

Tax Tables 2020/21

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 first 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	20/21	19/20
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 of £50,000–£60,000

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

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

† Married couple's allowance reduced by £1 for every £2 of adjusted net income over £30,200 (£29,960 for 2019/20), until minimum reached

Non-domicile remittance basis charge after UK residence in at least:	20/21	19/20
7 of the last 9 tax years	£30,000	£30,000
12 of the last 14 tax years	£60,000	£60,000

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	Applicable tax rate(s) on earnings	
Lifetime allowance charge if excess is drawn as cash 55%; as income 25%		
Max. pension commencement lump sum 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)

STATE PENSIONS

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

* State pension age reached before 6/4/16

TAX INCENTIVISED INVESTMENTS

	20/21	19/20
Total Individual Savings Account (ISA) limit excluding JISAs	£20,000	£20,000
Lifetime ISA	£4,000	£4,000
Junior ISA (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 Enterprise Investment Scheme (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	20/21	
	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		£4,000	
Per business - not available if sole employee is a director or employer's NICs for 19/20 £100,000 or more			
Limits and Thresholds	20/21		
	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 pa
Class 4 Self-employed On annual profits of	£9,500 to £50,000:	9%
	Over £50,000:	2%
Class 3 Voluntary flat rate	£15.30	£795.60pa

CAPITAL GAINS TAX

Tax Rates – Individuals	20/21	19/20
Below UK higher rate income tax band	10%	10%
Within UK higher and additional rate income tax bands	20%	20%
Tax rate – Trusts and Estates	20%	20%
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 relevant SDLT/ LTT rate(s) and 4% to 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 participators
Years to 31/3/20 and 31/3/19	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 in miles on electricity only	< 30	30 – 39	40 – 69	70 – 129	130 +
Registered pre-6/4/20 (NEDC basis)	14%	12%	8%	5%	2%
Registered post-5/4/20 (WLTP basis)	12%	10%	6%	3%	0%

All non-diesel cars CO ₂ emission over 50 g/km	51-54g/km	55g/km & over
Registered pre-6/4/20 (NEDC basis)	15%	16%*-37%
Registered post-5/4/20 (WLTP basis)	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 the maximum of 37%.

Fuel benefits – 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	thereafter 25p per mile
Qualifying passenger	5p per mile	
Motorcycles	24p per mile	Bicycles 20p per mile

MAIN CAPITAL AND OTHER ALLOWANCES

Plant & 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%
<i>*Annual reducing balance</i>		
Motor Cars		
CO ₂ emissions of g/km:	50 or less*	51–110
Capital allowance:	100% first year	18% pa [†]
		Over 110
		6% pa [†]
<i>*New cars only</i>		
<i>† Annual reducing balance</i>		
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

<i>Weekly rates and taxable unless stated otherwise.</i>	
Statutory Pay Rates Based on minimum average earnings of at least £120 pw	
Statutory Sick Pay	£95.85 standard rate
Statutory Maternity Pay Statutory Adoption Pay	First 6 weeks: 90% average weekly pay Next 33 weeks: 90% 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 £151.21

Child Benefit (see 'Income Tax High Income Child Benefit Charge')	
<i>Child benefit, first or only child</i>	£21.05
<i>Child benefit, each subsequent child</i>	£13.95
National Minimum and National Living Wage 1/4/20 – 31/3/21	
	Hourly rate
Aged 25 and over - National Living Wage	£8.72
Age 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 (less tax deducted at source) and class 4 NICs
Following 31 July		
Following 31 Jan		
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		
<ul style="list-style-type: none"> 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 		

Thank you for your interest in this Essential Guide. For further information or if you would like to discuss any aspect of the guide, please contact us.

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