UK Tax Tables

2010/2011

Revised

RBC Wealth Management™

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

***Relief is given at 10%*

Allowance Reductions

*The personal allowance for individuals aged 65 and over is reduced by £1 for every £2 of income over £22,900.
*The personal allowances are reduced by £1 for every £2 of income over £100,000.

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

Income Tax Rates

Taxable Income Bands		**%**	**Tax** (£)
Basic	up to £37,400	20	£7,480
Higher	£37,401 to £150,000	40	£45,040
Additional	over £150,000	50	

Tax on Savings Income	**%**
Lower (first £2,440)***	10.0
Basic (£2,441 to £37,400)	20.0
Higher (£37,401 to £150,000)	40.0
Additional (over £150,000)	50.0
Discretionary Trusts****	50.0

Tax on Dividend Income	**%**
Lower (first £2,440)	10.0
Basic (£2,441 to £37,400)	10.0
Higher (£37,401 to £150,000)	32.5
Additional (over £150,000)	42.5
Discretionary Trusts****	42.5

****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, 2010.

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. A special annual allowance charge can apply to individuals earning over £130,000 to effectively restrict tax relief to basic rate.

	£
Annual allowance	255,000
Lifetime allowance	1,800,000

Capital Gains Tax

Annual Exemptions	**£**
Individuals	10,100
Trusts	5,050

Capital Gains Tax	
Rate from April 6, 2010 (standard rate)	18%
Rate from June 23, 2010 (higher rate)	28%

Entrepreneurs' Relief	
Lifetime allowance £2 million (effective rate) from June 23, 2010 £5 million	10%

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. For non-settlor interested trusts, this supplementary charge could increase to 16.8% in addition to the 28% that can apply after 23 June 2010.**
3. **Gains arising during a period of non-residence may be chargeable on return to the UK within 5 years.**
4. **The higher rate of Capital Gains Tax is payable for higher and additional rate tax payers**

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, 2012 for 2010/2011)
- 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

- 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

Accommodation

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

Official rate

- 4% from April 6, 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%

† First time buyers can claim relief from SDLT on residential transactions up to £250,000 between March 25, 2010 and March 25, 2012

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	20% reducing balance

Annual Investment Allowances

First £100,000 of expenditure	100%

Any further expenditure over the £100,000 limit will receive writing down allowances at the above rates.

Value Added Tax

Standard Rate	17.5%
From January 4, 2011	20%
Lower Rate*:	5%
Zero rate*:	0%

Registration threshold

**On a limited range of goods and services*

Registration threshold (changes from April 1, 2010):	£70,000

Taxable supplies at the end of any month exceed £70,000 in the past 12 months or will at any time exceed £70,000 in the next 30 days.
Different registration thresholds apply for supplies from other EU Member States.

Tax Deadlines 2010/2011

Income Tax and Capital Gains Tax

- July 31, 2010: 2nd payment on account for 2009/2010
- Oct 5, 2010: Notify HMRC if no return issued but tax to pay
- Oct 31, 2010: Submit non electronic 2009/2010 tax return
- Jan 31, 2011: Submit tax return electronically. Final payment (incl. CGT) for 2009/2010, plus first payment on account for 2010/2011
- 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, 2010. PAYE forms P35 and P14 due May 19, 2010; Form P60 due May 31, 2010; Forms P11D and P9D due July 6, 2010.

About RBC Wealth Management

RBC Wealth Management is dedicated to providing tailored solutions to meet the international financial needs of high net worth clients and their families.

With a network of offices in over 30 key financial centres around the world, RBC Wealth Management provides wealth management opportunities for clients resident in more than 150 countries.

RBC International Wealth Planning* and RBC Regent Tax Consultants Limited provide international tax consultancy and UK tax compliance services. The range of issues we can give advice on includes:

- 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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