



## INCOME TAX

### Rates

	09-10	08-09
	£	£
10% starting rate band on savings income up to*	2,440	2,320
Basic rate	20%	20%
Higher rate of 40% on income over	37,400	34,800
Dividends for: basic rate taxpayers	10%	10%
higher rate taxpayers	32.5%	32.5%
Trusts: standard rate band generally	1,000	1,000
dividends (rate applicable to trusts)	32.5%	32.5%
other income (rate applicable to trusts)	40%	40%
Pre-owned assets tax minimum taxable as income	5,000	5,000

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

### Main Personal Allowances and Reliefs

Personal (basic)	6,475	6,035
Personal (65-74)	9,490	9,030
Personal (75 & over)	9,640	9,180
Married couples/civil partners (minimum) at 10%†	2,670	2,540
Married couples/civil partners (under 75) at 10%†	N/A	6,535
Married couples/civil partners (75+) at 10%	6,965	6,625
Age-related reliefs reduced by 50% of income over	22,900	21,800
Blind persons	1,890	1,800
Rent-a-room tax-free income	4,250	4,250
Venture capital trust (VCT) at 30%	200,000	200,000
Enterprise investment scheme (EIS) at 20%	500,000	500,000
EIS eligible for capital gains tax re-investment relief	No limit	

†Where at least one spouse/civil partner was born before 6 April 1935

### Non-domicile Remittance Basis Charge:

for adult non-UK domiciliary	£30,000	£30,000
after UK residence in at least 7 of the previous 9 tax years		

### REGISTERED PENSIONS

	09-10	08-09
Lifetime allowance*	£1,750,000	£1,650,000
Annual allowance	£245,000	£235,000
Special annual allowance	£20,000	N/A
Maximum pension commencement lump sum*		25% of pension benefit value
Maximum relievable personal contribution: 100% relevant UK Earnings or		
£3,600 if greater		
Lifetime allowance charge if excess drawn as cash		55%
if excess drawn as income		25%
allowance charge on excess		40%

\* Subject to transitional protection for excess amount

## EMPLOYEE SHARE SCHEMES LIMITS

**08-10**

<b>Share incentive plans</b>	Employer contributions	£3,000
	Employer matching (2:1)	£3,000
	Employee	£1,500

**Enterprise management incentive option value** £120,000

**Approved share option schemes option value** £30,000

**Savings-related share options per month** £250

## CAR BENEFIT FOR EMPLOYEES

Taxable amount based on car's list price when new up to £80,000

Charge varies according to CO2 emissions in grams per kilometre

<b>CO2 g/km</b>	<b>% of price 08-10</b>	<b>CO2 g/km</b>	<b>% of price 08-10</b>	<b>CO2 g/km</b>	<b>% of price 08-10</b>
120 or less	10	170-4	22	210-4	30
121-139	15	175-9	23	215-9	31
140-4	16	180-4	24	220-4	32
145-9	17	185-9	25	225-9	33
150-4	18	190-4	26	230-4	34
155-9	19	195-9	27	235 & over	35
160-4	20	200-4	28		
165-9	21	205-9	29		

Further reductions may apply for LPG, bi-fuel, E85 hybrid and electric cars

**Diesels** not meeting Euro IV or registered after 31 December 2005:

add 3% subject to maximum charge of 35%

### **Vans – for private use**

**09-10**

**08-09**

Chargeable amount

£3,000

£3,000

No charge if private use is limited to journeys between home and work

### **FUEL BENEFIT**

**09-10**

**08-09**

Multiply the CO2% used for the car benefit by £16,900

£16,900

Vans – flat charge

£500

£500

### **COMPANY CARS – ADVISORY FUEL RATES from 1/1/09**

<b>Engine size</b>	<b>Petrol</b>	<b>Diesel</b>	<b>LPG</b>
1,400cc or less	10p	11p	7p
1,401cc to 2,000cc	12p	11p	9p
Over 2,000cc	17p	14p	12p

### **TAX-FREE MILEAGE ALLOWANCE – OWN VEHICLE** **08-10**

**Cars** Up to 10,000 business miles: 40p **Motorcycles** 24p per business Mile

Over 10,000 business miles: 25p **Bicycles** 20p per business mile

## NATIONAL INSURANCE CONTRIBUTIONS

### Class 1 Employee Not Contracted-Out of State Second Pension (S2P)

	09-10		08-09	
	Employee	Employer	Employee	Employer
NIC rate	11%	12.8%	11%	12.8%
No NICs on the first	£110 pw	£110 pw	£105 pw	£105 pw
NICs charged up to	£844 pw	No limit	£770 pw	No limit
1% NIC on earnings over	£844 pw	N/A	£770 pw	N/A
Certain married women	4.85%	12.8%	4.85%	12.8%

### Contracted-Out Rebate

<b>Rebate on</b>	£95.01–£770 pw		£90.01–£770 pw	
Salary-related scheme	1.6%	3.7%	1.6%	3.7%
Money-purchase scheme	1.6%	1.4%	1.6%	1.4%
Personal Pension	No reduction	No reduction	No reduction	No reduction

**Class 1A Employer 08-10** on car fuel benefits & most other taxable benefits: 12.8%

### Limits and Thresholds

	09-10			08-09		
	Weekly	Monthly	Annual	Weekly	Monthly	Annual
Lower earnings limit	£95	£412	£4,940	£90	£390	£4,680
Earnings threshold	£110	£476	£5,715	£105	£453	£5,435
Upper accrual point	£770	£3,337	£40,040	N/A	N/A	N/A
Upper earnings limit	£844	£3,656	£43,875	£770	£3,337	£40,040

### Self-Employed

	09-10		08-09	
<b>Class 2</b> Flat rate	£2.40 pw	£124.80 pa	£2.30 pw	£119.60 pa
Small earnings exception		£5,075pa		£4,825pa
<b>Class 4*</b>				
On profits:		£5,715–£43,875 pa: 8%		£5,435–£40,040 pa: 8%
		Over £43,875 pa: 1%		Over £40,040 pa: 1%

### Voluntary

<b>Class 3</b> Flat rate	£12.05 pw	£626.60pa	£8.10 pw	£421.20pa
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\* Unless over state pension age on 6 April

### BASIC STATE PENSION

	09-10		08-09	
	Weekly	Annual	Weekly	Annual
Single person	£95.25	£4,953.00	£90.70	£4,716.40
Dependant's addition	£57.05	£2,966.60	£54.35	£2,826.20
Total married pension	£152.30	£7,919.60	£145.05	£7,542.60

### Pension Credit – Standard Income Guarantee (09-10)

Single: £130.00 pw Married: £198.45 pw

## CHILD TRUST FUND

Children born after 31 August 2002

Endowment: Initial and at age 7 £250 Low income families £500

Annual contributions from family and friends up to £1,200

## INDIVIDUAL SAVINGS ACCOUNTS (ISAs)

Maximum Investment Component	09-10	08-09
Cash	£3,600 (£5,100*)	£3,600
Stocks & Shares (balance to)	£7,200 (£10,200*)	£7,200

\*From 6 October 2009, higher limits apply only if born before 6 April 1960

## INHERITANCE TAX

	09-10	08-09
Nil-rate band*	£325,000	£312,000
Rate of tax on excess	40%	40%
Lifetime transfers to and from certain trusts	20%	20%

Overseas domiciled spouse/  
civil partner exemption

£55,000

£55,000

100% relief: businesses, unlisted/AIM companies, certain

farmland/buildings 50% relief: certain other business assets

## Reduced tax charge on gifts within 7 years of death

Years before death	0-3	3-4	4-5	5-6	6-7
% of death tax charge	100	80	60	40	20

## Annual exempt gifts

£3,000 per donor £250 per donee

\* Up to 100% of the unused proportion of a deceased spouse's/civil partner's nil-rate band can be claimed on the surviving spouse's/civil partner's death after 8 Oct 2007

## CAPITAL GAINS TAX

### Exemptions

	09-10	08-09
Individuals, estates, etc	£10,100	£9,600
Trusts generally	£5,050	£4,800
Chattels proceeds (5/3 excess gain is taxable)	£6,000	£6,000
<b>Rates</b> Individuals	18%	18%
Trusts and estates	18%	18%

## Entrepreneurs' Relief

08-10

4/9ths of gain (effective tax rate of 10%). Lifetime limit: £1,000,000

For trading businesses & companies (min. 5% employee shareholding)  
held for 1 yr+

## **STAMP DUTY LAND TAX based on consideration**

### **Residential**

£175,000\* or less

Over £175,000\* up to £250,000

Over £250,000 up to £500,000

Over £500,000

\* From 1/1/10: £125,000 (or £150,000 for property in disadvantaged areas)

### **Commercial Rate**

£150,000 or less Nil

Over £150,000 up to £250,000 1%

Over £250,000 up to £500,000 3%

Over £500,000 4%

**Stamp Duty (including SDRT):** stocks and marketable securities 0.5%  
No charge unless the duty exceeds £5

## **CORPORATION TAX**

### **Profits £**

0–300,000

300,001–1,500,000

1,500,001 and over

### **Effective rate to 31/3/10**

21%

29.75%

28%

### **Effective rate to 31/3/09**

21%

29.75%

28%

## **MAIN CAPITAL AND OTHER ALLOWANCES**

**09-10**

Plant & machinery 100% annual investment allowance (first year)	£50,000
Plant & machinery expenditure in excess of £50,000 (first year)	40%
Plant & machinery, patent rights, know-how (reducing balance) pa	20%
Certain long-life assets, integral features of buildings (reducing balance) pa	10%
Industrial & agricultural buildings (straight line)	2%
Energy & water-efficient investments	100%
Qualifying flat conversions & business premises renovations	100%

### **Motor cars:**

Expenditure on or after 1/4/09 (Corporation Tax) or 6/4/09 (Income Tax)

CO2 emissions of g/km:	110 or less	111–160	161 or more
Capital allowance:	100%	20%	10%
	first year	reducing balance	reducing balance

<b>Research &amp; Development:</b> Capital expenditure	100%
Revenue expenditure: small/medium companies	175%
Large companies	130%

## VALUE ADDED TAX

### Registration level from 1/5/09 £68,000

Standard rate from 1/12/08–31/12/09:	15%
Standard rate from 1/1/10:	17.5%
Reduced rate, eg on domestic fuel:	5%
Flat rate scheme turnover limit	£150,000
Cash and annual accounting turnover limit	£1,350,000

## MAIN DUE DATES FOR TAX PAYMENT

### Income Tax and Capital Gains Tax – Self-assessment

31 January in tax year	• Normally 50% of previous year's income tax, less tax deducted at source
Following 31 July }	
Following 31 January	• Balance of income tax and all CGT

**Inheritance Tax** On death: normally 6 months after 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 : 9 months after end of accounting period

- Payable by instalments where profits are £1.5m or over. Normally payable in 7th, 10th, 13th and 16th months after start of accounting period.
- Growing companies: no instalments where profits are £10m or less and the company was not a large company for the previous year

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**For information only.**

**Always seek professional advice before acting.**