

## PENSION INFORMATION

	2011/12	2010/11
Lifetime allowance*	£1,800,000	£1,800,000
Annual allowance	£50,000**	£255,000
Lifetime allowance charge	55% if excess drawn as cash 25% if excess drawn as income	
Annual allowance charge on excess	20% – 50%	40%
Special annual allowance charge	N/A	20% – 30%
Max. pension commencement lump sum*	25% of pension benefit value	
Max. relievable personal contribution:	100% relevant UK earnings or £3,600 if greater and capped by the annual allowance.	

\* Subject to transitional protection for excess amount.

\*\* Eligible members of registered pension schemes may carry forward unused annual allowance of up to £50,000 a year for three tax years from 2008/09.

## VAT

Standard rate from 4/1/11	20%	
Standard rate from 1/1/10 – 3/1/11	17.5%	
Reduced rate, eg on domestic fuel	5%	
Registration level from 1/4/11	£73,000	
Registration level 1/4/10 – 31/3/11	£70,000	
Deregistration level from 1/4/11	£71,000	
Deregistration level 1/4/10 – 31/3/11	£68,000	
Flat rate scheme turnover limit	£150,000	
Cash and annual accounting schemes turnover limit	£1,350,000	
VAT fraction at 15%:	Standard rate $\frac{3}{23}$	Reduced rate $\frac{1}{21}$
VAT fraction at 17.5%:	Standard rate $\frac{7}{47}$	Reduced rate $\frac{1}{21}$
VAT fraction at 20%:	Standard rate $\frac{1}{6}$	Reduced rate $\frac{1}{21}$

## Fuel scale rates inclusive of VAT – quarterly

For prescribed accounting periods starting from 1 May 2011.

CO <sub>2</sub> Emissions g/km	VAT Fuel Scale Charge £	VAT due per car £	CO <sub>2</sub> Emissions g/km	VAT Fuel Scale Charge £	VAT due per car £
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 or more	551	91.83

## INHERITANCE TAX

### Agricultural property relief

Transfers with vacant possession (or right to obtain within 24 months)	100%
Land let on a tenancy on or after 1 September 1995	100%
Most other cases	50%
Ownership period:	owned and farmed – 2 years owned and let – 7 years

### Business property relief

Unincorporated businesses	100%
Unquoted shares and securities	100%
Quoted shares (for controlling shareholders)	50%
Land, buildings, machinery or plant used by qualifying business	50%
Ownership period:	2 years

### Exemptions

Annual exemption	£3,000
Small gifts to the same person	£250
Marriage/civil partnership gifts made by:	
– parent	£5,000
– grandparent	£2,500
– other person	£1,000

Exemption also applies in the cases of:

- normal expenditure out of income.
- gifts to UK charities and qualifying political parties.
- gifts between spouses/civil partners. However, for a gift from a UK domiciled spouse/civil partner to a non-UK domiciled spouse/civil partner, only £55,000 is exempt.

### Rates

	Gross rate of tax Transfers on death	Lifetime transfers
Total taxable estate & gifts £0 – £325,000	Nil	Nil
Excess	40%	20%

### Nil rate band transferability

On the death of a surviving spouse/civil partner, their legal personal representatives may claim any unused proportion of the nil rate band of the first spouse/civil partner to die (regardless of their date of death). Maximum claim is 100% of the nil rate band.

### Transfers within 7 years of death

Inheritance tax is not generally chargeable on lifetime transfers. Lifetime gifts into trusts (other than bare trusts) and certain capital payments out of such trusts are taxed at lifetime rates. Transfers on or within 7 years of death are liable to tax at death rates, subject to the following reductions:

Years between gift & death	% of full charge
0 – 3	100
3 – 4	80
4 – 5	60
5 – 6	40
6 – 7	20

## CONTACT DETAILS

To find out more about the people behind the name and contact details for our offices visit [www.macintyreHUDSON.co.uk](http://www.macintyreHUDSON.co.uk) or email us at [info@mhllp.co.uk](mailto:info@mhllp.co.uk)

## Tax data card 2011

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### Note:

Copyright 23 March 2011. This tax card has been prepared from the Chancellor's Budget Speech and Official Government press releases. Budget proposals are subject to amendment during the course of the Finance Bill through parliament. All tax law is complex. In seeking to summarise the rules and rates on this card, it has been necessary to omit some of these complexities. Please remember that, in planning your affairs, there is no substitute for professional advice.

## INCOME TAX

Allowances and reliefs	2011/12	2010/11
Personal allowance	£7,475 <sup>§</sup>	£6,475 <sup>§</sup>
Married/civil partners' allowance (min)*	£2,800 <sup>†</sup>	£2,670 <sup>†</sup>

### Age relief 65-74

Personal allowance	£9,940	£9,490
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### Age relief 75 and over

Personal allowance	£10,090	£9,640
Married/civil partners' allowance*	£7,295 <sup>†</sup>	£6,965 <sup>†</sup>

Age reliefs reduced (subject to minima) by half for income over £24,000 £22,900

§ Reduced by 50% of income over £100,000.\* Relief restricted to 10%.

† Only available if at least one claimant born before 6 April 1935.

### Rates of Income Tax

2011/12	On first	Next	Next	Above
	£2,560	£32,440	£115,000	£150,000

Earnings, pensions and property	20%	20%	40%	50%
Savings	10%*	20%	40%	50%
Dividends	10%	10%	32.5%	42.5%

2010/11	On first	Next	Next	Above
	£2,440	£34,960	£112,600	£150,000

Earnings, pensions and property	20%	20%	40%	50%
Savings	10%*	20%	40%	50%
Dividends	10%	10%	32.5%	42.5%

\* Not available if taxable non-savings income exceeds the starting rate band of £2,560 in 2011/12 (£2,440 in 2010/11).

### Child tax credit

	2011/12	2010/11
Family element	£545	£545
Family element baby addition	Nil	£545
Child element (per child)	£2,555	£2,300

### Settlements

Standard rate band generally	£1,000	£1,000
Standard rate	20%	20%

Rate applicable for accumulation and discretionary trusts 50%/42.5%\* 50%/42.5%\*

\* Dividend income (and other distributions) will be taxed at 42.5% with a tax credit of 10% for UK company and certain non-UK company dividends.

### Non-domicile remittance basis charge

For adult non-UK domiciliary after UK residence in 7 or more of the previous 9 tax years £30,000

### Termination payments on cessation of employment

Exemption £30,000 unless contractually entitled to payment. Certain ex-gratia payments made on death or retirement do not qualify for exemption.

### Tax-free mileage rates (own vehicle for business use)

Rates per mile	2011/12	2010/11
Cars/Vans for first 10,000 miles	45p	40p
Cars/Vans above 10,000 miles	25p	25p
Motorcycles	24p	24p
Cycles	20p	20p
Passengers (each)	5p	5p

## Car and fuel benefits 2011/12

Car – relevant % of list price when new

g/km of CO <sub>2</sub>	Petrol engine %	Diesel engine%
75 or less	5	8
76-120	10	13
121-129	15	18
130-134	16	19
135-139	17	20
140-144	18	21
145-149	19	22
150-154	20	23
155-159	21	24
160-164	22	25
165-169	23	26
170-174	24	27
175-179	25	28
180-184	26	29
185-189	27	30
190-194	28	31
195-199	29	32
200-204	30	33
205-209	31	34
210-214	32	35
215-219	33	35
220-224	34	35
225 & over	35	35

To check the emissions figures for a particular vehicle visit [www.vcacarfueldata.org.uk/search/search.asp](http://www.vcacarfueldata.org.uk/search/search.asp). Exact CO<sub>2</sub> figures are rounded down to the lower 5g/km for cars with emissions of over 125g/km. No taxable benefit for zero emissions, incl. electric only cars.

Vans – for private use	2011/12	2010/11
Chargeable amounts	£3,000	£3,000

No charge on zero emissions vans

Fuel benefit	2011/12	2010/11
Multiply the CO <sub>2</sub> % used for the car benefit by	£18,800	£18,000

Vans – flat charge (not zero emissions) £550 £550

### Company cars – advisory fuel rates from 1/3/11

Engine size	Petrol	Diesel	LPG
1,400cc or less	14p	13p	10p
1,401cc to 2,000cc	16p	13p	12p
Over 2,000cc	23p	16p	17p

## STAMP DUTIES

Stamp Duty Land Tax based on consideration from 6/4/2011

Residential	Commercial	Rate
£125,000* or less	£150,000 or less	0%
Over £125,000* up to £250,000	Over £150,000 up to £250,000	1%
Over £250,000 up to £500,000	Over £250,000 up to £500,000	3%
Over £500,000 up to £1,000,000	Over £500,000	4%
Over £1,000,000	N/A	5%

\* £150,000 for property in disadvantaged areas. £250,000 for first time buyers where completion is before 25/3/12.

Shares (except gifts) 0.5%

## 2011/12 CAPITAL ALLOWANCES

Writing down allowances	Rate
Plant & machinery (long-life asset where annual expenditure exceeds £100,000)	10%*
Plant & machinery (other)	20%*
Patent rights and know-how	25%*
Integral features of buildings	10%*
Motor cars:	
Expenditure incurred on or after 1/4/09 (corporation tax) or 6/4/09 (income tax)	
CO <sub>2</sub> emissions of 111-160g/km	20%*
CO <sub>2</sub> emissions over 160g/km	10%*

\* Reducing balance.

### Initial allowances

Annual investment allowance up to	Rate
£100,000 pa for expenditure on plant & machinery	100%
Approved energy/water efficient expenditure	100%
Research and development	100%
Qualifying flat conversions & business premises renovations	100%
Motor cars: (new vehicles) with CO <sub>2</sub> emissions of 110g/km or less	100%
Zero emissions goods vehicles (new)	100%

## CAPITAL GAINS TAX

Annual exemptions	2011/12	2010/11
Individuals	£10,600	£10,100
Trusts	£5,300	£5,050

### Rates – Individuals

Up to basic rate limit	18%	18%
Above basic rate limit	28%	28%/18%*
Rates – Trusts and Estates	28%	28%/18%*

\* 18% rate applies to disposals on or before 22/6/10. 28% thereafter.

### Entrepreneurs' relief

For trading businesses and companies (minimum 5% employee/director shareholding/voting rights) held for one year or more. Gains taxed at 10% 10% Lifetime limit £10,000,000 £5,000,000/£2,000,000\*

\* For disposals 6/4/10 to 22/6/10: £2,000,000. For disposals 23/6/10 to 5/4/11: £5,000,000.

## CORPORATION TAX

Profits	Effective Rate to 31/03/12	Effective Rate to 31/03/11
£0-£300,000	20%	21%
£300,001-£1,500,000	27.5%	29.75%
£1,500,001 and over	26%	28%

## TAX-EFFICIENT INVESTMENTS

Enterprise Investment Scheme and Venture Capital Trusts	EIS	VCT
Income tax relief	30%*	30%
Maximum investment	£500,000**	£200,000
Minimum investment	£500	None

\*20% for 2010/11.

\*\*No maximum investment where only CGT reinvestment relief is claimed.

Individual Savings Account	2011/12	2010/11
Maximum Investment	£5,340	£5,100
Cash*	£5,340	£5,100
Stocks and shares (balance to)	£10,680	£10,200

\* 16 and 17 year olds may have a cash ISA.

## 2011/12 NATIONAL INSURANCE CONTRIBUTIONS

Employed	Employee	Employer
Class 1 Employee Not Contracted-Out of State Second Pension (S2P)		
NIC rate	12%	13.8%
No NICs on the first	£139 pw	£136 pw
NICs charged at 12%/13.8% up to	£817 pw	No limit
2% NIC on earnings over	£817 pw	N/A
Certain married women	5.85%	13.8%

### Contracted-Out Rebate

Rebate on	£102.01-£770 pw	
Salary-related scheme	1.6%	3.7%
Money-purchase scheme	1.6%	1.4%
Personal pension	No reduction	

Limits and Thresholds	Weekly	Monthly	Annual
Lower earnings limit	£102	£442	£5,304
Secondary earnings threshold	£136	£589	£7,072
Primary earnings threshold	£139	£602	£7,225
Upper accrual point	£770	£3,337	£40,040
Upper earnings limit	£817	£3,540	£42,475

Class 1A Employer On car and fuel benefits and most other taxable benefits 13.8%

### Self-Employed

Class 2 Flat rate	£2.50 pw	£130.00pa
Small earnings exception		£5,315 pa
Class 4 unless over state pension age on 6 April 2011		
On profits	£7,225-£42,475 pa	9%
	Over £42,475 pa	2%

Voluntary Class 3 Flat rate £12.60 pw £655.20 pa