from 6 April 2011 (£2 million up to 22 June 2010 and £5 million from 23 June 2010) of lifetime qualifying gains at an effective tax rate of 10%.

| | | |
|--|-----|-----|
| | 10% | 10% |
|--|-----|-----|

Annual Exemptions:

| | | |
|--|---------|---------|
| Individuals, personal representatives, etc | £10,600 | £10,100 |
| Trusts generally | £5,300 | £5,050 |
| Chattels (5/3 taxable on excess) | £6,000 | £6,000 |

Personal Pensions / Stakeholder Pensions

| Tax Year | Lifetime Allowance | Annual Allowance |
|----------|--------------------|------------------|
| 2010/11 | £1,800,000 | £255,000 |
| 2011/12 | £1,800,000 | £50,000 |

Basic State Pension

| | 2011/12 | 2010/11 |
|---------------------------------|-----------|-----------|
| Single person per year | £5,311.80 | £5,077.80 |
| Dependant's additional per year | £3,182.40 | £3,042.00 |
| Married couple total per year | £8,494.20 | £8,119.80 |

Individual Savings Accounts (ISA)

| | 2011/12 | 2010/11 |
|--------------------|---------|---------|
| Subscription limit | £10,680 | £10,200 |

National Insurance Contributions

| Employees Class 1 | 2011/12 | 2010/11 |
|--|---|---|
| – Employees with earnings at or above the lower earnings limit | | |
| Standard rate (contracted in) | 12% on weekly earnings between £139.01 and £817 | 11% on weekly earnings between £110.01 and £844 |
| Standard rate (contracted out) | 10.4% on weekly earnings between £139.01 and £770 | 9.4% on weekly earnings between £110.01 and £770 |
| | 12% on weekly earnings between £770.01 and £817 | 11% on weekly earnings between £770.01 and £817 |
| Married women and widows reduced rate | 5.85% on weekly earnings between £139.01 and £817 | 4.85% on weekly earnings between £110.01 and £844 |
| Additional 2% on all earnings ⁺ | over £817 per week | over £844 per week |
| + 1% for 2010/11 | | |

Employers Class 1 Contributions

| Weekly Earnings Bands | 2011/12 | | |
|-----------------------|--------------------|-----------------------------|-----------------------------|
| | Not contracted out | Contracted out COSR Schemes | Contracted out COMP Schemes |
| Below £136 | Nil | Nil | Nil |
| £136 – £770 | 13.8% | 10.1% | 12.4% |
| Over £770 | 13.8% | 13.8% | 13.8% |

| Weekly Earnings Bands | 2010/11 | | |
|-----------------------|--------------------|-----------------------------|-----------------------------|
| | Not contracted out | Contracted out COSR Schemes | Contracted out COMP Schemes |
| Below £110 | Nil | Nil | Nil |
| £110 – £770 | 12.8% | 9.1% | 11.4% |
| Over £770 | 12.8% | 12.8% | 12.8% |

Notes: 1. COSR = Contracted Out Salary Related 2. COMP = Contracted Out Money Purchase

| Self-Employed | 2011/12 | 2010/11 |
|--|--------------|--------------|
| Class 2 – self-employed rate (per week) | £2.50 | £2.40 |
| Small earnings exemption (per annum) | £5,315 | £5,075 |
| Class 3 – voluntary rate (per week) | £12.60 | £12.05 |
| Class 4 – self-employed rate | 9% | 8% |
| Lower limit of profits (per annum) | £7,225 | £5,715 |
| Upper limit of profits (per annum) | £42,475 | £43,875 |
| Additional 2% on all earnings (per annum) ⁺ | over £42,475 | over £43,875 |
| + 1% for 2010/11 | | |

Inheritance Tax

| | 2011/12 | 2010/11 | | | |
|---|----------|----------|-------|-------|-------|
| Free of tax up to | £325,000 | £325,000 | | | |
| Tax on excess | 40% | 40% | | | |
| Transfers to most trusts | 20% | 20% | | | |
| Overseas domiciled spouse exemption | £55,000 | £55,000 | | | |
| Business Property and Agricultural Reliefs | 2011/12 | 2010/11 | | | |
| A business or interest in a business | 100% | 100% | | | |
| Transfers of unquoted shareholdings | 100% | 100% | | | |
| Transfers of a controlling shareholding in fully quoted companies, land, buildings, machinery or plant used in business of company or partnership | 50% | 50% | | | |
| Reduced tax charge on gifts within seven years of death | | | | | |
| Years before death | 0 – 3 | 3 – 4 | 4 – 5 | 5 – 6 | 6 – 7 |
| % of death charge | 100% | 80% | 60% | 40% | 20% |
| Annual exempt gifts: £3,000 per donor, £250 per donee | | | | | |
| Further gifts may be received free of tax at time of marriage | | | | | |

Corporation Tax

| | 2011/12 | 2010/11 |
|---|---------|---------|
| Small companies' rate £0 - £300,000 | 20% | 21% |
| Marginal relief between £300,001 - £1,500,000 | 3/200th | 7/400th |
| Main rate £1,500,001 or more | 26% | 28% |
| R&D Tax Relief SME companies | 200% | 175% |
| Large companies | 130% | 130% |

Main Capital Allowances

| | 2011/12 | 2010/11 |
|--|----------|------------------------|
| Plant and machinery, Patent Rights, Know-How: | | |
| Writing down allowances (reducing balance) | +20% pa | +20% pa |
| Annual Investment Allowance | £100,000 | £100,000 |
| Motor cars: | | |
| Writing down allowance (reducing balance) | | 20% pa max £3,000 pa |
| Scientific research - Capital expenditure | | 100% initial allowance |
| Industrial and agricultural buildings, hotels, docks, etc: | | |
| Writing down allowance (straight line) | N/A | 1% pa |

⁺ The rate of the writing down allowance is reduced to 10% on long-life assets and assets which, whilst qualifying as plant and machinery, are integral features within a building

Value Added Tax

| | | |
|---|-----------------------|-------------------------|
| Standard rate | | 20% |
| Domestic fuel and power | | 5% |
| Insurance Premium Tax | Higher rate 20% | Standard rate 6% |
| Registration level | to 31/03/2011 £70,000 | from 01/04/2011 £73,000 |
| De-registration limit | to 31/03/2011 £68,000 | from 01/04/2011 £71,000 |
| Cash-accounting scheme turnover limit | | £1,350,000 |
| Optional flatrate scheme turnover limit | | £150,000 |
| Car fuel: variable outputs based on car fuel benefit charge | | |

Stamp Duty Land Tax

On documents transferring residential property where cost is:
(excluding shares)

| | |
|----------------------|------------------|
| Below £125,000* | NIL |
| £125,001 – £250,000 | 1% on full price |
| £250,001 – £500,000 | 3% on full price |
| £500,001 – £1million | 4% on full price |
| Over £1million | 5% on full price |

* Increased to £250,000 for 2 years from 25 March 2010 for first time buyers

Main Dates for Tax Payments

Income Tax and Capital Gains Tax – Self Assessment

- 31 Jan in tax year
 - Following 31 July
 - Following 31 Jan
- } – Normally 50% of previous year's
Income Tax, less tax deducted at source
- Balance of Income Tax and all CGT

Inheritance Tax

- Death: normally six months after month of death
- Lifetime transfer 6 April – 30 Sept: 30 April in following year
- Lifetime transfer 1 Oct – 5 April: six months after month of transfer

Corporation Tax

- Small companies: (taxable profits less than £1,500,000) tax due nine months and one day after end of accounting period.
- Large companies: (taxable profits over £1,500,000) tax due in quarterly instalments from six months and 13 days after start of accounting period.

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