

Tax Tables Applying to CF1, CF2, CF4, R01, R02, R03, R04, R05 and J10.
For study purposes only. Not to be taken into exam.

INCOME TAX

RATES OF TAX 2012/2013

Starting rate for savings*	10%
Basic rate	20%
Higher rate	40%
Additional rate	50%
Starting-rate limit	£2,710*
Threshold of taxable income above which higher rate applies	£34,370
Threshold of taxable income above which additional rate applies	£150,000

Child benefit charge from 7 January 2013:

1% of benefit for every £100 of income over	£50,000
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**restricted to savings income only and not available if taxable non-savings income exceeds starting rate band.*

MAIN PERSONAL ALLOWANCES AND RELIEFS

Income limit for Personal Allowance §	£100,000
Personal Allowance (basic) §	£8,105
Personal Allowance (age 65-74) §	£10,500
Personal Allowance (aged 75 and over) §	£10,660

Married/civil partners (minimum) at 10% †	£2,960
Married/civil partners (age 75 and over) at 10%	£7,705

Income limit for age-related allowances	£25,400
Blind Person's Allowance	£2,100

Enterprise Investment Scheme relief limit on £1,000,000 max	30%
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Seed Enterprise Investment relief limit on £100,000	50%
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Venture Capital Trust relief limit on £200,000 max	30%
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§ the Personal Allowance reduces by £1 for every £2 of income above the income limit irrespective of age.

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

Child Tax Credit (CTC)	
- Child element per child (maximum)	£2,690
- family element	£545
Threshold for tapered withdrawal of CTC	£15,860

NATIONAL INSURANCE CONTRIBUTIONS

Class 1 Employee	Weekly	Monthly	Yearly
Lower Earnings Limit (LEL)	£107	£464	£5,564
Primary threshold	£146	£634	£7,605
Upper Accrual Point	£770	£3,337	£40,040
Upper Earnings Limit (UEL)	£817	£3,540	£42,475

Total earnings £ per week	CLASS 1 EMPLOYEE CONTRIBUTIONS	
	Contracted-in rate/contracted-out (money purchase)	Contracted-out rate (final salary)
Up to 146.00*	Nil	Nil
146.01 – 770.00	12%	10.6%
770.01 – 817.00	12%	12%
Above 817.00	2%	2%

*This is the primary threshold below which no NI contributions are payable. However, the lower earnings limit is £107 per week. This £107 to £146 band is a zero rate band introduced in order to protect lower earners' rights to contributory State benefits e.g. Basic State Pension.

Total earnings £ per week	CLASS 1 EMPLOYER CONTRIBUTIONS		
	Contracted-in rate	Contracted-out rate	
		Final salary	Money purchase
Below 144.00**	Nil	Nil	Nil
144.01 – 770.00	13.8%	10.4%	13.8%
770.01 – 817.00	13.8%	13.8%	13.8%
Excess over 817.00	13.8%	13.8%	13.8%

** Secondary earnings threshold.

Class 2 (self-employed)	Flat rate per week £2.65 where earnings exceed £5,595 per annum.
Class 3 (voluntary)	Flat rate per week £13.25.
Class 4 (self-employed)	9% on profits between £7,605 - £42,475
	2% on profits above £42,475.

PENSIONS

TAX YEAR	LIFETIME ALLOWANCE	ANNUAL ALLOWANCE
2006/2007	£1,500,000	£215,000
2007/2008	£1,600,000	£225,000
2008/2009	£1,650,000	£235,000
2009/2010	£1,750,000	£245,000
2010/2011	£1,800,000	£255,000
2011/2012	£1,800,000	£50,000
2012/2013	£1,500,000	£50,000

ANNUAL ALLOWANCE CHARGE

20% - 50% member's tax charge on the amount of total pension input in excess of the annual allowance.

LIFETIME ALLOWANCE CHARGE

55% of excess over lifetime allowance if taken as a lump sum.

25% of excess over lifetime allowance if taken in the form of income, which is subsequently taxed under PAYE.

INHERITANCE TAX

RATES OF TAX ON DEATH TRANSFERS

2012/2013

Transfers made after 5 April 2012

- | | |
|---|-----|
| - Up to £325,000 | Nil |
| - Excess over £325,000 | 40% |
| - Lifetime transfers to and from certain trusts | 20% |

**For deaths after 5 April 2012, a lower rate of 36% applies where at least 10% of deceased's net estate is left to charity.*

MAIN EXEMPTIONS

Transfers to

- | | |
|--|----------|
| - UK-domiciled spouse/civil partner | No limit |
| - non-UK-domiciled spouse/civil partner (from UK-domiciled spouse) | £55,000 |
| - UK-registered charities | No limit |

Lifetime transfers

- | | |
|------------------------------|--------|
| - Annual exemption per donor | £3,000 |
| - Small gifts exemption | £250 |

Wedding/civil partnership gifts by

- | | |
|----------------|--------|
| - parent | £5,000 |
| - grandparent | £2,500 |
| - other person | £1,000 |

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

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 |
| - Inheritance Tax payable | 100% | 80% | 60% | 40% | 20% |

CAR BENEFIT FOR EMPLOYEES

The charge for company car benefits is based on the carbon dioxide (CO₂) emissions. There is no reduction for high business mileage users.

For 2012/2013:

- Cars that cannot emit CO₂ have a 0% charge.
- The percentage charge is 5% of the car's list price for CO₂ emissions of 75g/km or less.
- For cars with CO₂ emissions of 76g/km to 99g/km the percentage is 10%.
- Cars with CO₂ emissions of 100g/km have a percentage charge of 11% and thereafter the charge increases by 1% for every complete 5g/km to a maximum of 35% (emissions of 220g/km and above).

There is an additional 3% supplement for diesel cars not meeting Euro IV emission standards. However, the maximum charge remains 35% of the car's list price.

Car fuel The benefit is calculated as the CO₂ emissions % relevant to the car and that % applied to a set figure (£20,200 for 2012/2013) e.g. car emission 100g/km = 11% on car benefit scale. 11% of £20,200 = £2,222.

1. **Accessories** are, in most cases, included in the list price on which the benefit is calculated.
2. **List price** is reduced for capital contributions made by the employee up to £5,000.
3. **Car benefit** is reduced by the amount of employee's contributions towards running costs.
4. **Fuel scale** is reduced only if the employee makes good **all** the fuel used for private journeys.
5. **All car and fuel benefits** are subject to employers National Insurance Contributions (Class 1A) of 13.8%.

PRIVATE VEHICLES USED FOR WORK

2012/2013 Rates

Cars

On the first 10,000 business miles in tax year
Each business mile above 10,000 business miles

45p per mile

25p per mile

Motor Cycles

24p per mile

Bicycles

20p per mile

MAIN CAPITAL AND OTHER ALLOWANCES

2012/2013

Plant & machinery (excluding cars) 100% annual investment allowance (first year)	£25,000
Plant & machinery (reducing balance) per annum	18%
Patent rights & know-how (reducing balance) per annum	25%
Certain long-life assets, integral features of buildings (reducing balance) per annum	8%
Energy & water-efficient equipment	100%
Zero emission goods vehicles (new)	100%
Qualifying flat conversions, business premises & renovations	100%

Motor cars: Expenditure on or after 01/04/09 (Corporation Tax) or 06/04/09 (Income Tax)

CO ₂ emissions of g/km:	110 or less*	111-160	161 or more
Capital allowance:	100%	18%	8%
	first year	reducing balance	reducing balance

*If new

Research & Development:	Capital expenditure	100%
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MAIN SOCIAL SECURITY BENEFITS

2012/2013

		£
Child Benefit	First child	20.30
	Subsequent children	13.40
	Guardian's allowance	15.55
Employment and Support Allowance	Assessment Phase	
	Age 16 – 24	Up to 56.25
	Aged 25 or over	Up to 71.00
	Main Phase	
	Work Related Activity Group	Up to 99.15
	Support Group	Up to 105.05
Attendance Allowance	Lower rate	51.85
	Higher rate	77.45
Retirement Pension	Single	107.45
	Married	171.85
Pension Credit	Single person standard minimum guarantee	142.70
	Married couple standard minimum guarantee	217.90
	Maximum savings ignored in calculating income	10,000.00
Bereavement Payment (lump sum)		2,000.00
Widowed Parent's allowance		105.95
Jobseekers Allowance	Age 16 - 24	56.25
	Age 25 or over	71.00
Statutory Maternity, Paternity and Adoption Pay		135.45

CAPITAL GAINS TAX

EXEMPTIONS

2012/2013

Individuals, estates etc	£10,600
Trusts generally	£5,300
Chattels proceeds (restricted to five thirds of proceeds exceeding limit)	£6,000

TAX RATES

Individuals:	
Up to basic rate limit	18%
Above basic rate limit	28%

Trustees and Personal Representatives	28%
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Entrepreneurs' Relief* – Gains taxed at:	10%
Lifetime limit	£10,000,000

*For trading businesses and companies (minimum 5% employee or director shareholding) held for at least one year.

CORPORATION TAX

2012/2013

Full rate	24%
Small companies rate	20%
Small companies limit	£300,000
Effective marginal rate	25%
Upper marginal limit	£1,500,000

VALUE ADDED TAX

2012/2013

Standard rate	20%
Annual Registration limit	£77,000