

## SOCIAL SECURITY BENEFITS

|                              | 2011/12   | 2010/11   |
|------------------------------|-----------|-----------|
| <b>Retirement pension</b>    |           |           |
| Single person per week       | £102.15   | £97.65    |
| Dependants addition per week | £61.20    | £58.50    |
| Single person per year       | £5,311.80 | £5,077.80 |
| Dependants addition per year | £3,182.40 | £3,042.00 |

### Statutory Sick Pay (SSP)

|                             |         |        |
|-----------------------------|---------|--------|
| Earnings threshold per week | £102.00 | £97.00 |
| Standard rate per week      | £81.60  | £79.15 |

### Statutory Maternity Pay (SMP), Paternity Pay (SPP) and Adoption Pay (SAP)

|                        |         |         |
|------------------------|---------|---------|
| Standard rate per week | £128.73 | £124.88 |
|------------------------|---------|---------|

## IMPORTANT DATES

|          |         |  |
|----------|---------|--|
| 19/05/11 | 2010/11 | Deadline for filing Employer Annual Return   |
| 19/07/11 | 2010/11 | Class 1A NIC payable (extended to 22/07/11 if paid electronically)                                     |
| 31/07/11 | 2010/11 | 2nd payment on account under self assessment   |
| 31/10/11 | 2010/11 | Deadline for filing paper Tax Return   |
| 30/12/11 | 2010/11 | Submit Tax Return online if balance of tax due is to be collected under PAYE (up to £2,000) in 2012/13 |
| 31/01/12 | 2010/11 | Deadline for filing online Tax Return  |
|          | 2010/11 | Balance of Income Tax and NIC due  |
|          | 2010/11 | Capital Gains Tax due  |
|          | 2011/12 | 1st payment on account due   |

## LATE TAX PAYMENT PENALTIES

|                     |   |
|---------------------|---|
| Thirty days late:   | an initial penalty of 5% of the tax unpaid at that date |
| Six months late:    | a further penalty of 5% of the tax that is still unpaid |
| Twelve months late: | a further penalty of 5% of the tax that is still unpaid |

These penalties are additional to the interest you will be charged on all outstanding amounts, including unpaid penalties, until payment is received.

### Chavereys has offices in:

|                         |                            |
|-------------------------|----------------------------|
| <b>South of England</b> | <b>East Anglia</b>         |
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These tables are intended as a general guide and although Chavereys has made every effort to ensure accuracy the firm cannot accept liability for any errors.

## INHERITANCE TAX

### Transfers on or within 7 years of death

|                        | 2011/12  | 2010/11  |
|------------------------|----------|----------|
| Exempt band to         | £325,000 | £325,000 |
| Rate of tax on balance | 40%      | 40%      |

Up to 100% of the unused proportion of a deceased spouse's nil rate band can be claimed on the surviving spouse's death after 8 October 2007.

### Years between transfer and death

| Taper relief      | 0-3 | 3-4 | 4-5 | 5-6 | 6-7 |
|-------------------|-----|-----|-----|-----|-----|
| % of death charge | 100 | 80  | 60  | 40  | 20  |

### Lifetime transfers

Chargeable lifetime transfers which are not potentially exempt transfers are charged at half the full rate, but additional tax may become payable, by the donee, by reference to the full rate if the transferor dies within 7 years of the transfer.

### Main Exemptions/Reliefs

- Most transfers between husband and wife (non-UK domiciled spouse exemption limited to £55,000).
- The first £3,000 of lifetime transfers in any tax year (husband and wife each have own exemption).
- Regular gifts made out of income which form part of normal expenditure and which do not reduce the standard of living.
- Gifts in consideration of marriage may be made to bride or groom as follows: up to £5,000 by a parent, £2,500 by a grandparent or £1,000 by any other person.
- Gifts to charities, whether made during lifetime or on death.
- Relief of up to 100% is available on disposal of qualifying agricultural and business property.

## STAMP DUTY LAND TAX

| Residential | Applied to consideration from 6 April 2011 |
|-------------|--|
|-------------|--|

|  |   |
|--|---|
| <b>Relevant consideration</b>                  | % |
| Not more than £125,000                         | 0 |
| More than £125,000 but not more than £250,000* | 1 |
| More than £250,000 but not more than £500,000  | 3 |
| More than £500,000                             | 4 |
| More than £1 million (4% until 5 April 2011)   | 5 |

\*SDLT will not be charged for first time buyers where the effective date of completion is between 25 March 2010 and 25 March 2012 and the consideration is not more than £250,000.

### Non-residential or mixed

|   |   |
|---|---|
| <b>Relevant consideration</b>                 | % |
| Not more than £150,000                        | 0 |
| More than £150,000 but not more than £250,000 | 1 |
| More than £250,000 but not more than £500,000 | 3 |
| More than £500,000                            | 4 |

For leases, 1% is charged where capitalized rental value is more than £125,000 for residential, or £150,000 for non-residential.

## NATIONAL INSURANCE CONTRIBUTIONS

|   | 2011/12            |                 |
|---|--------------------|-----------------|
|   | Employer           | Employee        |
| <b>Class 1 - not contracted out</b>       |                    |                 |
| <b>Percentage of earnings in band</b>     |                    |                 |
| Weekly earnings bands                     |                    |                 |
| Up to £102 (lower earnings limit)         | nil                | nil             |
| £102.01 - £136                            | nil                | nil             |
| £136.01 - £139                            | 13.8%              | nil             |
| £139.01 - £817                            | 13.8%              | 12%             |
| Above £817                                | 13.8%              | 2%              |
| Men 65 and over and women 60 and over     | as above           | nil             |
| <b>Class 1A - On taxable benefits</b>     | 13.8%              | nil             |
| <b>Class 2 - Self employed</b>            |                    | £2.50 per week  |
| - Limit of net earnings for exception     |                    | £5,315 p.a.     |
| <b>Class 3 - Voluntary</b>                |                    | £12.60 per week |
| <b>Class 4 - Self employed on profits</b> |                    |                 |
| £7,225 to £42,475                         | 9% (max £3,172.50) |                 |
| Above £42,475                             |                    | 2%              |

## VALUE ADDED TAX

| Standard rate  |     | VAT fraction |
|--|-----|--------------|
| 04/01/11 onwards                                     | 20% | 1/6          |
| <b>Reduced rate</b>                                  | 5%  | 1/21         |
| <b>Turnover for registration (from 1 April 2011)</b> |     |              |
| Previous 12 months, or next 30 days alone            |     | £73,000      |
| Deregistration                                       |     | £71,000      |

### Monthly return scale charge (from 1 May 2011)

| CO <sub>2</sub> band       | 120 or less | 125   | 130   | 135   | 140      | 145   | 150   | 155   | 160   |
|----------------------------|-------------|-------|-------|-------|----------|-------|-------|-------|-------|
| <b>Charge (£)</b>          | 52          | 78    | 84    | 89    | 94       | 99    | 105   | 110   | 115   |
| <b>VAT (£) 20%</b>         | 8.67        | 13.00 | 14.00 | 14.83 | 15.67    | 16.50 | 17.50 | 18.33 | 19.17 |
| <b>CO<sub>2</sub> band</b> | 160         | 170   | 175   | 180   | 185      | 190   | 195   | 200   | 205   |
| <b>Charge (£)</b>          | 120         | 126   | 131   | 136   | 141      | 147   | 152   | 157   | 162   |
| <b>VAT (£) 20%</b>         | 20.00       | 21.00 | 21.83 | 22.67 | 23.50    | 24.50 | 25.33 | 26.17 | 27.00 |
| <b>CO<sub>2</sub> band</b> | 210         | 215   | 220   | 225   | or above |       |       |       |       |
| <b>Charge (£)</b>          | 168         | 173   | 178   | 183   |          |       |       |       |       |
| <b>VAT (£) 20%</b>         | 28.00       | 28.83 | 29.67 | 30.50 |          |       |       |       |       |

For cars too old to have CO<sub>2</sub> emissions figures, HMRC has prescribed a level of emissions by reference to the vehicle's engine capacity.

### Partial Exemption

Where there are mixed supplies, all input tax can be recovered if the input tax relating to exempt supplies, including an apportioned element of input tax on overheads, is no more than £625 per month on average nor 50% of total input tax.

**Chavereys**  
CHARTERED  
ACCOUNTANTS

*"The experts in rural business"*

2011/2012  
Tax Tables

## INCOME TAX

|  | 2011/12  | 2010/11  |
|--|----------|----------|
| Lower rate   | 10%      | 10%      |
| Income to which lower rate applies   | Savings  | Savings  |
| Lower rate band  | £2,560*  | £2,440*  |
| *Only applicable where taxable non-savings income is within the lower rate band. |          |          |
| Basic rate   |          |          |
| All income excluding dividends   | 20%      | 20%      |
| Dividends  | 10%      | 10%      |
| Higher rate from   | £35,000  | £37,400  |
| Higher rate on dividends   | 32.5%    | 32.5%    |
| Higher rate on all other income  | 40%      | 40%      |
| Additional rate from   | £150,000 | £150,000 |
| Additional rate on dividends   | 42.5%    | 42.5%    |
| Additional rate on all other income  | 50%      | 50%      |
| <b>Allowances that reduce taxable income</b>                                     |          |          |
|  | £        | £        |
| Personal allowance   | 7,475*   | 6,475    |
| - Under 65   | 9,940**  | 9,490**  |
| - 65 to 74   | 10,090** | 9,640**  |
| - 75 and over  | 1,980    | 1,890    |
| Blind person allowance   |          |          |

|                                   | 2011/12  | 2010/11  |
|-----------------------------------|----------|----------|
| <b>Allowances that reduce tax</b> |          |          |
| Married couple's allowance        |          |          |
| Tax reduction - 75 and over       | 729.50** | 696.50** |
| - minimum amount                  | 280.00** | 267.00** |

\*The personal allowance is progressively withdrawn if income exceeds £100,000.  
 \*\*The age related allowances are progressively withdrawn, if income exceeds £24,000 (2010/11 £22,900) until minimum amount (£7,475) is reached.

| Other                   | 2011/12 | 2010/11 |
|-------------------------|---------|---------|
| 'Rent a room' exemption | 4,250   | 4,250   |

From 6 April 2012, the personal allowance for those under 65 will increase by £630 bringing it to £8,105 and the Basic Rate band will be reduced by £630 to £34,370.

## TAX CREDITS

| Annual Child Tax Credit (CTC)   | £     | £     |
|---------------------------------|-------|-------|
| Family element                  | 545   | 545   |
| Family element, baby addition   | 545   | 545   |
| Child element                   | 2,555 | 2,300 |
| Disabled child element          | 2,800 | 2,715 |
| Severely disabled child element | 1,130 | 1,095 |

| Annual Working Tax Credit (WTC) | 2011/12 | 2010/11 |
|---------------------------------|---------|---------|
| Basic element                   | 1,920   | 1,920   |
| Couple & lone parent element    | 1,950   | 1,890   |
| 30 hour element                 | 790     | 790     |
| Disabled worker element         | 2,650   | 2,570   |
| Severe disability element       | 1,130   | 1,095   |

| Tax credits joint income thresholds and reductions | 2011/12 | 2010/11 |
|--|---------|---------|
| 1st income threshold                               | 6,420   | 6,420   |
| 1st income threshold (if in receipt of CTC only)   | 15,860  | 16,190  |
| 1st reduction rate (% of credit)                   | 41%     | 39%     |
| 2nd income threshold                               | 40,000  | 50,000  |
| 2nd reduction rate (% of credit)                   | 41%     | 6.67%   |
| Income disregard                                   | 10,000  | 25,000  |

## CAPITAL ALLOWANCES

|  | 2011/12 | 2010/11 |
|--|---------|---------|
| <b>Plant &amp; machinery</b>                   |         |         |
| Annual Investment Allowance (AIA)              |         |         |
| - up to first £100,000                         | 100%    | 100%    |
| - above AIA limit*                             | 20%     | 20%     |
| *Excluding long life and integral features     |         |         |
| General  | 20%**   | 20%**   |
| Long life assets (including integral features) | 10%**   | 10%**   |
| Approved energy-saving items                   | 100%    | 100%    |

Where the unrelieved expenditure in the main or new special rate pool is £1,000 or less, a claim can be made for Writing Down Allowance of up to £1,000.

| Private motor cars   | 2011/12 | 2010/11 |
|--|---------|---------|
| Low emission cars (CO <sub>2</sub> emissions ≤110g/km)       | 100%    | 100%    |
| - CO <sub>2</sub> emissions 111-160g/km                      | 20%     | 20%     |
| - CO <sub>2</sub> emissions ≥161g/km                         | 10%     | 10%     |
| Electrically propelled cars (registered after 16 April 2002) | 20%**   | 20%**   |

Cars purchased before April 2009 will be subject to the old rules, ie a writing down allowance of 20% (max relief £3,000 per annum per car).

| Other items   | 2011/12 | 2010/11 |
|---|---------|---------|
| Agricultural buildings, industrial buildings and hotels | n/a     | 1%§     |
| Enterprise Zone buildings                               | 100%    | 100%    |
| Research & Development                                  | 100%    | 100%    |

\*\* of reducing balance per annum § Percentage of cost

From 6 April 2012, the rate of writing down allowances for expenditure on plant and machinery will reduce from 20% to 18%; the special rate pool from 10% to 8%; and the AIA limit from £100,000 to £25,000.

## CORPORATION TAX

|   | 2011/12                | 2010/11 |
|---|------------------------|---------|
| The marginal rates applying to company profits are as follows:- |                        |         |
| Small profits rate  | Up to £300,000         | 20.00%  |
| Marginal rate   | £300,001 to £1,500,000 | 27.50%  |
| Main rate   | Above £1,500,000       | 26.00%  |
| The bands are affected by the number of associated companies.   |                        |         |

From 1 April 2012, the Main rate will reduce from 26% to 25%.

## MAXIMUM PENSION CONTRIBUTIONS

2011/12  
 Individuals can pay contributions of up to £2,880 net (£3,600 gross), irrespective of earnings. Higher contributions can be paid based on earnings.

Higher rate tax relief (max of 50%) available on pension contributions up to 100% of earnings, subject to a maximum annual allowance of £50,000, (2010/11 £255,000)

Any unused allowance may be carried forward for up to three years in order to supplement a later annual allowance (max of £200,000 possible).

## INVESTMENTS

| Investment limits                  | 2011/12   | 2010/11   |
|------------------------------------|-----------|-----------|
| Venture Capital Trusts (VCTs)      | £200,000  | £200,000  |
| Income Tax relief                  | 30%       | 30%       |
| Capital Gains Tax deferral relief  | None      | None      |
| Enterprise Investment Scheme (EIS) | £500,000* | £500,000  |
| Income Tax relief                  | 30%       | 20%       |
| Capital Gains Tax deferral relief  | Unlimited | Unlimited |

\*from 6 April 2012 the annual investment limit will increase to £1 million.

|                                    | 2011/12 | 2010/11 |
|------------------------------------|---------|---------|
| Individual Savings Accounts (ISAs) | £10,680 | £10,200 |
| Maximum cash                       | £5,340  | £5,100  |

## CAPITAL GAINS TAX

|                               | 2011/12 | 2010/11 |
|-------------------------------|---------|---------|
| <b>Annual exemption</b>       |         |         |
| - individual                  | £10,600 | £10,100 |
| - settlement                  | £5,300  | £5,050  |
| Chattels exemption (proceeds) | £6,000  | £6,000  |
| 6 April 2010 – 22 June 2010   | n/a     | 18%     |
| 23 June 2010 – 5 April 2012   | 28%*    | 28%*    |

\* on the amount of the gain which, added to the individual's taxable income, exceeds the basic rate band of £35,000 (2010/11 £37,400) Gains within the basic rate band are taxed at 18%.

Individuals and trustees may qualify for Entrepreneurs' relief on certain business related disposals up to a maximum lifetime allowance\* of gains. Those gains will be taxed at an effective rate of 10%. Eligibility is complex and the lifetime allowance has changed on a number of occasions, please refer to Chavereys.

\*From 6 April 2011, the maximum lifetime allowance for disposals is £10 million.

## CAR BENEFIT

2011/12 Car benefit  
 Where a car is made available for an employee's private use, a taxable benefit arises. It is calculated by applying a percentage to the list price of the car. The percentage is related to the CO<sub>2</sub> emissions of the car and ranges from 5% to 35%. There is no taxable benefit for the use of zero emission (eg electric) cars.

| Those vehicles with emissions:                          | 2011/12 | 2010/11 |
|---|---------|---------|
| 1-75 g/km   | 5%      | 5%      |
| 76-120 g/km   | 10%     | 10%     |
| 121-225 g/km and over (121-230g/km and over in 2010/11) | 15%-35% | 15%-35% |

- The £80,000 list price limit no longer applies.
- The supplement for diesel cars remains at 3%.

## 2011/12 Fuel benefit

If the employee receives free fuel for private use, a taxable benefit is calculated by applying the company car tax appropriate percentage to £18,800 (£18,000 for 2010/11).

| Advisory fuel rates   | 2011/12       | 2010/11       |            |
|---|---------------|---------------|------------|
| These rates apply to all journeys on or after 1 March 2011: |               |               |            |
| <b>Engine Size</b>  | <b>Petrol</b> | <b>Diesel</b> | <b>LPG</b> |
| 1400cc or less  | 14p           | 13p           | 10p        |
| 1401cc to 2000cc  | 16p           | 13p           | 12p        |
| Over 2000cc   | 23p           | 16p           | 17p        |

## VAN BENEFIT

|  | 2011/12 | 2010/11 |
|--|---------|---------|
| Vans (used for significant private use in addition to commuting) | £3,000  | £3,000  |
| Private fuel scale charge  | £550    | £550    |

## APPROVED MILEAGE RATES

Employees who use their own vehicle and are paid mileage allowances by their employers may be taxable on part of these sums. Employees are only taxable on the amounts paid in excess of the following rates in 2011/12.

|  | Business mileage |             |
|--|------------------|-------------|
|  | Up to 10,000     | Over 10,000 |
| Cars and vans                                    | 45p              | 25p         |
| Motor cycles                                     | 24p              | 24p         |
| Bicycles   | 20p              | 20p         |
| Additional per passenger                         | 5p               | 5p          |
| Employees can claim tax relief on any shortfall. |                  |             |