



Tax Guide

INCOME TAX

Individual Allowances & Reliefs	2010/11	2011/12
Personal (basic)	£6,475	£7,475
Personal (age 65-74)	£9,490	£9,940
Personal (age 75+)	£9,640	£10,090
Married couples/civil partners	£2,670	£2,800
Income limit for personal allowance*	£100,000	£100,000
Income limit for age related allowance*	£22,900	£24,000

* The applicable personal allowances are reduced by £1 for every £2 of income in excess of these limits

Rates		
Starting Rate for Savings Only*	10%	10%
On taxable interest between	£0-2,440	£0-2,560

Basic Rate	20%	20%
On taxable earnings between	£0-37,400	£0-35,000

Higher Rate	40%	40%
On taxable earnings between	£37,401 - 150,000	£35,001 - 150,000

Additional Rate	50%	50%
On taxable earnings of	£150,000 +	£150,000 +

* This allowance applies to savings income only. If non-savings income already exceeds this level then the starting rate on savings income will not apply.

CAPITAL GAINS TAX

	2010/11	2011/12
Annual Allowance	£10,100	£10,600

Rates	2010/11	2011/12
Basic rate income tax payers	18%	18%
Higher rate income tax payers	28%*	28%
Certain Trusts & estates	28%*	28%

Entrepreneurs Relief	2010/11	2011/12
Rate payable	10%	10%
Maximum lifetime gain	£5 million*	£5 million

* Rates applicable since June 2010

NATIONAL INSURANCE CONTRIBUTIONS

Employed - Class 1 Non-Contracted Out	2010/11	2011/12
Lower earnings limit (LEL)	£97 pw	£102 pw
Earnings threshold (ET)	£110 pw	£139 pw
Upper accrual point (UAP)	£770 pw	£770 pw
Upper earnings limit (UEL)	£844 pw	£817 pw

Rates 2011/12	Employee	Employer
NIC rate if earnings below ET	nil	nil
NIC rate on earnings between ET & UEL	12.0%	13.8%
NIC rate on earnings above UEL	2.0%	13.8%
Certain married women between ET & UEL	5.85%	13.8%
Class 1A rate on employer-provided benefits	nil	13.8%

Contracted Out Rebates (Earnings between LEL & UAP)	Employee	Employer
Salary-related schemes	1.6%	3.7%
Money purchase schemes	1.6%	1.4%

Self Employed	Employee	Employer
Class 2 flat rate	£2.50 pw	-
Small earnings exception	£5,315 pa	-
Class 3 (voluntary)	£12.60 pw	-
Class 4 rate on profits		
£7,225 - £42,475	9%	-
Over £42,475	2%	-

CORPORATION TAX

	2010	2011
Small profits rate	21%	20%
Companies with profits not exceeding	£300,000	£300,000
Margins relief, lower limit	£300,000	£300,000
Margins relief, upper limit	£1,500,000	£1,500,000
Standard fraction	7/400	3/200
Main rate	28%	26%
Special rate : unit trusts & OEICs	20%	20%



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INHERITANCE TAX

Nil Rate Band - Individual	2010/11	2011/12
Nil rate band - individual	£325,000	£325,000
Combined nil rate band - married couples/ civil partners	£650,000	£650,000
Tax rate on excess	40%	40%
Lifetime transfers to and from certain trusts	20%	20%

% of Tax Charged on Lifetime Gifts Within 7 Years of Death	2010/11	2011/12
Death between 0-3 years of gift	100%	100%
Death between 3-4 years of gift	80%	80%
Death between 4-5 years of gift	60%	60%
Death between 5-6 years of gift	40%	40%
Death between 6-7 years of gift	20%	20%
Death after 7 years of gift	nil	nil

USEFUL DATES

Submission of Self-Assessment forms

To qualify for calculation by the tax office:	20 Sept 2011
Self-assessment:	31 Jan 2012

Payment Dates

Balance of tax payable for tax year 2010/11	31 Jul 2011
Final payment date for any remaining 2010/11 tax year liability plus 50% down payment on tax liability for 2011/12	31 Jan 2012

INVESTMENT ALLOWANCES & RELIEFS

Individual Savings Accounts	2010/11	2011/12
Annual allowance (total)	£10,200	£10,680
Maximum in cash	£5,100	£5,340

Venture Capital Trusts (30%)	2010/11	2011/12
Investment allowance	£200,000	£200,000

Enterprise Investment Schemes (30%)	2010/11	2011/12
Investment allowance	£500,000	£500,000

Pension Schemes	2010/11	2011/12
Minimum allowable annual contribution	£3,600	£3,600
Maximum allowable annual contribution (or 100% of earnings, whichever is the lower)	£255,000	£50,000
Lifetime allowance	£1.8m	£1.8m
Maximum pension commencement lump sum	25% of fund value	25% of fund value
Lifetime allowance charge (for excess drawn as cash)	55%	55%
Lifetime allowance charge (for excess drawn as income)	25%	25%
Annual allowance charge on excess	40%	40%

Services Available & Contact Details

Financial Planning	Investments	Mortgages	Pensions	Insurance
Goal Planning, Inheritance Tax, Periodic Reviews	Risk Assessment, Portfolio Construction, Ongoing Review	Movers, Remortgages, Further Advances, First Time Buyers, Buy-To-Let, Commercial, Overseas	At Retirement Planning, Pension Fund Withdrawal / Drawdown, Open Market Options, Phased Retirement, Annuities	Personal, Health, Property

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