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Accounting Services
Your business in safe hands

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TAXABLE TABLES 2009-2010

INCOME TAX

Starting rate for savings **	10%
Basic Rate	20%
Higher Rate (£37,400 -)	40%
Starting rate limit **	£2,440
Threshold of taxable income above which higher rate applies	£37,400
*** Restricted to savings income only and not available if taxable non-savings income exceeds starting rate band.*	

PERSONAL ALLOWANCES & RELIEFS

Income limit for personal alYH lowance ***	£100,000
Personal Allowance (basic) ***	£6,475
Personal Allowance (65 - 74) ***	£9,490
Personal Allowance (75 and over) ***	£9,640
Married/civil partners (minimum) @ 10% ~	£2,670
Married/civil partners (75 and over) @ 10%	£6,965
Income limit for age-related allowances	£22,900
Blind Person’s Allowance	£1,890
Enterprise Investment Scheme relief limit on £500,000 max (EIS)	20%
Venture Capital Trust relief limit on £200,000 max (VCT)	30%
**** The personal Allowance reduces by £1 for every £2 of income above the income limit irrespective of age (under the income threshold)*	
~ Where at least one spouse/civil partner was born before 6/4/1935	
Child Tax Credit (CTC)	
Child Element per child (maximum)	£2,235
Family Element	£545
Threshold for tapered withdrawal of CTC	£16,040

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NATIONAL INSURANCE

Class 1 Employee	Weekly	Monthly	Yearly
Lower Earnings Limit (LEL)	£95	£412	£4,940
Earnings Threshold	£110	£476	£5,715
Upper Accrual Point	£770	£3,337	£40,040
Upper Earnings Limit (UEL)	£844	£3,656	£43,875

Class 1 Employee Contribution.

Total Earnings per week (£)	Contracted in rate	Contracted out rate
Below 110.00 ~~	Nil	Nil
110.01 – 770.00	11%	9.4%
770.01 – 844.00	11%	11%
Excess over 844.00	1%	1%
~~		

Class 1 Employer Contribution.

Total Earnings per week (£)	Contracted in rate	Contracted out rate
Below 110.00 ~~	Nil	Nil
110.01 – 770.00	12.8%	9.1%
770.01 – 844.00	12.8%	12.8%
Excess over 844.00	12.8%	12.8%
~~ Secondary earnings threshold		

Class 1 Employed Not contracted out of state second pension	Employee	Employer
NIC Rate	11%	12.8%
No NIC on the first	£110 pw	£110 pw
NIC charged at 11%/12.8% up to	£844 pw	No limit
2% NIC on earnings over	£844 pw	N/A
Certain Married Women	4.85%	12.8%
Salary-related scheme	1.6%	3.7%

Class 1A Employer	On car & fuel benefits and most other taxable benefits – 12.80%
Class 2 (Self employed)	Flat rate per week £2.40 where earnings exceed £5,075 per year.
Class 3 Voluntary	Flat rate per week £12.05
Class 4 (Self employed)	8% on profits between £5,715 - £43,875
	1% on profits above £43,875.

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PENSIONS

Basic State Pension	Weekly	Annual
Single Person	£95.25	£4,953
Dependent addition	£57.05	£2,966.60
Total married pension	£152.30	£7,919.60
Pension Credit		
Single	£130.00	£6,760.00
Couple	£198.45	£10,319.40

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

Annual Allowance Charge.

25%-55% 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 if taken in the form of income, which is subsequently taxed under PAYE.

INTERITANCE TAX.

Transfers made after 5 April 2009	
- Up to £325,000	Nil
- Excess over £325,000	40%
- Lifetime transfers to and from certain Trusts	20%
Main Exemptions	
Transfer to	
■ UK-Domiciled spouse/civil partner	No Limit
■ Overseas Domiciled Spouse exemption	£55,000
■ UK-Registered charities	No Limit
Lifetime Transfers	
■ Annual exemption per donor	£3,000
■ Small Gift Exemption	£250
Wedding/civil partnership gifts by	
■ Parent	£5,000
■ Grandparent	£2,500
■ Other person	£1,000
Businesses, unlisted/AIM companies, certain farmland/buildings	100% relief
Other business assets	50% relief
Reduced tax charge on gifts within 7 years of death:	
Years before death	Inheritance Tax Payable
■ 0-3	100%
■ 3-4	80%
■ 4-5	60%
■ 5-6	40%
■ 6-7	20%
Annual Exempt Gifts	£3,000 per donor; £250 per done.

MAIN CAPITAL AND OTHER ALLOWANCES.

Plant & machinery (excluding cars) 100% annual investment allowance (first year)	£50,000
Plant & machinery (reducing balance) per annum	20%
Certain Long life assets, integral features of buildings (reducing	10%

balance) per annum	
Energy & Water-efficient equipment	100%
Zero emission goods vehicles (new)	100%
Qualifying flat conversions, business premises & renovations	100%
Industrial & agricultural buildings (straight line)	2%

CAR BENEFIT FOR EMPLOYEES

The charge for company car benefits on the carbon dioxide (CO_2) emissions. There is no reduction for high business mileage users.

For 2009-2010:

Cars that cannot emit CO_2 have a 0% charge

or The percentage charge is 10% of the cars list price for CO_2 emissions of 120g/km less

For cars with CO_2 emissions of 121g/km to 139g/km the percentage is 15%

For cars with CO_2 emissions of 140g/km to 144g/km the percentage is 16%

For cars with CO_2 emmissions of 145g/km have a percentage charge of 17% and thereafter the charge increases by 1% for every complete 5g/km to a maximum of 35% (emissions of 235g/km and above)

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

Car Fuel The benefit is calculated as the CO_2 emissions % relevant to the car and that % applied to a set figure (£16,900 for 2009/10) e.g car emission 125g/km = 15% on car benefit scale. 15% of £16,900 = £2,535.

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 cars and fuel benefits are subject to employers National Insurance Contributions (Class 1A) of 12.8%

PRIVATE VEHILCES USED FOR WORK.

Cars	

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---- On the first 10,000 miles in the tax year	40p per mile
---- Each business miles 10,000 business miles	25p per mile
Motor Cycles	24p per mile
Bicycles	20p per mile

MOTOR CARS

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

CO_2 emissions of g/km	110 or less *	111-160	Over 160
Capital Allowance	100%	20%	10%
* If New			
Research & Development	Capital expenditure	100%	

TAX FREE SAVINGS

Limits	
Cash individual savings account (ISA)	£3,600
Stock & shares ISA (balance to)	£7,200

MAIN SOCIAL SECURITY BENEFITS

Child Benefit	£
---- First Child	20.00
---- Subsequent children	13.20
---- Guardian's allowance	14.75
Employment & Support Allowance	
Assessment Phase	
---- Age 16 – 24	Up to 50.95
---- Aged 25 or over	Up to 64.30
Main Phase	
---- Work Related Activity Group	Up to 76.45
---- Support Group	Up to £89.80
Attendance Allowance	
---- Lower Rate	47.10
---- Higher Rate	70.35
---- Maximum savings ignored in calculating income	6,000.00
Bereavement Payment (Lump sum)	2,000.00
Widow Parent's allowance	95.25
Job Seekers Allowance	

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----Age 16 – 24	50.95
---- Age 25 and over	64.30
Statutory Maternity, Paternity & Adoption Pay	123.06

CAPITAL GAINS TAX

EXEMPTIONS	£
Individuals, estates etc	9,600
Trusts generally	4,800
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	18%
Trustees & Personal Representatives	28%
Entrepreneurs' Relief * - Gains taxed at:	
Lifetime limit	10%
* For trading businesses and companies (min 5% employee or director shareholding) held for at least one year	£10,000,000

CORPORATION TAX

Full Rate	28%
Small Companies Rate	21%
Small Companies Limit	£300,000
Effective Marginal Rate	29.75%
Upper Marginal Limit	£1,500,000

VALUE ADDED TAX

Standard Rate effective (1/12/2008 – 31/12/2009)	15.00%
Standard Rate effective (1/01/2010)	17.50%
Annual Registration Threshold	£68,000
De-registration Threshold	£66,000