

## Pension Contributions

The maximum contributions available for tax relief are the greater of:

- £3,600; and
  - 100% of the net relevant earnings for the year
- This is subject to a maximum of £50,000 (£255,000 in 2010/11). There are provisions to carry forward unused reliefs for 3 years.

Contributions are paid net of basic rate tax.

Relief has to be claimed for the tax year of payment.

A tax charge may arise if the value of the pension fund at retirement exceeds the lifetime limit. The lifetime limit is £1,800,000 (£1,800,000 in 2010/11)

## HM Revenue & Customs Authorised Mileage Rates

### Rates for 2011/12

All cars – first 10,000 miles  
All cars – all additional miles  
Motorcycles  
Pedal cycles

### Tax free rate per mile

45p per mile  
25p per mile  
24p per mile  
20p per mile

### Fuel Rates For Company Cars

These rates per mile apply where employers require employees to repay fuel costs for private travel or when employees are reimbursed for business travel in company cars.

The rates below apply from 1 December 2010.

Hybrid cars are treated as petrol cars for this purpose.

Size of engine	Petrol	Diesel	LPG
0 – 1400cc	14p	13p	10p
1401 – 2000cc	16p	13p	12p
2001cc and over	23p	16p	17p

## Inheritance Tax

	2011/12	2010/11			
Nil rate band (see also below)	£325,000	£325,000			
Rate of tax on excess	40%	40%			
Annual exemption per donor	£3,000	£3,000			
Annual gifts per donee	£250	£250			
Reduced tax charge on gifts within 7 years of death					
<b>Years before death</b>	0-3	3-4	4-5	5-6	6-7
<b>% of death charge</b>	100%	80%	60%	40%	20%

If an individual's nil rate band is not fully utilised on death, the nil rate band available on the death of his or her spouse, at a later date, is increased. The maximum joint nil rate band for married couples and civil partners is therefore £650,000 (£650,000 in 2010/11)

## Capital Gains Tax

Tax rate -	2011/12	2010/11	2010/11
Within basic band	18%	18%	18%
Higher rate	28%	28%	18%
Entrepreneur's rate	10%	10%	see below
Annual exemption - individuals	£10,600	£10,100	£10,100
- settlements	£5,300	£5,050	£5,050
Chattels exemption (proceeds)	£6,000	£6,000	£6,000

### Entrepreneur's Relief

Entrepreneur's relief applies to qualifying disposals of businesses, shares in personal companies and assets used in a personal partnership or company. Qualifying conditions exist. Prior to 23 June 2010 the effect of the relief is to reduce the tax rate on gains to 10%. A lifetime total of £10million (£5million from 23 June 2010 to 5 April 2011 and £2million from 6 April 2010 to 22 June 2010) of gains can qualify for relief.

## Main Capital Allowances

	2011/12	2010/11
<b>Plant &amp; Machinery</b>		
Writing down allowance rate	20%	20%
Annual investment allowance: 100% rate **	£100,000	£100,000
First year allowances	N/A	N/A
<b>Fixtures Integral To A Building</b>	10%	10%
<b>Long Life Assets</b>	10%	10%
<b>Industrial/Agricultural buildings</b>	0%*	1%*
<b>Enterprise zone buildings</b>	100%	100%
<b>Energy efficient equipment</b>	100%	100%
<b>Low emission cars</b>		
- limit for 100% allowance	110g/km	110g/km

\* A hybrid rate applies where the accounting period straddles 6 April (1 April for companies).

\*\* Annual Investment Allowance excludes expenditure on motor cars. Where an accounting period is less than 12 months in length, the maximum is restricted proportionately. The amount is due to decrease from April 2012 to £25,000.

The rates for writing down allowance is due to decrease from April 2012 to 18% for main rate pool expenditure and to 8% for fixtures integral to a building and long life assets

### Motor cars acquired from April 2009 (1 April for companies, 6 April in other cases)

The rate of allowances depends on the car's CO2 emissions:

Emission band	Rate
161g/km or over	10%
111g to 160g/km	20%
Up to 110g/km	100%

Cars acquired from April 2009 are "pooled" with other cars in the same CO2 emissions band.

Balancing allowances are not available on disposal, unless there is private use of the vehicle.

Where there is no approved CO2 figure, the car goes into the 20% pool.

2011/2012

Tax Tables

Know how the 2011 Budget affects you!

## Income Tax

	2011/12 £	2010/11 £
<b>Allowances that reduce Taxable Income</b>		
Personal allowance - under 65	7,475	6,475
- 65 to 74	9,940	9,940
- 75 and over	10,090	9,640
<b>Allowances that reduce Tax</b>		
Married couples - 75 and over	729.50	696.50

### Notes

- Married couples allowance is only available where one of the spouses was born before 6 April 1935.
- Ages are as at the end of the tax year. Ages for higher rates of married couples allowance relate to elder of husband and wife.
- The higher rates of personal allowances for older people are reduced by £1 for each £2 of income exceeding £24,000 (2011/12 £22,900) until the basic allowance of £7,475 is reached. Similar limits apply to the married couples allowance (basic allowance is £280.00).
- From April 2010, the personal allowance is restricted for individuals whose income exceeds £100,000, by £1 for each £2 of income exceeding £100,000, until it is reduced to nil.
- Child Tax Credit and Working Tax Credit are available in certain circumstances, depending on income.

Income Tax Bands	2011/12 £	2010/11 £
Basic rate band – up to	35,000	37,400
Additional higher rate – income above	150,000	150,000
<b>Earned income rates</b>		
Basic rate	20%	20%
Higher rate	40%	40%
Additional Higher rate	50%	50%
<b>Dividends</b>		
Basic rate	10%	10%
Higher rate	32.5%	32.5%
Additional Higher rate	42.5%	42.5%
<b>Interest</b>	20%	20%
A 10% rate of up to £2,560 (£2,440 in 2010/11) applies to certain individuals with low income.		
Rate applicable to trusts	50%	50%
Dividend trust rate	42.5%	42.5%
Starting rate band for trusts	1,000	1,000

## Corporation Tax

Year commencing	1 April 2011	1 April 2010
First £300,000	20%	21%
Next £1,200,000	27.5%	29.75%
Balance over £1,500,000	26%	28%

This card is issued as a guide to current legislation. No decision based on its contents should be taken without consulting a specialist adviser.

## Car & Fuel Benefits

### Car Benefit (For tax & employer's NIC)

Car benefit is based on the defined list price of the car, less a maximum of £5,000 capital contributions by employee (from April 2011, there will no longer be a cap on the list price used). There are special rules for classic cars.

CO2 Emissions (g/km)	Rate of list price
0	0%
< 75	5%
< 120	10%
< 125 *	15%
125 +	15% - 35% **

\* The charge is 15% of a car's list price for emissions of up to 125g/km (the charge is reduced to 11% on cars with CO2 emissions of 100g/km or more, from 6 April 2012).

\*\* The benefit increases by a sliding scale of 1% of list price for every 5g/km of additional emissions, subject to maximum charge of 35%.

A supplement of 3% of list price is added for diesel cars (the maximum charge is 35%).

Discounts were available until April 2011 for cars which run on alternative fuels such as bi-fuel gas and E85, and for electric-only and hybrid electric-petrol cars.

A reduction is made if a car is unavailable for use or if employee contributions are made.

### Car Fuel Benefits

Based on CO2 emissions in same way as company car benefit. The CO2 percentage figure is multiplied by a "set figure" for cost. The set figure for 2011/12 is £18,800 (2010/11 = £18,000).

### Vans Under 3.5 Tonnes

The charge is £3,000 (+ £550 for private fuel) regardless of the age of the van.

There are certain exceptions to this charge, depending on the use to which the van is put.

Vans with zero carbon dioxide emissions have a nil benefit charge.

## Value Added Tax

	From 1 Apr 2011	To 31 Mar 2011
<b>Standard rate</b>	20%	20%
<b>VAT Fraction</b>	1/6	1/6
<b>Taxable Turnover Limits (all figures are net of VAT)</b>		
Registration		
- last 12 months or coming 30 days over	£73,000	£70,000
Deregistration - coming year under	£71,000	£68,000
Cash and Annual accounting schemes - coming year up to	£1,350,000	£1,350,000
Flat rate scheme for small businesses entering scheme: - coming year up to	£150,000	£150,000
- within scheme: last 12 months or coming 30 days over	£230,000	£225,000

Up to 3 January 2011 the standard rate was 17.5% and the VAT fraction was 7/47.

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## National Insurance

### 2011/12 National Insurance Contributions

#### Class 1 – Employment Income

Weekly Earnings	Employer	Employee
Up to £101.99 (Lower Earnings Limit)	Nil	Nil
£102.00 to £135.99 (Secondary Threshold)	Nil	*Nil
£136.00 to £138.99 (Primary Threshold)	13.8%	*Nil
£139.00 to £817.00 (Upper Limit)	13.8%	12%
£817.01 and above	13.8%	2%
Men 65 & over and women over state pension age	As above	Nil

#### Class 1A NIC – On benefits in kind

13.8% Nil

#### Class 2 – Self Employed

£2.50 per week

Small earnings exception limit

£5,315 per annum

#### Class 3 – Voluntary

£12.60 per week

#### Class 4 – Self Employed

on profits £7,225 - £42,475

on profits above £42,475

9% 2%

\* Employees in this wage band are entitled to contributory benefit entitlements.

## National Minimum Wage

### Hourly Rates

Apprentice rate	£2.50 between 1 Oct 10 and 30 Sept 11
Age 16 and 17	£3.64 between 1 Oct 10 and 30 Sept 11
Age 18 to 20 inclusive	£4.92 between 1 Oct 10 and 30 Sept 11
Age 21 or over	£5.93 between 1 Oct 10 and 30 Sept 11

## Stamp Duty & Stamp Duty Land Tax

### Zero rate threshold: residential property

From 1 January 2010 - £125,000

From 1 January 2010 (disadvantaged areas) - £150,000

Zero rate threshold: leases of less than 21 years - £125,000

From 25 March 2010 (first-time buyers only) - £250,000 \*

\* This is a temporary measure until 24 March 2012.

### Zero rate threshold: non residential property

- £150,000

### Higher rate thresholds

Above zero rate threshold to £250,000 - 1% of total

£250,001 to £500,000 - 3% of total

£500,001 to £1 million - 4% of total

Over £1 million (from 6 April 2011 wholly residential properties only) - 5% of total

**Stamp Duty on share transactions** - 0.5% of total

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