

Spring Budget 2020

Rates and Allowances Tables



Rates and Allowances

Last Updated: 12.03.2020

Personal Tax

| | 2020/2021 | 2019/2020 |
|---|-----------|-----------|
| Personal Allowance (<i>Note 1</i>) | £12,500 | £12,500 |
| Personal Savings Allowance | | |
| Basic rate taxpayers | £1,000 | £1,000 |
| Higher rate taxpayers | £500 | £500 |
| Marriage Allowance (10% Relief) (<i>Note 2</i>) | £1,250 | £1,250 |
| Married Couples Allowance (10% Relief) | | |
| Elder spouse born before 6 April 1935 | £9,075 | £8,915 |
| Age allowance income limit (born before 6 April 1948) | £30,200 | £29,600 |
| Minimum allowance where income exceeds limit | £3,510 | £3,450 |
| Blind Person's Allowance | £2,500 | £2,450 |

Note 1: Personal allowance will be removed at a rate of £1 of the allowance for every £2 over £100,000 until it is completely removed.

Note 2: Marriage Allowance is only available where one spouse does not pay tax and can transfer this allowance to their spouse who pays tax at the basic rate.

Income Tax

| | 2020/2021 | 2019/2020 |
|--|--------------------|--------------------|
| Starting savings rate (savings income only) | 0% | 0% |
| on taxable income up to | £5,000 | £5,000 |
| Basic Rate | 20% | 20% |
| On taxable income from starting rate limit up to | £37,500 | £37,500 |
| Higher Rate | 40% | 40% |
| on taxable income between | £37,501 - £150,000 | £37,501 - £150,000 |
| Additional Rate | 45% | 45% |
| on taxable income over | £150,000 | £150,000 |

Income Tax Reliefs and Incentives

| | 2020/2021 Limit | Income Tax Relief | 2019/2020 limit | Income Tax Relief |
|--|--------------------|----------------------|--------------------|----------------------|
| Enterprise Investment Scheme (EIS)* | | | | |
| - standard | £1,000,000 | 30% | £1,000,000 | 30% |
| - additional for investments in knowledge-intensive companies only | £1,000,000 | 30% | £1,000,000 | 30% |
| Seed Enterprise Investment Scheme (SEIS) | £100,000 | 50% | £100,000 | 50% |
| Venture Capital Trust (VCT) | £200,000 | 30% | £200,000 | 30% |
| Individual Savings Account (ISA)* | £20,000 | | £20,000 | |
| Junior ISA (per child) | £9,000 | | £4,368 | |

*The ISA allowance can now be split between any combination of cash ISA, stocks and shares ISA, or finance ISA.

Dividends

| | 2020/2021 | 2019/2020 |
|---------------------------|--------------------|--------------------|
| Dividend Allowance | 0% | 0% |
| On taxable income up to | £2,000 | £2,000 |
| Basic Rate | 7.5% | 7.5% |
| On taxable income between | £2,001 - £37,500 | £2,001 - £37,500 |
| Higher rate | 32.5% | 32.5% |
| On taxable income between | £37,501 - £150,000 | £37,501 - £150,000 |
| Additional Rate | 38.1% | 38.1% |
| On taxable income over | £150,000 | £150,000 |

Corporation Tax

| | FY20 to 31/03/2021 | FY19 to 31/03/2020 |
|----------------------------------|--------------------|--------------------|
| Rate applicable to all companies | 19% | 19% |
| Annual investment allowance | £1,000,000* | £1,000,000 |

* AIA reducing to £200k from 01/01/2021

Stamp Duty Land Tax (SDLT)

The rates below apply to acquisitions of chargeable interests in land including leases:

| Purchase of Residential Property | First Property Rate | Additional Property Rate |
|--------------------------------------|---------------------|--------------------------|
| 0 - £125,000 | 0% | 3% |
| £125,001 - £250,000 | 2% | 5% |
| £250,001 - £925,000 | 5% | 8% |
| £925,001 - £1,500,000 | 10% | 13% |
| Over £1,500,000 | 12% | 15% |
| Purchase by first-time buyers | | |
| 0 - £300,000 | 0% | |
| £300,001 - £500,000 | 5% | |
| >£500,000 | Normal rates apply | |
| Purchase of Non-Residential Property | | |
| 0 - £150,000 | 0% | |
| £150,001 - £250,000 | 2% | |
| Over £250,000 | 5% | |

| Lease of Non-Residential Property | Rate |
|--|------|
| - on the Net Present value of lease payments | |
| 0 - £150,000 | 0% |
| £150,001 - £5,000,000 | 1% |
| Over £5,000,000 | 2% |
| - on lease premiums | |
| 0 - £150,000 | 0% |
| £150,000 - £5,000,000 | 2% |
| Over £5,000,000 | 5% |

Rates apply to the portion of consideration within each band.

Stamp Duty

Transfer of Shares & Marketable Securities 0.5%

VAT

| | 2020/2021 | 2019/2020 |
|--------------------------|-----------|-----------|
| Lower Rate | 5% | 5% |
| Standard Rate | 20% | 20% |
| Registration threshold | £85,000 | £85,000 |
| Deregistration threshold | £83,000 | £83,000 |

Capital Gains Tax

| | 2020/2021 | 2019/2020 |
|---|-------------|-------------|
| Annual Allowance | £12,300 | £12,000 |
| Standard Rate | 10% | 10% |
| Standard Rate (residential property) | 18% | 18% |
| Higher Rate | 20% | 20% |
| Higher Rate (residential property) | 28% | 28% |
| Entrepreneurs' Relief effective rate | 10% | 10% |
| Entrepreneurs' Relief lifetime limit of gains | £1,000,000 | £10,000,000 |
| Investors' Relief effective rate | 10% | 10% |
| Investors' Relief lifetime limit of gains | £10,000,000 | £10,000,000 |

Inheritance Tax

| | 2020/2021 | 2019/2020 |
|------------------------------------|-----------|-----------|
| Nil Rate Band | £325,000 | £325,000 |
| Additional Residence Nil Rate Band | £175,000 | £150,000 |
| Lifetime Rate | 20% | 20% |
| Death Rate | 40%* | 40%* |

*A lower rate of 36% will be charged where at least 10% of the estate has been left to a charity

National Insurance Contributions

| Class 1: Employed Earners | 2020/2021 |
|---|-----------|
| Weekly Earnings Employee | |
| Earnings up to £183 | Nil |
| Earnings between £183 and £962 | 12% |
| Earnings over £962 | 2% |
| Employer | |
| Earnings up to £169 | Nil |
| Earnings between £169 and £962 (under 21's) | Nil |
| Earnings between £1669and £962 (apprentices under 25) | Nil |
| Earnings over £166 (all other employees) | 13.8% |

The reduced rate payable by women married before 6 April 1977 will be 5.85% on earnings between £183 and £962 a week plus 2% on earnings above £962 a week.

| Class 2: Self Employed Persons | 2020/2021 | 2019/2020 |
|---|-----------|-----------|
| Weekly contribution rate | £3.05 | £3.00 |
| Lower profits limit | £6,475 | £6,365 |
| Class 3: Voluntary Contributions | | |
| Weekly contribution rate | £15.30 | £15.00 |

| Class 4: Self Employed Persons | 2020/2021 |
|------------------------------------|-----------|
| Annual Profits | |
| Profits up to £9,500 | 0% |
| Profits between £9,500 and £50,000 | 9% |
| Profits over £50,000 | 2% |

Pensions

| | 2020/2021 | 2019/2020 |
|---------------------------------|------------|------------|
| Annual Allowance | £40,000* | £40,000 |
| Lifetime Allowance | £1,073,100 | £1,055,000 |
| Money Purchase Annual Allowance | £4,000 | £4,000 |

*Annual allowance restricted to minimum of £4k for individuals earning over £200k

Taxable Car and Fuel Benefits

The taxable car benefit for 2020/2021 is calculated as a percentage of the car's list price based on carbon dioxide (CO²) emissions as follows:

| Cars registered before 6 April 2020 | Petrol & Diesel (if RDE2 compliant) | Diesel (if not RDE2 compliant) |
|--|--|---|
| Cars emitting below 50g/km of CO ² | | |
| - Electric range of >130 miles | 2% | N/A |
| - Electric range of 70-129 miles | 5% | N/A |
| - Electric range of 40-69 miles | 8% | N/A |
| - Electric range of 30-39 miles | 12% | N/A |
| - Electric range of <30 miles | 14% | N/A |
| Cars emitting >50/km of CO ² | 15% | 17% |
| For each additional 5g/km of CO ² | 1% | 1% |
| Maximum benefit where CO ² at least 170g/km | 37% | 37% |
| | | |
| Cars registered on or after 6 April 2020 | Petrol & Diesel (if RDE2 compliant) | Diesel (if not RDE2 compliant) |
| Cars emitting below 50g/km of CO ² | | |
| - Electric range of >130 miles | 0% | N/A |
| - Electric range of 70-129 miles | 3% | N/A |
| - Electric range of 40-69 miles | 6% | N/A |
| - Electric range of 30-39 miles | 10% | N/A |
| - Electric range of <30 miles | 12% | N/A |
| Cars emitting >50/km of CO ² | 13% | 17% |
| For each additional 5g/km of CO ² | 1% | 1% |
| Maximum benefit where CO ² at least 170g/km | 37% | 37% |

Fuel benefit for cars is calculated by applying the relevant car CO² emissions percentage to £24,500.

The private use of vans attracts a scale charge of £3,490 p.a.

Taxable fuel benefit for private use of a company van is £666 for 2020/2021.

The appropriate percentage for electric cars for the purposes of company car tax is 0%.

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Approved Milage Rates for Employee Use of Own Vehicles for Business Travel

| Cars / Vans | |
|----------------------------------|-----|
| First 10,000 Business Miles p.a. | 45p |
| Excess over 10,000 Miles | 25p |
| Each Passenger Making Same Trip | 5p |
| Motor Cycles | 24p |
| Bicycles | 20p |

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