

## Tax Tables 2011/12

The figures contained in these tax tables are based on those announced in the 2011 Budget and may be subject to changes as the Finance Bill passes through Parliament.

Figures for previous tax year 2010/11 may not be documented where there has been no change to the figures for tax year 2011/12.

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## Income Tax

ALLOWANCES		
Personal Allowances	2010/11	2011/12
Basic (under age 65)	£6,475	£7,475 (1)
Income limit for Personal allowance	£100,000	£100,000 (2)
Age 65-74	£9,490*	£9,940*
Age 75+	£9,640*	£10,090*
Married Couples Allowance (MCA)	2010/11	2011/12
Age 75+	£6,965	£7,295
Minimum Age-Related Allowances	2010/11	2011/12
* These allowances are reduced by £1 for each £2 of gross income above the income limit of	£22,900	£24,000
But the age related PA cannot be reduced to less than	£6,475	£7,475
And the MCA cannot be reduced to less than	£2,670 (3)	£2,800 (3)

(1) The personal allowance for the under 65's will be raised to £7,475 from 6 April 2011 – The higher rate band is also reduced to £35,000

(2) Personal allowance reduced by £1 for every £2 that net adjusted income exceeds the £100,000 threshold. For 2011/12 the personal allowance will be reduced to zero once net adjusted income reaches £114,950

(3) Can be claimed by individuals born before 6 April 1935. Tax relief for the MCA is 10% and is given as a tax reducer.

Blind Persons Allowance	2010/11	2011/12
	£1,890	£1,980

TAXABLE INCOME					
Thresholds	2010/11	2011/12	Savings Income	Dividend Income	Non-Savings Income
<b>Starting Rate</b>	£0 to £2,440	£0 to £2,560	10%	n/a	n/a
<b>Basic Rate</b>	£0 to £37,400	£0 to £35,000	20%(1)	10%	20%
<b>Higher Rate</b>	£37,401 to £150,000	£35,001 to £150,000	40%	32.5%	40%
<b>Additional Rate</b>	Over £150,000	Over £150,000	50%	42.5%	50%

(1) The 10% starting rate is for savings income only. If an individual's taxable non-savings income exceeds the starting rate limit then the 10% starting rate will not be available for savings income

	2010/11		2011/12	
	Dividends	Other	Dividends	Other
Interest in Possession	10%	20%	10%	20%
Discretionary				
The first £1,000 of income	10%	20%	10%	20%
Income above £1,000	42.5%	50%	42.5%	50%

VENTURE CAPITAL SCHEMES				
Scheme	2010/11		2011/12	
	Max	Tax relief	Max	Tax relief
EIS	£500,000	20%	£500,000	30%
VCT	£200,000	30%	£200,000	30%

## National Insurance

National Insurance - rates and allowances		
£ per week	2010/11	2011/12
Lower earnings limit, primary Class 1	£97	£102
Upper earnings limit, primary Class 1	£844	£817
Upper accruals point	£770	£770
Primary threshold	£110	£139
Secondary threshold	£110	£136
Employees' primary Class 1 rate between primary threshold and upper earnings limit	11%	12%
Employees' primary Class 1 rate above upper earnings limit	1%	2%
Class 1A rate on employer provided benefits	12.8%	13.8%
Employers' contracted-out rebate	1.6%	1.6%
Married women's reduced rate between primary threshold and upper earnings limit	4.85%	5.85%
Married women's rate above upper earnings limit	1%	2%
Employers' secondary Class 1 rate above secondary threshold	12.8%	13.8%
Employers' contracted-out rebate, salary-related schemes	3.7%	3.7%
Employers' contracted-out rebate, money-purchase schemes	1.4%	1.4%
Class 2 rate	£2.40	£2.50
Class 2 small earnings exception	£5,075 per year	£5,315 per year
Special Class 2 rate for share fishermen	£3.05	£3.15
Special Class 2 rate for volunteer development workers	£4.85	£5.10
Class 3 rate	£12.05	£12.60
Class 4 lower profits limit	£5,715 per year	£7,225 per year
Class 4 upper profits limit	£43,875 per year	£42,475 per year
Class 4 rate between lower profits limit and upper profits limit	8%	9%
Class 4 rate above upper profits limit	1%	2%

Employer and Employee Class 1 and Self –Employed Class 4 NICs increase by 1% from 6 April 2011.

## Capital Gains Tax

ANNUAL EXEMPTION & RATES		
Annual Exemption	2010/11	2011/12
Individuals	£10,100	£10,600
Trustees	£5,050	£5,300

  

Rates	2010/11	2011/12
Eligible for entrepreneur's relief	10%	10%(1)
Basic Rate	18%	18%
Higher Rate (effective for disposals made after 22 June 2010)	28%	28%

(1) For 2011/12 entrepreneur's relief is available on qualifying disposals up to a maximum lifetime limit of £10,000,000. Gains in excess of this limit are taxed at 28%

## Corporation Tax

	Profit Limit	2011/12
Small Companies Rate	£300,000	20%
Marginal Rate	£1.5 million	27.5%
Main Rate	Over £1.5 million	26%

The main rate of corporation tax will reduce to 26% for financial year commencing 1 April 2011, and to 25% for financial year commencing 1 April 2012,

The small profits rate of corporation tax will reduce to 20% for financial year commencing 1 April 2011

## Inheritance Tax

### TAX RATES

Tax Year	Nil Rate Band	IHT due on a chargeable lifetime transfers in excess of the NRB	IHT due on Death on chargeable transfers in excess of the NRB
2010/11	£325,000	20%	40%
2011/12	£325,000	20%	40%

Budget 2011 announced a proposal to reduce the rate of IHT to 36% for anyone leaving 10% or more to charity with effect from 6 April 2012

### MAIN EXEMPT TRANSFERS

	Maximum £
Gifts to a UK domiciled spouse	No limit
Gifts to a Non UK domiciled spouse	£55,000(1)
Gifts to charities	No limit
Gifts to political parties	No limit
Annual exemption	£3,000
Small gifts	£250 (2)
Normal expenditure out of income	No limit
Potentially exempt transfers	Exempt if survives 7 years(3)
Gifts in consideration of marriage	(see below)
Parents	£5,000 each
Grandparents and bride/groom to each other	£2,500 each
Any other person	£1,000

### Notes

- (1) This £55,000 exemption applies to cumulative transfers. It is therefore necessary to consider previous gifts and transfers to a non UK domiciled spouse in order to determine whether any of this exemption remains
- (2) The gift has to be outright - not a gift into trust
- (3) Taper relief exists to reduce the amount of IHT paid on any gift made between 3 years and 7 years prior to death where cumulative total exceeds the nil rate band

### IHT RELIEFS

Business or farming assets may attract relief at either 50% or 100%, depending on the circumstances and type of the assets concerned. The relief can apply during lifetime or on death but if the relief is 100%, the practical effect is to make the transaction exempt.

## Pensions

### ANNUAL ALLOWANCE AND LIFETIME ALLOWANCE

Tax Year	Annual Allowance	Lifetime Allowance
2010/11	£255,000	£1.8million
2011/12	£50,000*	£1.8million
2012/13	£50,000*	£1.5million**

\* Individuals may carry forward unused annual allowance from the previous three tax years (starting with the earliest year first) subject to a notional annual allowance of £50,000 for each of these years

NB: The factor used to value deemed pension inputs for defined benefits schemes will increase from 10:1 to 16:1 with effect from 6 April 2011. It is also important to note that the post-5 April 2011 method of valuation also applies to valuing inputs into such schemes for previous tax years for the purposes of carry forward.

\*\* There are plans to reduce the lifetime allowance to £1.5m from 6 April 2012. Individuals will, however, be able to apply for 'fixed protection' to preserve an entitlement to the higher £1.8m lifetime allowance provided they do not accrue further pension benefits after this date

### TAX CHARGES ON PAYMENTS FROM REGISTERED PENSION SCHEMES

Charges	Rates 2011/12
Lifetime allowance charge	55% - if the amount over the lifetime allowance is paid as a lump sum 25% - if the amount over the lifetime allowance is not taken as a lump sum
Annual allowance charge	40 - 50%
Unauthorised payments charge	40%
Unauthorised payments surcharge	15%
Short service refund lump sum charge	20% on first £20,000, 50% on amount over £20,000
Special lump sum death benefits charge	55%
Scheme sanction charge	15% - 40%

### APPROPRIATE PERSONAL PENSIONS

Annual earnings	Age-related rebate
£5,304 to £14,400	9.4 to 14.8%
£14,401 to £40,040	2.35% to 3.7%

### S2P ACCRUAL

2011/12 Band Earnings	Accrual Rate
£5,304 to £14,400pa	40%
£14,401 to £40,040pa	10%

Note Whilst from 6 April 2009 any earnings above the fixed upper accrual point (UAP) of £40,400 will be ignored for S2P accrual and contracting-out rebate calculation purposes, employers and employees will continue to pay NICS on earnings between the UAP and the (higher) upper earnings limit (UEL)

### PENSION CREDIT

Guarantee Credit	2010/11	2011/12
Single Person	£132.60 pw	£137.35pw
Married couple	£202.40 pw	£209.70pw

### BASIC STATE PENSION

Retirement Provision	2010/11	2011/12
Single person	£97.65pw	£102.15pw
Adult dependency Increase	£58.50 (1)	£61.20 (1)
Total for married couple	£156.15 pw	£163.35pw

(1) It will no longer be possible to claim the Adult Dependency Increase (ADI) from 6 April 2010. The figure above quoted for 2010/11 therefore only applies to those who have claimed an ADI before this date.

## Stamp Duty Land Tax

### RESIDENTIAL

Land and Buildings	2011/12
Up to £125,000	Nil
£125,001 to £250,000	1%
£250,001 to £500,000	3%
£500,000 to £1,000,000	4%
Over £1,000,000	5%

### COMMERCIAL

Land and Buildings	2011/12
Up to £150,000	Nil
£150,001 to £250,000	1%
£250,001 to £500,000	3%
Over £500,000	4%

## Stamp Duty and Stamp Duty Reserve Tax

Band	2011/12
Standard Rate	0.5%
Higher Rate	1.5%

## VAT

	Rate
Up to 3 <sup>rd</sup> Jan 2011	17.5%
From 4 <sup>th</sup> Jan 2011	20%

## Individual Savings Account (ISAs)

### CONTRIBUTION LIMITS

Limits	2010/11	2011/12
Overall Limit	£10,200	£10,680
Cash	£5,100	£5,340