

UK Tax Tables

2009/2010



Income Tax

Personal Allowance	£
Under age 65	6,475
Aged 65 to 74	9,490
Aged 75 and over	9,640

Married Couple's Allowance*	£
Aged 75 and over	6,965
Married Couple's Allowance (minimum amount)	2,670
<i>*Relief is given at 10%</i>	

Aged Income Limit	£
The personal allowance for individuals aged 65 and over is abated by £1 for every £2 of income over £22,900.	22,900

Other Reliefs	£
Blind person	1,890
Life assurance premiums (<i>Pre March 14, 1984 only</i>)	12.5%

Income Tax Rates	£	
Taxable Income Bands	%	Tax
Basic up to £37,400	20	£7,480
Higher over £37,400	40	

Tax on Savings Income	%	Tax on Dividend Income	%
Lower (first £2,440)**	10.0	Lower (first £2,440)	10.0
Basic (£2,441 to £37,400)	20.0	Basic (£2,441 to £37,400)	10.0
Higher	40.0	Higher	32.5
Discretionary Trusts***	40.0	Discretionary Trusts***	32.5

***If an individual's taxable non-savings income is above £2,440 then the 10% savings rate is not applicable.*

****The income tax rate for Discretionary Trusts up to the first £1,000 is taxed at no more than the basic rate.*

Enterprise Investment Scheme ("EIS")

Venture Capital Trusts ("VCT") - Income Tax Relief

A qualifying individual is eligible for income tax relief on a subscription for shares in a qualifying company. Relief is given as a tax credit of 20% of the amount invested up to a maximum of £500,000 for EIS and 30% of the amount invested up to a maximum of £200,000 for VCTs.

Relief may be carried back to the previous tax year for investments made on or after April 6, 2009.

Pension Contributions - Limits

There is no limit on the contributions an individual may make, but income tax relief will only be given on contributions up to the higher of 100% of "relevant earnings" and £3,600 gross. Relief on pension contributions cannot exceed a maximum amount of £245,000 for 2009/2010.

The single lifetime allowance (which is the maximum pension fund value qualifying for tax relief) is set at £1.75 million for 2009/2010.

Capital Gains Tax

Annual Exemptions

	£
Individuals	10,100
Trusts	5,050

Capital Gains Tax

Rate from April 6, 2009	18%
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Notes:

1. There is no liability in respect of certain UK Government Securities.
2. Stockpiled gains in offshore trusts are liable to a supplementary charge of up to 10.8% after 6 years in addition to the 18% above.
3. Gains arising during a period of non-residence may be chargeable on return to the UK within 5 years.

EIS/VCT - Capital Gains Tax Exemption

Where the conditions for EIS/VCT income tax relief are met then you will also qualify for an exemption from capital gains tax on the subsequent disposal of the shares.

EIS - Capital Gains Tax Deferral Relief

Chargeable gains can be deferred on selling any asset where there is a qualifying investment in an EIS. The investment must be made at some point during the period 1 year before and 3 years following the chargeable gain.

Residence and Domicile

UK Resident & Domiciled Individuals

- Taxable on worldwide income and gains arising in the year.

UK Resident but Non Domiciled Individuals

- If resident for fewer than 7 out of the last 10 years, you may claim the remittance basis of assessment without the payment of an annual charge.
- If resident for more than 7 out of the last 10 years, you may claim the remittance basis of assessment on the payment of an annual charge of £30,000.
- The remittance basis must be claimed by January 31 following the year end (January 31, 2011 for 2009/2010).
- Where the remittance basis is claimed – no personal allowances or annual capital gains exemptions will be allowed.
- It is not necessary to claim the remittance basis of assessment if the unremitted foreign income is less than £2,000 in the year.

Inheritance Tax

Exemptions

	£
Gifts to spouse	No limit*
Annual gifts	3,000
Small gifts per donee	250
Gifts on marriage	
Parent	5,000
Grandparent	2,500
Other	1,000
Normal expenditure out of income	Seek advice

**Provided both UK domiciled/deemed domiciled*

Cumulative Transfers

	%
First £325,000	Nil
Maximum combined threshold for couples £650,000	Nil

Lifetime Transfers

	%
Chargeable lifetime transfers	
• Gifts to trust	20
• 10 yearly charge on assets	6

Gifts to trusts for disabled persons, certain trusts for minors and gifts to an individual are potentially exempt.

Death Estate

	%
Inheritance tax on death estate	40
Chargeable lifetime transfers	
• Within 7 years before death (additional)	20

Potentially exempt transfers

• Within 7 years before death	% of IHT payable
0 to 3 years	100
3 to 4 years	80
4 to 5 years	60
5 to 6 years	40
6 to 7 years	20

Agricultural and Business Property Relief

Reduces the whole or part of the value of agricultural property or relevant business property transferred. The reduction is either 100% or 50%.

National Insurance Contributions (NIC)

Class 1 Contributions (not contracted out)

Employees

Earnings between £5,715 and £43,875 p.a.	11.0
Earnings above £43,875 p.a.	1.0

Employers

Earnings below or equal to £5,715 p.a.	Nil
Earnings above £5,715 p.a.	12.8

National Insurance Contributions (continued)

Class 1 Contributions (contracted out)	%
Employees	
Earnings between £5,715 and £43,875 p.a.	9.4
Earnings above £43,875 p.a.	1.0
Employers	
Earnings between £5,715 and £43,875 p.a.	
- Salary related schemes	9.1
- Money purchase schemes	11.4
Earnings above £43,875 p.a.	
- Salary related schemes	12.8%
- Money purchase schemes	12.8%
Married Women's Reduced Rate	
Earnings between £5,715 and £43,875 p.a.	4.85
Earnings above £43,875 p.a.	1.0
Class 1A Employer	
Taxable benefits	12.8%
Class 1B Employer	
PAYE settlement agreement	12.8%
Class 2 Contributions	£
Self employed (£2.40 p.w. if earnings over £5,075 p.a.)	124.80
Class 3 Voluntary Contributions	£
(£12.05 p.w.)	626.60
Class 4 Contributions	%
Profits between £5,715 and £43,875	8.0
Profits above £43,875	1.0
No NIC Liability for	
<ul style="list-style-type: none">• Children under the age of 16• Men over the age of 65• Women over the age of 60	

Employment Benefits

General Rule

- Amount assessable is cost (including VAT) to employer

Exemptions

- Relocation expenses up to £8,000
- Incidental expenses up to £5 per night in UK
- Incidental expenses up to £10 per night outside UK
- Annual parties not exceeding £150 per employee p.a.

Employment Benefits (continued)

Loans

- Less than £5,000: no benefit
- Over £5,000: taxable on deemed interest at “official rate”
- Special rules apply for foreign currency loans

Home

- “Official rate” on excess over £75,000 of cost to employer, plus rateable values
- For non-UK homes, market rent only

Official rate

- 4.75% for tax year 2009/2010

Stamp Duties

Transfer of Shares 0.5%

Transfer of Land and Buildings:

Residential in disadvantaged areas

- Up to £150,000* Nil
- £150,001 to £250,000 1%
- £250,001 to £500,000 3%
- More than £500,000 4%

Residential outside disadvantaged areas

- Up to £125,000* Nil
- £125,001 to £250,000 1%
- £250,001 to £500,000 3%
- More than £500,000 4%

Non-Residential

- Up to £150,000 Nil
- £150,001 to £250,000 1%
- £250,001 to £500,000 3%
- More than £500,000 4%

** For transactions up to December 31, 2009 the Nil band is increased to £175,000*

Corporation Tax

Full rate (profits >£1,500,000)* 28%

Small companies' rate (profits £0.00 - £300,000)* 21%

** Limits are reduced proportionately for the number of associated companies*

Close investment-holding companies are liable to corporation tax at the full rate.

Marginal relief is given at 7/400 for profits between £300,001 and £1,500,000.

Capital Allowances

Motor cars	25% reducing balance (maximum £3,000)
Industrial buildings, hotels, agricultural buildings	3% straight line
Enterprise zone buildings	100%
Scientific research	100%
Patents, know-how	25% reducing balance
Plant and machinery	
• Long life assets	10% reducing balance
• Other plant and machinery	40% first year allowance 20% reducing balance

Annual Investment Allowances

First £50,000 of expenditure 100%

Any further expenditure over the £50,000 limit will receive writing down allowances at the above rates.

Value Added Tax

Reduced Rate

(to December 31, 2009): 15%

Standard Rate

(from January 1, 2010): 17.5%

Lower Rate*: 5%

Zero rate*: 0%

*On a limited range of goods and services

Registration threshold

(changes from May 1, 2009): £68,000

Taxable supplies at the end of any month exceed £68,000 in the past 12 months or will at any time exceed £68,000 in the next 30 days. Different registration thresholds apply for supplies from other EU Member States.

Tax Deadlines 2009/2010

Income Tax and Capital Gains Tax

- July 31, 2009: 2nd payment on account for 2008/2009.
- Oct 5, 2009: Notify HMRC if no return issued but tax to pay.
- Oct 31, 2009: Submit non electronic 2008/2009 tax return.
- Jan 31, 2010: Submit tax return electronically. Final payment (incl. CGT) for 2008/2009, plus first payment on account for 2009/2010.
- Corporation tax – large companies tax payable quarterly from month 7 within accounting period, final payment 9 months and 1 day after year end. All other companies full payment 9 months and 1 day after year end.
- PAYE & NIC due 19th of each month (unless quarterly payments applicable). Class 1A NIC due July 19, 2009. PAYE forms P35 and P14 due May 19, 2009; Form P60 due May 31, 2009; Forms P11D and P9D due July 6, 2009.

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- Strategies to mitigate income tax and capital gains tax
- Tax efficient investments and suitable structures
- Strategic wealth planning
- Maximising the value from your company or your trust
- Minimizing the tax payable on the sale of your company
- Retirement and succession planning
- Estate planning
- Mitigating tax for non UK domiciliaries / residents
- Employees receiving value from company incentive plans
- UK and offshore trusts
- International pension plans

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The summary contained herein has been prepared by RBC Regent Tax Consultants Limited and RBC International Wealth Planning

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