

# KJG

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## **Tax Table 2021/22**

<b>Income Tax (England, Wales and NI)</b>	<b>Rate</b>	<b>2020-2021</b>	<b>2021-2022</b>
Starting rate <sup>1</sup>	0%	£0 - £5,000	£0 - £5,000
Basic rate	20%	£0 - £37,500	£0 - £37,700
Higher rate	40%	£37,501 - £150,000	£37,701 - £150,000
Additional rate	45%	Over £150,000	Over £150,000
Basic rate on dividends	7.5%	Over the £2,000 dividend allowance	Over the £2,000 dividend allowance
Higher rate on dividends	32.5%	Over the £2,000 dividend allowance	Over the £2,000 dividend allowance
Additional (and Trust <sup>2</sup> ) rate on dividends	38.1%	Over the £2,000 dividend allowance	Over the £2,000 dividend allowance
Trust standard rate	20%	£0 - £1,000	£0 - £1,000
Trust rate	45%	£1,001+	£1,001+

<sup>1</sup>For savings income only. Non-savings income represents the first slice of income for the purposes of the above. <sup>2</sup>Trusts do not benefit from the £2,000 dividend allowance and dividends received within the £1,000 standard rate will be taxed at 7.5% and 38.1% above the standard rate.

<b>Personal Allowances</b>	<b>2020-2021</b>	<b>2021-2022</b>
Personal allowance <sup>1</sup>	£12,500	£12,570
Personal savings allowance – basic rate taxpayer <sup>2</sup>	£1,000	£1,000
Personal savings allowance – higher rate taxpayer <sup>2</sup>	£500	£500
Dividend allowance <sup>2</sup>	£2,000	£2,000
Property allowance <sup>3</sup>	£1,000	£1,000
Trading allowance <sup>3</sup>	£1,000	£1,000
Married/civil partner allowance <sup>4</sup>	£9,075	£9,125
Married/civil partner basic allowance	£3,510	£3,530
Blind person's allowance	£2,500	£2,520
Transferable personal allowance for spouse/civil partners <sup>5</sup>	£1,250	£1,260

<sup>1</sup>Reduced by £1 for every £2 over £100,000. <sup>2</sup>These bands are taxed at 0% and form part of an individual's basic/higher rate limits.

<sup>3</sup>Where gross property income and/or gross trading income is in excess of these amounts, recipients can choose to take the £1,000 allowance as a deduction against their gross income instead of deducting actual expenses to arrive at their taxable income figure. <sup>4</sup>For those born before 6/4/1935. This is reduced by £1 for every £2 of income over £30,400. <sup>5</sup>Transferred between spouses/civil partners provided neither suffer tax over basic rate tax and are not in receipt of married couple's allowance.

<b>Tax Efficient Investment Allowances</b>	<b>2021-2022</b>
<i>See Also Pension Allowances</i>	
Individual Savings Accounts (ISA)	£20,000
Junior ISA/Child Trust Fund limit	£9,000
Help to Buy ISA 1st time buyers only. Closed to new accounts on 31.11.2019.	£200pm
Lifetime ISA (For those aged 18-40 saving to purchase 1st home or retirement). Investor can receive a government bonus of 25% per year. This annual subscription forms part of the overall annual allowance.	£4,000
Venture Capital Trust <sup>1</sup>	£200,000
Enterprise Investment Scheme <sup>1,2</sup>	£2,000,000
SEED Enterprise Investment Scheme <sup>3</sup>	£100,000

<sup>1</sup>Income tax relief up to 30%. Dividends received on qualifying VCT investments are exempt from income tax. <sup>2</sup>Up to £2 million, provided £1 million is invested in knowledge-intensive companies. <sup>3</sup>Income tax relief available up to 50%.

<b>Benefits and Statutory Pay</b>	<b>2021-2022</b>
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#### **Child Benefit:**

First eligible child	£21.15 per week
Each subsequent child	£14.00 per week

#### **Statutory Pay Rates:**

Average weekly earnings over £120

#### **Sick (SSP)**

Standard Rate	£96.35 per week
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#### **Maternity (SMP), Paternity (SPP), Shared Paternity (ShPP) & Adoption (SAP)**

90% of average weekly earnings	First 6 weeks then
the lesser of £151.97 or 90% of employee's average weekly earnings	

#### **Employers**

If Class 1 NICs are more than £45,000 in the previous tax year, you can recover 92% of the total of all payments made in the same tax month. If Class 1 NICs are less than £45,000 in the previous tax year, you can recover 103% of the total of all payments.

## Scottish Income Tax

Band Name	Rate	2020-2021	2021-2022
Personal Allowance*	0%	£0 - £12,500	£0 - £12,570
Starter Rate	19%	£12,501 - £14,585	£12,571 - £14,667
Basic Rate	20%	£14,586 - £25,158	£14,668 - £25,296
Intermediate Rate	21%	£25,159 - £43,430	£25,297 - £43,662
Higher Rate	41%	£43,431 - £150,000	£43,663 - £150,000
Additional Rate	46%	Over £150,000	Over £150,000

\*Reduced by £1 for every £2 over £100,000.

## Main Dates for Tax Payment: Income Tax and Capital Gains Tax - Self Assessment

31 January in relevant tax year following 31 July	Normally 50% of previous year's Income Tax, less tax at source.
Subsequent 31 January	Balance of Income Tax and all CGT

National Insurance Contribution Rates		2020-2021	2021-2022
Class 1	Lower earnings limit (primary) p.w.	£120	£120
	Upper earnings limit (primary) p.w.	£962	£967
	Primary threshold p.w.	£183	£184
	Secondary threshold p.w.	£169	£170
	Employee primary class 1: £184 (£183 <sup>1</sup> ) and £967 (£962 <sup>1</sup> ) p.w.	12%	12%
	Employee primary class 1: above £967 (£962 <sup>1</sup> ) p.w.	2%	2%
	Employer secondary class 2 rate: above £170 (£169 <sup>2</sup> ) p.w. <sup>2</sup>	13.8%	13.8%
Class 2	Per week	£3.05	£3.05
	Small earnings exemption per annum	£6,475	£6,515
Class 3	Per week	£15.30	£15.40
Class 4	Profits in excess of £50,270 (£50,000) per annum	2%	2%
	Lower profits limit	£9,500	£9,568
	Upper profits limit	£50,000	£50,270

<sup>1</sup>2020-2021 figures. <sup>2</sup>An employment allowance of £4,000pa is available to employers to offset against their employer class 1 NICs where employer NICs are below £100,000 in the previous tax year.

## Pensions

<b>Allowances (gross)</b>	<b>2020-2021</b>	<b>2021-2022</b>
Lifetime Allowance		
This may be increased under transitional protection provisions.	£1,073,100	£1,073,100
Lifetime Allowance charge - where excess drawn as cash	55%	55%
where excess drawn as income	25%	25%
Maximum Annual Allowance <sup>1</sup>	£40,000 <sup>2</sup>	£40,000 <sup>2</sup>
Maximum Carry Forward Allowance <sup>3</sup>	£120,000	£120,000
Universal Annual Allowance	£3,600	£3,600
Money Purchase Annual Allowance <sup>4</sup>	£4,000	£4,000
Tax charge on excess contributions	Individual's Marginal Tax Rate	

<sup>1</sup>Subject to 100% of relevant UK earnings. <sup>2</sup>Reduced by £1 for every £2 of adjusted income between £240,000 and £312,000. <sup>3</sup>Based on Annual Allowances in previous three tax years reducing to £4,000 on adjusted income of £312,000 plus. <sup>4</sup>Applies once income drawn under the pension freedom rules.

## Pension Freedoms Withdrawals (Freedom Ready Schemes only)

Maximum tax free cash lump sum	25%, from age 55
Maximum income	Unlimited, from age 55
Uncrystallised Fund Lump Sum (UFPLS)	25% tax free, 75% taxable as income
Small pots exemption – up to three defined contribution pots of £10,000 can be taken as one-off lump sums from age 55, taxed as UFPLS, above, without invoking Money Purchase Annual Allowance.	
Maximum value of 'triviality' lump sum (Defined Benefit schemes)	£30,000

## Inherited Pension Funds (Freedom Ready Schemes only)

Member's age at death	Pre 75	Post 75
Typical Inheritance Tax	0%	0%
Income tax on withdrawals	0%	Beneficiary's Marginal Rate

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**State Pension (per week):** **2021-2022**

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New State Pension (state pension age reached after 05.04.16) £179.60

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Basic State Pension (state pension age reached before 06.04.16) single person £137.60

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Basic State Pension (state pension age reached before 06.04.16) spouse/civil partner £82.45

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**Pension Credit (guaranteed element) per week:**

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Single Person £177.10

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Couples and Civil Partnerships £270.30

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**Auto Enrolment – Minimum Contributions**

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Minimum earnings for enrolment £10,000

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	Employer	Employee	Total gross
	3%	5%	8%

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**Stamp Duty**

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Shares and securities 0.5%

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Residential property:

First £125,000

0%

Next £125,000

2%\*

Next £675,000

5%\*

Next £575,000

10%

Above £1.5m

12%

Non-residential property:

First £150,000

0%

Next £100,000

2%

Over £250,000

5%

\*0% on first £500,000 up to 31.06.2021. After this date, the 0% threshold will be reduced to £250,000 for three months until 30.09.2021. From 01.10.2021 the 0% threshold will return to £125,000, or £300,000 for first 1st time buyers purchasing property worth up to £500,000.

There is a 3% supplement on additional residential property where the purchaser already owns a further residential property, or for all purchases by companies and most types of trust. A 15% charge applies to purchases of residential property by 'non-natural' persons (i.e. companies) for purchases over £500,000 subject to certain exclusions.

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<b>Capital Gains Tax</b>	<b>2020-2021</b>	<b>2021-2022</b>
Basic rate taxpayers	10%	10%
Higher and additional rate taxpayer	20%	20%
Trustees and personal representatives	20%	20%
Surcharge on residential property (main residence remains exempt)	8%	8%
Exemption: Individual, personal representatives, etc.	£12,300	£12,300
Exemption: Trusts, generally	£6,150	£6,150
Exemption: Chattels (5/3 taxable on excess gain proceeds), generally	£6,000	£6,000
Entrepreneurs' relief lifetime limit	£1,000,000	£1,000,000
Entrepreneurs' rate	10%	10%

<b>Inheritance Tax</b>	<b>2021-2022</b>
Nil rate band <sup>1</sup>	£325,000
Residence nil rate band <sup>1,2</sup>	£175,000
Rate of tax on excess	40%
Rate of tax on chargeable lifetime transfers over the nil rate band	20%
Agricultural/business relief	100%
Certain other business assets relief	50%

<sup>1</sup>Unused nil rate band percentages are transferable between spouses/civil partners.

<sup>2</sup>Residence, or assets to its value, must be passed to direct descendant(s) to qualify. This is reduced by £1 for every £2 the estate is valued over £2 million.

<b>Exempt Gifts</b>	<b>2021-2022</b>
Small gifts per donee	£250
Annual per donor	£3,000
Parental gift on marriage	£5,000
Grandparent gift on marriage	£2,500
Other marriage gifts	£1,000

<b>VAT</b>		<b>2021-2022</b>	
Standard rate		20%	
However, VAT is reduced from 20% to 5% on leisure and hospitality between 15.07.2020 and 30.09.2021. From 01.10.2021 to 31.03.2022 the reduced rate will increase to 12.5%.			
<b>Corporation Tax</b>		<b>2021-2022</b>	
Main and small profit rate		19%	
<b>Company car charges based on CO2 emissions:</b>			
<b>Electric, Hybrid, Petrol &amp; Diesel:</b>			
<b>% of list price</b>			
<b>CO2 emissions (g/km)<sup>1</sup></b>	<b>Electric range figure (miles)</b>	<b>2021-2022</b>	<b>2022-2025</b>
0	NA	1	2
1-50	>130	2	2
1-50	70-129	5	5
1-50	40-69	8	8
1-50	30-39	12	12
1-50	<30	14	14
Electric & Hybrid: >51g/km: +1% for each additional 1g/km			
<b>Petrol &amp; Diesel:</b>			
51-54	-	15	15
55-59	-	16	16
60-64	-	17	17
65-69	-	18	18
70-74	-	19	19
75	-	20	20
76-79	-	20	20
Petrol & Diesel: >80g/km: +1%, to a maximum of 37%, for each additional 1g/km Diesel cars: <b>Add 4%</b> to the ' % of list price ' up to a maximum of 37%.			

<sup>1</sup>For cars in the 1-50/km of the CO2 emissions band, the 'electric range figure' determines the appropriate percentage. The electric range figure in miles is the equivalent number of kilometres specified in an EC certificate of conformity, as being the maximum distance for which the car can be driven in electric mode without recharging the battery.

**NB:** The taxable benefit is the relevant rate multiplied by the list price of the car.