

Forbes Dawson

THE TAX SPECIALISTS



Budget 2013

2013/14 Tax Rates

INCOME TAX

Rates	13/14	12/13
Starting rate of 10% on savings income up to*	£2,790	£2,710
Basic rate of 20% on income up to	£32,010	£34,370
Maximum tax at basic rate	£6,402	£6,874
Higher rate of 40% on income	£32,011– £150,000	£34,371– £150,000
Tax on first £150,000	£53,598	£53,126
Additional rate on income over £150,000	45%	50%
Dividends for: Basic rate taxpayers	10%	10%
Higher rate taxpayers	32.5%	32.5%
Additional rate taxpayers	37.5%	42.5%
Trusts: Standard rate band generally	£1,000	£1,000
Rate applicable to trusts: dividends	37.5%	42.5%
other income	45%	50%

*Not available if taxable non-savings income exceeds the starting rate band.

Child benefit charge from 7/1/13

1% of benefit for each £100 of income for the tax year between £50,000–£60,000.

Main Personal Allowances and Reliefs

Personal (basic)	£9,440	£8,105
Personal reduced by income over*	£100,000	£100,000
Personal if born between 6/4/38 and 5/4/48	£10,500	£10,500
Personal if born before 6/4/38	£10,660	£10,660
Personal if born before 6/4/48 reduced if income exceeds*	£26,100	£25,400
Married couple's allowance*† – maximum amount	£7,915	£7,705
– minimum amount	£3,040	£2,960

*£1 reduction for every £2 of additional income over the income threshold.

†Relief at 10% if at least one of the couple was born before 6/4/35.

Venture Capital Trust (VCT) at 30%	£200,000	£200,000
Enterprise Investment Scheme (EIS) at 30%	£1,000,000	£1,000,000
EIS capital gains deferral relief	No limit	No limit
Seed EIS (SEIS) at 50%	£100,000	£100,000
SEIS CGT reinvestment relief	50%	£100,000

Non-domicile Remittance Basis Charge

For adult non-UK domiciliary after UK residence in:

At least 7 or more of the previous 9 tax years	£30,000	£30,000
At least 12 or more of the previous 14 tax years	£50,000	£50,000

REGISTERED PENSIONS

	13/14	12/13
Lifetime allowance	£1,500,000	£1,500,000
Annual allowance	£50,000	£50,000
Annual allowance charge on excess	20%–45%	20%–50%
Max. pension commencement lump sum	25% of pension benefit value	
Lifetime allowance charge if excess drawn as cash	55%/income	25%
Maximum relievable personal contribution: 100% of relevant UK earnings or £3,600, but subject to the annual allowance.		

NATIONAL INSURANCE CONTRIBUTIONS

Class 1 Employed Not Contracted-Out of State Second Pension (S2P)

13/14	Employee	Employer
NIC rate	12%	13.8%
No NICs on the first	£149 pw	£148 pw
NICs charged at 12%/13.8% up to	£797 pw	No limit
2% NIC on earnings over	£797 pw	N/A
Certain married women	5.85%	13.8%

Contracted-Out Rebate On

£109.01–£770 pw

Salary-related scheme	1.4%	3.4%
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Limits and Thresholds

	Weekly	Monthly	Annual
Lower earnings limit	£109	£473	£5,668
Secondary earnings	£148	£641	£7,696
Primary earnings	£149	£646	£7,755
Upper accrual point	£770	£3,337	£40,040
Upper earnings limit	£797	£3,454	£41,450

Class 1A Employer

On car and fuel benefits and most other taxable benefits	13.8%
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Self-Employed

Class 2 Flat rate	£2.70 pw	£140.40 pa
Small earnings exception		£5,725 pa
Class 4 On profits	£7,755–£41,450 pa	9%
	Over £41,450 pa	2%
Class 3 Voluntary Flat rate	£13.55 pw	£704.60 pa

BASIC STATE PENSION

13/14	Weekly	Annual
Single person	£110.15	£5,727.80
Dependant's addition*	£66.00	£3,432.00
Total married pension*	£176.15	£9,159.80

*For pensions which started before 6/4/10.

Pension Credit – standard minimum guarantee

Single	£145.40	£7,560.80
Couple	£222.05	£11,546.60

STAMP DUTIES

Stamp Duty Land Tax based on consideration

Residential	13/14 Rate
£125,000 or less	Nil
Over £125,000 up to £250,000	1%
Over £250,000 up to £500,000	3%
Over £500,000 up to £1,000,000	4%
Over £1,000,000 up to £2,000,000	5%
Over £2,000,000	7%*

* 15% if purchased by certain non-natural entities.

Commercial

£150,000 or less	Nil
Over £150,000 up to £250,000	1%
Over £250,000 up to £500,000	3%
Over £500,000	4%

Stamp Duty and SDRT: Stocks and marketable securities 0.5%

No charge to stamp duty unless amount due exceeds £5.

TAX-FREE SAVINGS

Limits	13/14	12/13
Cash individual savings account (ISA)	£5,760	£5,640
Stocks & shares ISA (balance to)	£11,520	£11,280
Junior ISA and Child Trust Fund	£3,720	£3,600

CAPITAL GAINS TAX

Tax Rates – Individuals	13/14	12/13
Up to basic rate limit	18%	18%
Above basic rate limit	28%	28%
Tax Rate – Trusts and Estates	28%	28%

Exemptions

Individuals, estates, etc	£10,900	£10,600
Trusts generally	£5,450	£5,300
Chattels proceeds (restricted to $\frac{5}{3}$ proceeds gain exceeding limit)	£6,000	£6,000

Entrepreneurs' Relief*

Gains taxed at	10%	10%
Lifetime limit	£10,000,000	£10,000,000

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

INHERITANCE TAX

	13/14	12/13
Nil-rate band*	£325,000	£325,000
Rate of tax on excess	40% [†]	40% [†]
Lifetime transfers to and from certain trusts	20%	20%
Relief for businesses, unlisted and AIM companies, certain farmland/buildings	100%	100%
Relief for certain other business assets	50%	50%
Exemption for overseas domiciled spouse/civil partner	£325,000	£55,000

Reduced tax charge on gifts within 7 years of death

Years before death	0–3	3–4	4–5	5–6	6–7
% of death tax charge	100	80	60	40	20
Annual exempt gifts	£3,000 per donor		£250 per donee		

*Up to 100% of the unused proportion of a deceased spouse's/civil partner's nil-rate band can be claimed on the survivor's death.

[†]36% where at least 10% of net estate left to charity for death after 5/4/12.

CORPORATION TAX

Effective rate to	31/3/14	31/3/13
Profits		
£0–£300,000	20%	20%
£300,001–£1,500,000	23.75%	25%
£1,500,001 and over	23%	24%

VALUE ADDED TAX

Standard rate	20%
Reduced rate, e.g. on domestic fuel	5%
Registration level from 1/4/13	£79,000
Deregistration level from 1/4/13	£77,000
Flat rate scheme turnover limit	£150,000
Cash and annual accounting schemes turnover limits	£1,350,000

USEFUL RATES

Per week unless stated otherwise. Certain benefits will be affected by the phasing in of Universal Credit starting from 2013/14. These are marked with an asterisk.

Attendance Allowance

Higher rate £79.15 Lower rate £53.00

Carer's Allowance

£59.75

Employment and Support Allowance*

13 week assessment phase (per week)

Aged under 25: up to £56.80 Aged 25 or over: up to £71.70

From week 14 after Work Capability Assessment if eligible (per week)

In Work Related Activity Group up to £100.15

In Support Group up to £106.50

Statutory Pay Rates

Average weekly pay £109 or over

Sick (SSP) – weekly rate £86.70

Maternity (SMP)

First 6 weeks – 90% of average weekly pay

Next 33 weeks – 90% of average weekly pay subject to a maximum of £136.78

Ordinary and Additional Paternity (OSPP) and (ASPP)

90% of average weekly pay subject to a maximum of £136.78

Adoption (SAP) – 39 weeks

90% of average weekly pay subject to a maximum of £136.78

Jobseeker's Allowance*

Aged under 25 £56.80 Aged 25 or over £71.70

National minimum wage (hourly)

From 1/10/12

Aged 21 and over £6.19

Aged 18 – 20 £4.98

MAIN DUE DATES FOR TAX PAYMENTS

Income Tax and Capital Gains Tax – Self-Assessment

- | | |
|--------------------|---|
| 31 Jan in tax year | } • Normally 50% of previous year's income tax, less tax deducted at source |
| Following 31 July | |
| Following 31 Jan | • Balance of income tax and all CGT |

Inheritance Tax

On death: normally 6 months after 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: 9 months after accounting period

- Payable by instalments where profits are £1.5m or over. Normally payable in 7th, 10th, 13th and 16th months after start of accounting period.
- Growing companies: no instalments where profits are £10m or less and the company was small or medium size for the previous year.

2013 CALENDAR

	January	February	March
Mon	7 14 21 28	4 11 18 25	4 11 18 25
Tue	1 8 15 22 29	5 12 19 26	5 12 19 26
Wed	2 9 16 23 30	6 13 20 27	6 13 20 27
Thu	3 10 17 24 31	7 14 21 28	7 14 21 28
Fri	4 11 18 25	1 8 15 22	1 8 15 22 29
Sat	5 12 19 26	2 9 16 23	2 9 16 23 30
Sun	6 13 20 27	3 10 17 24	3 10 17 24 31
	April	May	June
Mon	1 8 15 22 29	6 13 20 27	3 10 17 24
Tue	2 9 16 23 30	7 14 21 28	4 11 18 25
Wed	3 10 17 24	1 8 15 22 29	5 12 19 26
Thu	4 11 18 25	2 9 16 23 30	6 13 20 27
Fri	5 12 19 26	3 10 17 24 31	7 14 21 28
Sat	6 13 20 27	4 11 18 25	1 8 15 22 29
Sun	7 14 21 28	5 12 19 26	2 9 16 23 30
	July	August	September
Mon	1 8 15 22 29	5 12 19 26	2 9 16 23 30
Tue	2 9 16 23 30	6 13 20 27	3 10 17 24
Wed	3 10 17 24 31	7 14 21 28	4 11 18 25
Thu	4 11 18 25	1 8 15 22 29	5 12 19 26
Fri	5 12 19 26	2 9 16 23 30	6 13 20 27
Sat	6 13 20 27	3 10 17 24 31	7 14 21 28
Sun	7 14 21 28	4 11 18 25	1 8 15 22 29
	October	November	December
Mon	7 14 21 28	4 11 18 25	2 9 16 23 30
Tue	1 8 15 22 29	5 12 19 26	3 10 17 24 31
Wed	2 9 16 23 30	6 13 20 27	4 11 18 25
Thu	3 10 17 24 31	7 14 21 28	5 12 19 26
Fri	4 11 18 25	1 8 15 22 29	6 13 20 27
Sat	5 12 19 26	2 9 16 23 30	7 14 21 28
Sun	6 13 20 27	3 10 17 24	1 8 15 22 29

2014 CALENDAR

	January	February	March
Mon	6 13 20 27	3 10 17 24	3 10 17 24 31
Tue	7 14 21 28	4 11 18 25	4 11 18 25
Wed	1 8 15 22 29	5 12 19 26	5 12 19 26
Thu	2 9 16 23 30	6 13 20 27	6 13 20 27
Fri	3 10 17 24 31	7 14 21 28	7 14 21 28
Sat	4 11 18 25	1 8 15 22	1 8 15 22 29
Sun	5 12 19 26	2 9 16 23	2 9 16 23 30

Now to make sense of it all speak to the Tax Specialists.

Our services

We provide high quality bespoke advice to entrepreneurs and their concerns, including companies and trusts, covering all areas of tax, including VAT.

We also work closely with other professionals, in particular other firms of accountants, to support them by offering proactive, commercial advice, to add value to the expertise they can provide.

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