

kirkrice

Accountants & Financial Advisors



2020/21 Tax Tables

INCOME TAX

UK taxpayers excluding Scottish taxpayers' non-dividend, non-savings income	20/21	19/20
20% basic rate on first slice of taxable income up to	£37,500	£37,500
40% higher rate on next slice of taxable income over	£37,500	£37,500
45% additional rate on taxable income over	£150,000	£150,000

All UK taxpayers

Starting rate at 0% on band of savings income up to*	£5,000	£5,000
Personal savings allowance at 0%: Basic rate	£1,000	£1,000
Higher rate	£500	£500
Additional rate	£0	£0
Dividend allowance at 0% – all individuals	£2,000	£2,000
Tax rates on dividend income: Basic rate	7.5%	7.5%
Higher rate	32.5%	32.5%
Additional rate	38.1%	38.1%
Trusts: Standard rate band generally	£1,000	£1,000
Rate applicable to trusts: Dividends	38.1%	38.1%
Other income	45%	45%

*Not available if taxable non-savings income exceeds the starting rate band

Scottish taxpayers – non-dividend, non-savings income

19% starter rate on taxable income up to	£2,085	£2,049
20% basic rate on next slice up to	£12,658	£12,444
21% intermediate rate on next slice up to	£30,930	£30,930
41% higher rate on next slice up to	£150,000	£150,000
46% top rate on income over	£150,000	£150,000

High Income Child Benefit Charge, 1% of benefit per £100 of adjusted net income between £50,000 – £60,000

Main personal allowances and reliefs	20/21	19/20
Personal allowance**	£12,500	£12,500
Marriage/civil partner's transferable allowance	£1,250	£1,250
Married couple's/civil partner's allowance at 10%† (if at least one born before 6/4/35) – maximum	£9,075	£8,915
– minimum	£3,510	£3,450
Blind person's allowance	£2,500	£2,450
Rent-a-room relief	£7,500	£7,500
Property allowance and trading allowance (each)	£1,000	£1,000

**Personal allowance reduced by £1 for every £2 of adjusted net income over £100,000

†Married couple's/civil partner's allowance reduced by £1 for every £2 of adjusted net income over £30,200 (£29,600 for 19/20), until minimum reached

REGISTERED PENSIONS

	20/21	19/20
Lifetime allowance	£1,073,100	£1,055,000
Money purchase annual allowance	£4,000	£4,000
Annual allowance*	£40,000	£40,000
Annual allowance charge on excess is at applicable tax rate(s) on earnings		
Lifetime allowance charge if excess is drawn as cash 55%; as income 25%		
Pension commencement lump sum up to 25% of pension benefit value		

*Reduced by £1 for every £2 of adjusted income over £240,000 (£150,000 for 19/20) to a minimum of £4,000 (£10,000 for 19/20), subject to threshold income being over £200,000 (£110,000 for 19/20)

STATE PENSIONS

New state pension – where state pension age reached after 5/4/16	Annual £9,110.40	Weekly £175.20
Basic state pension – single person*	£6,981.00	£134.25
Basic state pension – spouse/civil partner*	£4,183.40	£80.45

* State pension age reached before 6/4/16

TAX INCENTIVISED INVESTMENT

Total Individual Savings Account (ISA) limit excluding Junior ISAs (JISAs)	20/21 £20,000	19/20 £20,000
Lifetime ISA	£4,000	£4,000
JISA and Child Trust Fund	£9,000	£4,368
Venture Capital Trust (VCT) at 30%	£200,000	£200,000
Enterprise Investment Scheme (EIS) at 30%*	£2,000,000	£2,000,000
EIS eligible for CGT deferral relief	No limit	No limit
Seed EIS (SEIS) at 50%	£100,000	£100,000
SEIS CGT reinvestment relief	50%	50%

*Above £1,000,000 investment must be in knowledge-intensive companies

NATIONAL INSURANCE CONTRIBUTIONS

Class 1	Employee	Employer
NICs rate	12%	13.8%
No NICs for employees generally on the first	£183 pw	£169 pw
No NICs for younger employees* on the first	£183 pw	£962 pw
NICs rate charged up to	£962 pw	No limit
2% NICs on earnings over	£962 pw	N/A

Employment Allowance

Per business – not available if sole employee is a director or employer's NICs for 19/20 £100,000 or more

Limits and Thresholds

	Weekly	Monthly	Annual
Lower earnings limit	£120	£520	£6,240
Primary threshold	£183	£792	£9,500
Secondary threshold	£169	£732	£8,788
Upper earnings limit (and upper secondary thresholds*)	£962	£4,167	£50,000

* Employees generally under 21 years and apprentices under 25 years

Class 1A Employer On car and fuel benefits and most other taxable benefits provided to employees and directors 13.8%

Class 2 Self-employed Flat rate per week £3.05 (£158.60 pa)

Small profits threshold

No compulsory NICs if annual profits less than £6,475

Class 4 Self-employed On annual profits of £9,500 to £50,000: 9%
Over £50,000: 2%

Class 3 Voluntary flat rate per week £15.30 (£795.60 pa)

CAPITAL GAINS TAX

Tax Rates – Individuals

Below UK higher rate income tax band	20/21 10%	19/20 10%
Within UK higher and additional rate income tax bands	20%	20%

Tax Rate – Trusts and Estates

	20%	20%
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Surcharge for residential property and carried interest 8% 8%

Exemptions

Annual exempt amount: Individuals, estates, etc	£12,300	£12,000
Trusts generally	£6,150	£6,000

Chattels gain limited to 5/3rds of proceeds exceeding £6,000 £6,000

Entrepreneurs' Relief

10% on lifetime limit of £1,000,000 (£10,000,000 before 11 March 2020)

For trading businesses and companies (minimum 5% participation) held for at least 2 years

INHERITANCE TAX

	20/21	19/20
Nil-rate band*	£325,000	£325,000
Residence nil-rate band*†	£175,000	£150,000
Rate of tax on excess	40%	40%
Rate if at least 10% of net estate left to charity	36%	36%
Lifetime transfers to and from certain trusts	20%	20%
Overseas domiciled spouse/civil partner exemption	£325,000	£325,000
100% relief: businesses, unlisted/AIM companies, certain farmland/buildings		
50% relief: certain other business assets e.g. farmland let before 1/9/95		
Annual exempt gifts of:	£3,000 per donor	£250 per donee

Tapered tax charge on lifetime gifts within 7 years of death

Years between gift and death	0–3	3–4	4–5	5–6	6–7
% of death tax charge	100	80	60	40	20

* Up to 100% of the unused proportion of a deceased spouse's/civil partner's nil-rate band and/or residence nil-rate band can be claimed on the survivor's death

† Estates over £2,000,000: the value of the residence nil-rate band is reduced by 50% of the excess over £2,000,000

STAMP DUTIES AND PROPERTY TRANSACTION TAXES

Stamp Duty and SDRT: Stocks and marketable securities 0.5%

Additional residential and all corporate residential properties

£40,000 or more – add 3% to SDLT/LTT rate(s) and 4% on LBTT rate(s)

England & N Ireland – Stamp Duty Land Tax (SDLT) on slices of value

Residential property	%	Commercial property	%
Up to £125,000	0	Up to £150,000	0
£125,001–£250,000	2	£150,001–£250,000	2
£250,001–£925,000	5	Over £250,000	5
£925,001–£1,500,000	10		
Over £1,500,000	12		

First-time buyers: 0% on first £300,000 for properties up to £500,000

Residential properties bought by companies etc over £500,000: 15% of total consideration, subject to certain exemptions

Scotland – Land and Buildings Transaction Tax (LBTT) on slices of value

Residential property	%	Commercial property	%
Up to £145,000	0	Up to £150,000	0
£145,001–£250,000	2	£150,001–£250,000	1
£250,001–£325,000	5	Over £250,000	5
£325,001–£750,000	10		
Over £750,000	12		

First-time buyers: 0% on first £175,000

Wales – Land Transaction Tax (LTT) on slices of value

Residential property	%	Commercial property	%
Up to £180,000	0	Up to £150,000	0
£180,001–£250,000	3.5	£150,001–£250,000	1
£250,001–£400,000	5	£250,001–£1,000,000	5
£400,001–£750,000	7.5	Over £1,000,000	6
£750,001–£1,500,000	10		
Over £1,500,000	12		

CORPORATION TAX

	Profits	Diverted profits	Loans to participants
Years to 31/3/21 and 31/3/20	19%	25%	32.5%

VALUE ADDED TAX

Standard rate	20%	Reduced rate, e.g. on domestic fuel	5%
Since 1/4/17: Registration level	£85,000	Deregistration	£83,000
Flat rate scheme turnover limit			£150,000
Cash and annual accounting schemes turnover limit			£1,350,000

CAR BENEFITS

Taxable amount based on original list price and CO₂ emissions in g/km.

Zero emission cars no charge

Petrol and diesel hybrids with CO₂ emissions 1–50g/km

Range – electric-only miles	< 30	30–39	40–69	70–129	130+
Registered pre-6/4/20 (NEDC)	14%	12%	8%	5%	2%
Registered post-5/4/20 (WLTP)	12%	10%	6%	3%	0%

All non-diesel cars over 50g/km CO₂

	51–54	55 & over
Registered pre-6/4/20 (NEDC)	15%	16%* –37%
Registered post-5/4/20 (WLTP)	13%	14%* –37%

*Increased for every extra 5g/km by 1% up to the maximum 37%

Diesels not meeting RDE2 standards: add 4%, up to 37% maximum

Fuel Benefit – taxable amount for private use	20/21	19/20
CO ₂ % charge used for car benefit multiplied by	£24,500	£24,100

VANS – FOR PRIVATE USE

	20/21	19/20
Zero emission: chargeable amount	£2,792	£2,058
Other vans: chargeable amount	£3,490	£3,430
Fuel: chargeable amount	£666	£655

TAX-FREE BUSINESS MILEAGE ALLOWANCE – OWN VEHICLE

Cars and vans first 10,000 miles	45p per mile	then 25p per mile
Qualifying passenger	5p per mile	
Motorcycles	24p per mile	Bicycles 20p per mile

MAIN CAPITAL AND OTHER ALLOWANCES

Plant and machinery 100% annual investment allowance (1st year)	
1/1/19 to 31/12/20	£1,000,000
From 1/1/21	£200,000
Enterprise zone plant and machinery (max €125m per project)	100%
Plant and machinery*	18%
Patent rights and know-how*	25%
Certain long-life assets and integral features of buildings*	6%
Structures and buildings (straight line)	3%
Electric charge points	100%

Motor Cars

CO ₂ emissions of g/km:	50 or less [†]	51–110	Over 110
Capital allowance:	100% first year	18% pa*	6% pa*

*Annual reducing balance

[†] New cars only

Research and Development

Capital expenditure	100%
Revenue expenditure relief – small/medium-sized companies	230%
Research and development expenditure credit – large companies	13%

SOCIAL SECURITY BENEFITS

Weekly rates and taxable unless stated otherwise.

Statutory Pay Rates

Based on minimum average earnings of at least £120pw:

Statutory Sick Pay £95.85 standard rate

Statutory Maternity Pay/Statutory Adoption Pay

First 6 weeks – 90% of average weekly pay
Next 33 weeks – 90% of average weekly pay up to £151.20

Statutory Paternity Pay

90% of average weekly pay up to £151.20

Shared Parental Pay

Up to 37 weeks: 90% of average weekly pay up to £151.20

Child Benefit (see 'Income Tax – High Income Child Benefit Charge')

Child benefit, first or only child £21.05

Child benefit, each subsequent child £13.95

National Living/National Minimum Wage (hourly) 1/4/20 – 31/3/21

Aged 25 and over National Living Wage £8.72

Aged 21–24 National Minimum Wage £8.20

Aged 18–20 National Minimum Wage £6.45

Aged under 18 National Minimum Wage £4.55

Apprentice National Minimum Wage £4.15

MAIN DUE DATES FOR TAX PAYMENTS

Income Tax, NICs and Capital Gains Tax – Self-Assessment

31 Jan in tax year } Normally 50% of previous year's income tax
Following 31 July } (less tax deducted at source) and class 4 NICs

Following 31 Jan Balance of income tax and class 4 NICs,
class 2 NICs and balance of CGT

Inheritance Tax

On death: Normally 6 months after end of month of death

Lifetime transfer 6 April–30 September: 30 April in following year

Lifetime transfer 1 October–5 April: 6 months after month of transfer

Corporation Tax – Self Assessment

- Profits under £1,500,000: 9 months + 1 day after end of accounting period
- Profits £1,500,000 or over: normally payable in 7th, 10th, 13th and 16th months after start of the accounting period
- Profits £20,000,000 or over: normally payable in 3rd, 6th, 9th and 12th months after start of the accounting period
- Growing companies: no instalments where profits are £10,000,000 or less and the company was not a large company for the previous year.

2020/21 TAX CALENDAR

Make payment on previous working day where due date falls on a weekend/bank holiday.

Every month

19 Submit CIS contractors' monthly return.

22 PAYE/NICs/CIS deductions paid electronically for period ending 5th of the month (19th if not paying electronically).

Month end

Submit CT600 for year ending 12 months previously.

Last day to amend CT600 for year ending 24 months previously.

April 2020

5 Submit final Full Payment Submission (FPS) or Employer Payment Summary (EPS) for 2019/20. Final day to register online to 'payroll' benefits and expenses in 2020/21.

6 First day of the 2020/21 tax year. Changes apply to tax allowances, rates and thresholds, car benefit scales, CGT payment timing on residential property, JISA limit and pension taper limits. Start of new rules for off-payroll working (IR35) for private businesses.

19 Final day to send a late FPS for 2019/20. (From 19 April 2020 HMRC will accept FPSs with YTD figures and will also accept changes notified on an Earlier Year Update (EYU). A penalty will usually be charged.)

23 Interest accrues on employers' unpaid PAYE and NICs for 2019/20 (20th if not paying electronically).

May 2020

1 Start of £10 daily penalty where the 2018/19 tax return has not been filed (charged for up to 90 days).

31 Last day to issue 2019/20 P60s to employees.

July 2020

5 Last date to agree a new PAYE Settlement Agreement (PSA) for 2019/20.

6 Deadline for employers to return forms P11D (expenses) and P11D (b) (benefits) for 2019/20 to HMRC and provide copies to employees.

22 Pay class 1A NICs (19 July if not paying electronically).

31 Confirm tax credit claims for 2019/20 and renewal for 2020/21. Second payment on account for 2019/20 income tax and class 4 NICs.

August 2020

1 Penalty of 5% of the tax due or £300, whichever is the greater, where the 2018/19 tax return has not been filed.

October 2020

5 Deadline to register for self-assessment for 2019/20.

22 Pay tax and class 1B NICs on PSAs (19th if not paying electronically).

31 Deadline for 2019/20 tax return if filed on paper.

December 2020

30 Deadline to submit 2019/20 tax return online to have underpaid PAYE tax collected through the 2021/22 tax code.

January 2021

31 Submit 2019/20 self-assessment tax return online. Pay balance of 2019/20 income tax, class 4 NICs, all of class 2 NICs and balance of CGT, plus first payment on account for 2020/21 income tax and class 4 NICs.

February 2021

1 Initial penalty imposed where the 2019/20 tax return has not been filed or has been filed on paper after 31 October 2020.

March 2021

2 Last day to pay 2019/20 tax to avoid automatic 5% penalty.

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