



UK Tax Tables 2011/2012

Income tax reliefs

	£
Personal allowances^a	
Individuals under age 65	7,475
Individuals aged 65 to 74	9,940
Individuals aged 75 and over	10,090
Married couple's allowance^b	
Individuals aged 75 and over	7,295
Income limit for age allowance	24,000
Other reliefs	
Blind person's allowance	1,980

a The personal allowance of £7,475 for all ages is reduced by £1 for every £2 by which income exceeds £100,000.

b Relief given at 10%. Also available for civil partnerships.

N.B. Age-related allowances and married couple's allowance are reduced by £1 for every £2 of income in excess of the income limit.

Special rules apply for non-UK residents and remittance basis users.

Income tax rates

Taxable income bands		%	Tax on band £
Basic	£0 – 35,000	20	7,000
Higher	£35,001 – £150,000	40	46,000
Additional	Excess	50	

The first slice of income includes earnings, pensions, trading profits and income from property. The next slice is savings income and the top slice is dividend income. A 10% starting rate applies for savings income only, with a limit of £2,560. If an individual's taxable non-savings are above this limit, the 10% starting rate will not be applicable. Savings that fall within the basic tax rate band will be taxable at 20%. The remainder of savings income is taxed at the higher or additional rate. Dividend income is taxed at 10%, 32.5% or 42.5%. N.B. Special rules apply for remittance basis users.

Pensions

	Annual allowance ^c £	Lifetime allowance ^d £
2011/12	50,000	1.8m

c UK taxpayers are eligible for tax relief on contributions of the higher of £3,600 and up to 100% of relevant UK earnings. Any unused allowance can be carried forward for three years. If the increase in the value of the pension rights or the value of contributions exceeds the annual (and carried forward) allowance, the excess will be subject to a tax charge at the individual's marginal rate.

- d *The lifetime allowance acts to restrict the amount of pension savings that are eligible for tax relief on payment. Where, on retirement, the deemed value of the fund exceeds the allowance, the excess will suffer a tax charge of 55% on any lump sum paid and 25% on the balance.*

N.B. From 6 April 2012, the lifetime allowance will be reduced to £1.5m, although a claim can be made to protect the £1.8m lifetime allowance limit.

Car benefit

Car benefit is based on a percentage of the car's list price graduated according to the level of the car's CO₂ emissions. This applies to cars first registered on or after 1 January 1998. There are special rules for older cars and those with no CO₂ emissions figure.

From 6 April 2011, the £80,000 ceiling on the car's list price has been removed.

CO ₂ emissions (g/km ^e)	% of car's price taxable	CO ₂ emissions (g/km ^e)	% of car's price taxable
75 or less	5	170	24
76 to 120	10	175	25
121 to 124	15	180	26
125	15	185	27
130	16	190	28
135	17	195	29
140	18	200	30
145	19	205	31
150	20	210	32
155	21	215	33
160	22	220	34
165	23	225 or more	35

- e *A supplement applies if the car runs solely on diesel. The supplement is 3% on the percentage for petrol, capped at 35%.*

If the car's CO₂ emissions figure is between two levels, it is rounded down to the nearest 5g/km level, e.g., 199g/km is rounded down to 195g/km to give 29% for a petrol car. Rounding does not apply to emission figures under 125g/km.

From 2010/11, a five year exemption applies for vehicles with zero CO₂ emissions.

Fuel benefit

For company car drivers, the tax due on free fuel provided by employers for private journeys is calculated by applying the above percentage for the car's CO₂ emissions to a set figure for the year. For 2011/12, the set figure is £18,800.

- ▶ Fuel benefit is nil if the employee makes good the cost of all fuel used for private journeys before the end of the tax year.
- ▶ A system of apportionment applies where the option of free fuel is withdrawn during the year (but not where it is reinstated later on in the year).

Approved Mileage Allowance Payments (AMAP)

The following rates will apply where employees use their own car, motorcycle or bicycle for business trips. If the employer pays less than the statutory amount shown below (other than for passengers), the employee can claim tax relief on the difference.

Employees are no longer able to claim actual business motoring or cycling costs instead of these allowances.

	Rate per mile
Cars and vans	
Annual business mileage up to 10,000 miles in the tax year ^f	45p
Each additional mile over 10,000 miles in the tax year	25p
Each passenger making the same business trip (These passenger payments can also be made for journeys in company vehicles)	5p
Motor cycles	24p
Bicycles	20p

^f For NIC purposes the rate of 45p per mile applies to all miles.

National insurance contributions

Not contracted-out Total weekly earnings	Employee	Total weekly earnings	Employer
First £139.00	nil	First £136.00	nil
£139.01 - £817.00	12%	Over £136.00	13.8%
Over £817.00	2%		

Contracted-out Total weekly earnings	Employee	Total weekly earnings	Employer COSR ^g Schemes	Employer COMP ^h Schemes
First £102.00	nil	First £102.00	nil	nil
£102.01 - £139.00	nil	£102.01 - £136.00	nil ⁱ	nil ^j
£139.01 - £770.00	10.4%	£136.01 - £770.00	10.1%	12.4%
£770.01 - £817.00	12%	Over £770	13.8%	13.8%
Over £817.00	2%			

^g COSR = Contracted-out salary related.

^h COMP = Contracted-out money purchase.

ⁱ Additional employee NIC rebate due of 1.6%.

^j Additional employer NIC rebate of 3.7% for employers with COSR schemes and 1.4% for employers with COMP schemes.

Class 1A	Employer contribution of 13.8% – on amount of liable taxable benefits in kind
Class 1B	Employer contribution of 13.8% – on PAYE settlement agreements
Class 2	Self-employed earnings – £5,315 or more per annum Flat rate £2.50 per week
Class 3	Voluntary – Flat rate £12.60 per week
Class 4	Self-employed – 9% of profits between £7,225 and £42,475 – 2% of profits over £42,475

Capital gains tax

2011/2012	Individuals	Trusts
Standard rate	18%	28%
Higher rate	28% ^k	28%
Entrepreneurs' relief rate	10%	10% ^l
Entrepreneurs' relief ^m	£10m	£10m

k To the extent for individuals that total taxable income / gains exceed income tax basic rate limit.

l The 10% rate is applicable to certain trusts in specific circumstances.

m Entrepreneurs' relief is a cumulative lifetime allowance that, on submission of a claim allows qualifying gains, up to the lifetime limit, to be taxed at an effective or actual rate of 10%. Gains in excess of the limit are taxed at the standard or higher rate.

The capital gains tax annual exempt amount for 2011/12 is £10,600 for individuals and £5,300 for trusts.

N.B. Special rules apply for non-UK residents and remittance basis users.

Reliefs

Enterprise Investment Scheme	£500,000 ⁿ
Venture Capital Trusts	£200,000 ^o

n Income tax relief restricted to 30%/full deferral available for capital gains tax.

o Income tax relief restricted to 30%/no deferral for capital gains tax.

Stamp taxes

Stamp duty/SDRT on transfer of shares	0.5%	
Stamp duty land tax	Residential property	Non-residential or mixed use properties
Up to £125,000	nil	nil
£125,001 – £150,000 ^p	1%	nil
£150,001 – £250,000 ^p	1%	1%
£250,001 – £500,000	3%	3%
£500,001 to £1,000,000	4%	4%
More than £1,000,000	5%	4%

p Qualifying first-time buyers of residential property will pay 0% up to £250,000 for two years from 25 March 2010.

N.B. The 5% rate applies from 6 April 2011

Rate	Net present value of rent	
	Residential property	Non-residential or mixed use properties
Zero	£0 – £125,000	£0 – £150,000
1%	Over £125,000	Over £150,000

Stamp duty land tax on lease premiums is the same as for transfers of land (subject to special rules for non-residential properties where rent is £1,000 or more annually). Stamp duty land tax on rent is charged on the net present value (NPV). The rate applies to the NPV of the slice not to the whole value.

Inheritance tax

Rates on cumulative transfers	%
First £325,000	nil
Excess	40

Any unused nil-rate band may be transferred to the deceased's spouse or civil partner.

Lifetime exemptions	£
Annual gifts per donor	3,000
Small gifts per donee	250
For marriage/civil partnership	
– parent	5,000
– grandparent	2,500
– other	1,000
Gifts to individuals, certain trusts and companies made more than seven years before death.	exempt
Regular gifts out of after tax income	exempt

Charge on gifts within seven years of death

Intervening years	0-3	3-4	4-5	5-6	6-7
% of full charge	100	80	60	40	20

Corporation tax

	Profits ^q £	%
Main rate	Over 1,500,000	26
Upper marginal rate	300,001 – 1,500,000	27.5
Small profits rate	0 – 300,000	20

Close investment-holding companies are subject to the main rate of corporation tax on all profits. Ring fence profits are taxed at 30% (main rate) and 19% (small profits rate), with a marginal rate of 32.75%.

q Limits are reduced proportionately for the number of associated companies.

Capital allowances

	First year/ initial allowance	Writing down allowance
Plant and machinery ^w	100% ^r	20% reducing balance
Long-life assets and integral features	100%	10% reducing balance
Motor cars	100% ^s	20% reducing balance ^t
Research and development	100%	
Energy saving assets	100% ^u	
Renovation of business premises	100% ^v	
Zero emissions goods vehicles	100%	

- r The 100% allowance applies to only the first £100,000 of expenditure for a business or group of companies. The allowance applies to plant and machinery (other than cars), certain long-life assets and integral features and can be allocated to either pool.
- s The 100% first year allowance applies to cars with CO₂ emissions not exceeding 110g/km.
- t Writing down allowance for cars with CO₂ emissions exceeding 160g/km will be allocated to the special rate pool and attract a rate of 10%. Cars with emissions between 110g/km – 160g/km will attract a rate of 20%.
- u The 100% allowance applies to the purchase of energy saving technologies, water conservation technologies, low carbon dioxide emission cars and natural gas and hydrogen refuelling infrastructure.
- v The 100% allowance is available for capital expenditure on renovating or converting vacant business properties in designated disadvantaged areas.
- w From 6 April 2011 (1 April 2011 for companies), a short life asset election can be made in relation to expenditure on an item of plant and machinery that is expected to be sold or scrapped within eight years.

Value Added Tax

Standard rate 20% (1/6 VAT inclusive price)

Reduced rate 5% (1/21 VAT inclusive price)

Registration limit from 1 April 2011: £73,000 p.a. **Deregistration limit** £71,000 p.a.

For businesses not established in the UK, the registration limit will be reduced to nil from 1 August 2012.

Private fuel supplied to employees free or below cost – output tax scale charge for quarterly VAT periods beginning on or after 1 May 2011. (HMRC also publishes details for monthly and annual returns).

CO ₂ g/km	VAT inc scale charge	Liability		CO ₂ g/km	VAT inc scale charge	Liability	
		@20%				@20%	
120 or less	157	26.17		175	394	65.67	
125	236	39.33		180	409	68.17	
130	252	42.00		185	425	70.83	
135	268	44.67		190	441	73.50	
140	283	47.17		195	457	76.17	
145	299	49.83		200	472	78.67	
150	315	52.50		205	488	81.33	
155	331	55.17		210	504	84.00	
160	346	57.67		215	520	86.67	
165	362	60.33		220	536	89.33	
170	378	63.00		225+	551	91.83	

Ernst & Young LLP

Assurance | Tax | Transactions | Advisory

About Ernst & Young

Ernst & Young is a global leader in assurance, tax, transaction and advisory services. Worldwide, our 141,000 people are united by our shared values and an unwavering commitment to quality. We make a difference by helping our people, our clients and our wider communities achieve their potential.

Ernst & Young refers to the global organization of member firms of Ernst & Young Global Limited, each of which is a separate legal entity. Ernst & Young Global Limited, a UK company limited by guarantee, does not provide services to clients. For more information about our organization, please visit www.ey.com

The UK firm Ernst & Young LLP is a limited liability partnership registered in England and Wales with registered number OC300001 and is a member firm of Ernst & Young Global Limited.

Ernst & Young LLP, 1 More London Place, London, SE1 2AF.

© Ernst & Young LLP 2011. Published in the UK.
All Rights Reserved.



In line with Ernst & Young's commitment to minimise its impact on the environment, this document has been printed on paper with a high recycled content.

www.ey.com/uk

1131244.indd (UK) 04/11. Creative Services Group.