

For investment professionals only

TAX TABLES

2021 / 22



Kymin
Financial Planners

INCOME TAX

| Main personal allowances and reliefs | 21/22 | 20/21 |
|--|--------------|--------------|
| Personal allowance* | £12,570 | £12,500 |
| Marriage/civil partner's transferable allowance | £1,260 | £1,250 |
| Married couple's/civil partner's allowance at 10% [†] (if at least one born before 6/4/35) – maximum | £9,125 | £9,075 |
| – minimum | £3,530 | £3,510 |
| Blind person's allowance | £2,520 | £2,500 |
| 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 £30,400 (£30,200 for 20/21), until minimum reached

| UK taxpayers excluding Scottish taxpayers' non-dividend, non-savings income | 21/22 | 20/21 |
|--|--------------|--------------|
| 20% basic rate on first slice of taxable income up to | £37,700 | £37,500 |
| 40% higher rate on next slice of taxable income over | £37,700 | £37,500 |
| 45% additional rate on taxable income over | £150,000 | £150,000 |

Scottish taxpayers – non-dividend, non-savings income

| | | |
|---|----------|----------|
| 19% starter rate on taxable income up to | £2,097 | £2,085 |
| 20% basic rate on next slice up to | £12,726 | £12,658 |
| 21% intermediate rate on next slice up to | £31,092 | £30,930 |
| 41% higher rate on next slice up to | £150,000 | £150,000 |
| 46% top rate on 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

High Income Child Benefit Charge, 1% of benefit per £100 of adjusted

REGISTERED PENSIONS

| | 21/22 | 20/21 |
|--|--------------|--------------|
| Lifetime allowance | £1,073,100 | £1,073,100 |
| 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 to a minimum of £4,000, subject to threshold income being over £200,000

STATE PENSIONS

| | | |
|--|----------------------------|--------------------------|
| New state pension – where state pension age reached after 5/4/16 | Annual £9,339.20 | Weekly £179.60 |
| Basic state pension – single person* | £7,155.20 | £137.60 |
| Basic state pension – spouse/civil partner* | £4,287.40 | £82.45 |

* State pension age reached before 6/4/16

TAX INCENTIVISED INVESTMENT

| | | |
|---|-------------------------|-------------------------|
| Total Individual Savings Account (ISA) limit excluding Junior ISAs (JISAs) | 21/22 £20,000 | 20/21 £20,000 |
| Lifetime ISA | £4,000 | £4,000 |
| JISA and Child Trust Fund | £9,000 | £9,000 |
| 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 | £184 pw | £170 pw |
| No NICs for younger/veteran employees* on the first | £184 pw | £967 pw |
| NICs rate charged up to | £967 pw | No limit |
| 2% NICs on earnings over | £967 pw | N/A |

Employment Allowance

Per business – not available if sole employee is a director or employer's NICs for 20/21 £100,000 or more

| | | | |
|---|---------------|----------------|---------------|
| Limits and Thresholds | Weekly | Monthly | Annual |
| Lower earnings limit | £120 | £520 | £6,240 |
| Primary threshold | £184 | £797 | £9,568 |
| Secondary threshold | £170 | £737 | £8,840 |
| Upper earnings limit (and upper secondary thresholds*) | £967 | £4,189 | £50,270 |

*Employees generally under 21 years and apprentices under 25 years. Veterans in first 12 months of civilian employment from April 2021.

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 £6,515

Class 4 Self-employed On annual profits of £9,568 to £50,270: 9%
Over £50,270: 2%

Class 3 Voluntary flat rate per week £15.40 (£800.80 pa)

CAPITAL GAINS TAX

| | | |
|--|--------------|--------------|
| Tax Rates – Individuals | 21/22 | 20/21 |
| 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 £12,300
Trusts generally £6,150 £6,150

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

Business Asset Disposal Relief

10% on lifetime limit of £1,000,000

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

INHERITANCE TAX

| | 21/22 | 20/21 |
|---|------------------|----------------|
| Nil-rate band* | £325,000 | £325,000 |
| Residence nil-rate band*† | £175,000 | £175,000 |
| 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 rates and 4% to LBTT and LTT rates

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 | | |

*0% on slice up to £500,000 (8/7/20–30/6/21) and £250,000 (1/7/21–30/9/21)

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

Non-resident purchasers: 2% surcharge on properties £40,000 or more

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 (from 1/4/21) | % | 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 the first £175,000

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

| Residential property | % | Commercial property | % |
|----------------------|-----|---------------------|---|
| Up to £180,000* | 0 | Up to £225,000 | 0 |
| £180,001*–£250,000* | 3.5 | £225,001–£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 | | |

*0% on slice up to £250,000 to 30/6/21

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 | | 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.

IMPORTANT INFORMATION

This document is for investment professionals only and should not be relied upon by private investors.

This document provides information and is only intended to provide an overview of the current law in this area and does not constitute financial advice, tax advice or legal advice, or provide any recommendations.

This information regarding taxation represents a summary of our understanding of the law at the date of its last review (March 2021). Tax limits, benefits, allowances and rules are often subject to change and may change in future. Advisers and individuals should check that tax limits, allowances and rules have not changed. The value of benefits depends on individual circumstances.

Different options may have different effects for tax purposes, different implications for pension provision and different impacts on other assets and financial planning.

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Kymin
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