INCOME TAX

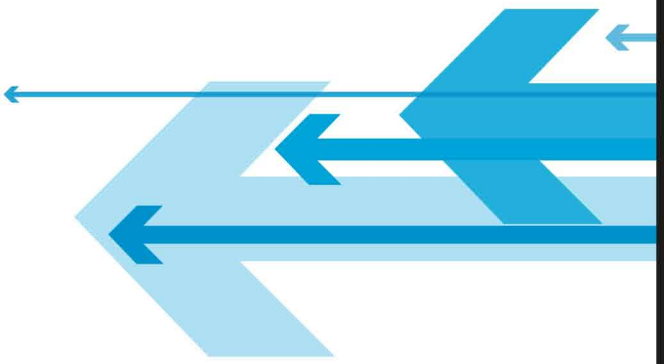
INDIVIDUAL ALLOWANCES & RELIEFS	2013/14	2014/15
Personal (basic)*	£9,440	£10,000
Personal (born between 6 Apr 1938 and 5 Apr 1948)* **	£10,500	£10,500
Personal (born before 6 Apr 1938)* **	£10,660	£10,660
Married couples/civil partners	£3,040	£3,140
Income limit for personal allowance	£100,000	£100,000
Income limit for age-related allowance	£26,100	£27,000

* The Personal Allowance reduces where the income is above £100, 000 - by £1 for every £2 of income above the £100,000 limit. This reduction applies irrespective of age.

** These allowances reduce where the income is above the income limit by £1 for every £2 of income above the limit. The Personal Allowance for people aged 65 and over can be reduced below the basic Personal Allowance where the income is above £100,000.

RATES	2013/14	2014/15
STARTING RATE FOR SAVINGS ONLY*	10%	10%
on taxable interest between	£0-2,790	£0-2,880
BASIC RATE	20%	20%
on taxable earnings between	£0-32,010	£0-31,865
HIGHER RATE	40%	40%
on taxable earnings between	£32,011-150,000	£31,866-150,000
ADDITIONAL RATE	45%	45%
on taxable earnings of	£150,000+	£150,000+

* This allowance applies to savings income only. If non-savings income already exceeds this level then the starting rate on savings income will not apply.



USEFUL DATES

Submission of self-assessment forms

Paper tax returns:	31 October
Online self-assessment:	31 January

PAYMENT DATES

31 Jan 2014	50% down-payment on tax for 2013/14 earnings (based on earnings for 2012/13)
31 Jul 2014	Balance of tax payable for tax year 2013/14
31 Jan 2015	Final payment date for any remaining 2013/14 tax year liability, plus 50% down-payment on tax liability for 2014/15

INHERITANCE TAX

Liability on death	Normally 6 months from end of month in which death occurred
Liability on lifetime transfers	
Transfer date 6 Apr – 30 Sep	30 Apr in the following year
Transfer date 1 Oct – 5 Apr	6 months after month of transfer

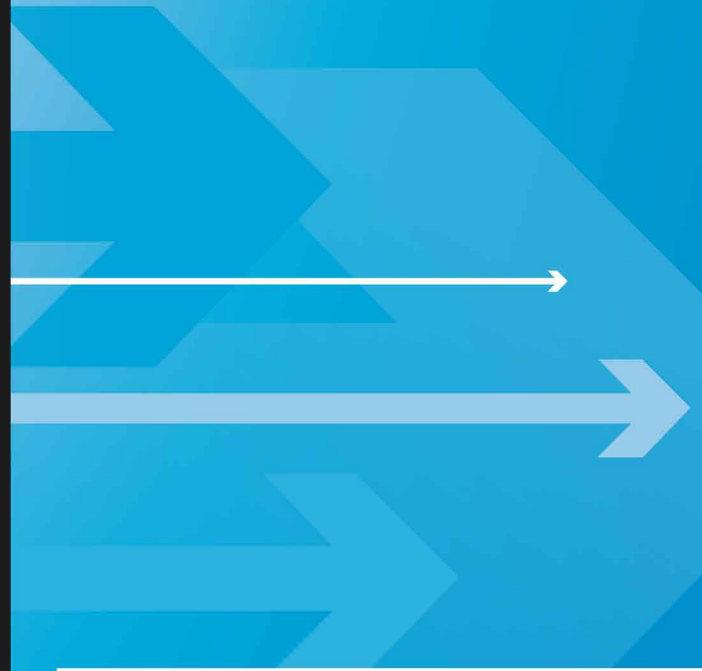
CORPORATION TAX

Self-assessment	Within 9 months of the end of the accounting period
Instalments	Normally payable in quarterly instalments (where profits exceed £1.5m) after start of accounting period

Instalments are not required from growing companies where profits are below £10m and the company was classified as small or medium in the previous year

For information only. The rates and allowances are subject to our understanding of legislation as at April 2014 and are subject to change. We recommend you always seek professional advice before making any investment decision.

TAX GUIDE 2014/15



ARIAN

NATIONAL INSURANCE CONTRIBUTIONS

EMPLOYED	2013/14	2014/15
Class 1 non-contracted out		
Lower earnings limit (LEL)	£109pw	£111pw
Earnings threshold (ET)	£149pw	£153pw
Upper accrual point (UAP)	£770pw	£770pw
Upper earnings limit (UEL)	£797pw	£805pw

RATES 2014/15	Employee	Employer
NIC rate if earnings below ET	nil	nil
NIC rate on earnings between ET & UEL	12.00%	13.80%
NIC rate on earnings above UEL	2.00%	13.80%
Certain married women between ET & UEL	5.85%	13.80%
Class 1A rate on employer-provided benefits	nil	13.80%

CONTRACTED OUT REBATES *(EARNINGS BETWEEN LEL & UAP)*	Employee	Employer
Salary-related schemes	1.40%	3.40%
Money purchase schemes	-	-

SELF EMPLOYED		
Class 2 flat rate	£2.75 pw	-
Small earnings exception	£5,885 pa	-
Class 3 (Voluntary)	£13.90 pw	-
Class 4 rate on profits		
£7,956 – £41,865	9%	-
Over £41,865	2%	-

CAPITAL GAINS TAX

	2013/14	2014/15
Annual allowance	£10,900	£11,000

RATES		
Basic rate income tax payers	18%	18%
Higher rate income tax payers	28%	28%
Certain trusts & estates	28%	28%

ENTREPRENEURS RELIEF:		
Rate payable	10%	10%
Lifetime limit of gains	£10 million	£10 million

INHERITANCE TAX

NIL RATE BAND – INDIVIDUAL	2013/14	2014/15
Nil rate band – individual	£325,000	£325,000
Combined nil rate band - married couples/civil partners	£650,000	£650,000
Tax rate on excess	40%*	40%*
Lifetime transfers to & from certain trusts	20%	20%

% OF TAX CHARGED ON LIFETIME GIFTS WITHIN SEVEN YEARS OF DEATH		
Death between 0-3 years of gift	100%	100%
Death between 3-4 years of gift	80%	80%
Death between 4-5 years of gift	60%	60%
Death between 5-6 years of gift	40%	40%
Death between 6-7 years of gift	20%	20%
Death after 7 years of gift	nil	nil

*People who leave 10% or more of their net estate to charity can now choose to pay a reduced rate of Inheritance Tax of 36%.

INVESTMENT ALLOWANCES & RELIEFS

INDIVIDUAL SAVINGS ACCOUNTS	2013/14	2014/15
Annual allowance (total)	£11,520	£11,880*
Maximum in cash	£5,760	£5,940*

* From 1 July 2014, this limit will rise to £15,000

VENTURE CAPITAL TRUSTS (30%)		
Investment allowance	£200,000	£200,000

ENTERPRISE INVESTMENT SCHEMES (30%)		
Investment allowance	£1,000,000	£1,000,000

PENSION SCHEMES		
Minimum allowable annual contribution	£3,600	£3,600
Maximum allowable annual contribution (or 100% of earnings, whichever is the lower)	£50,000	£40,000
Lifetime allowance	£1.5m	£1.25m
Maximum pension commencement lump sum	25% of fund value	25% of fund value
Lifetime allowance charge (for excess drawn as cash)	55%	55%
Lifetime allowance charge (for excess drawn as income)	25%	25%
Annual allowance charge on excess	40%	40%

CORPORATION TAX

	2013	2014
Small profits rate	20%	20%
Companies with profits not exceeding	£300,000	£300,000
Margins relief, lower limit	£300,000	£300,000
Margins relief, upper limit	£1,500,000	£1,500,000
Standard fraction	3/400	1/400
Main rate	23%	21%
Special rate: unit trusts & OEICs	20%	20%