

# UK TAX TABLES SUMMARY

## 2021/22

### RATES OF INCOME TAX

2021/22					2020/21				
BAND	TAXABLE INCOME RATE	"EARNED" RATE	SAVINGS RATE**	DIVIDEND RATE***	BAND	TAXABLE INCOME RATE	"EARNED" RATE	SAVINGS RATE**	DIVIDEND RATE***
Starting Rate*	Up to £5,000	20%	0%	7.5%	Starting Rate*	Up to £5,000	20%	0%	7.5%
Basic Rate	Up to £37,700	20%	20%	7.5%	Basic Rate	Up to £37,500	20%	20%	7.5%
Higher Rate	£37,701 to £150,000	40%	40%	32.5%	Higher Rate	£37,501 to £150,000	40%	40%	32.5%
Add'l Rate	Over £150,000	45%	45%	38.1%	Add'l Rate	Over £150,000	45%	45%	38.1%



\* If an individual's non-savings income exceeds £5,000 then the starting rate for savings income will not be available.

\*\* In general, to determine the rate of tax the gross savings income is added to other taxable income.

\*\*\* In general, to determine the rate of tax the dividend income is treated as the top-slice of income after deducting the dividend allowance.

### INCOME TAX ALLOWANCES

	2021/22	2020/21
PERSONAL ALLOWANCE	£12,570	£12,500
DIVIDEND ALLOWANCE	£2,000	£2,000
PERSONAL SAVINGS ALLOWANCE:		
Basic Rate Taxpayer	£1,000	£1,000
Higher Rate Taxpayer	£500	£500
MARRIED COUPLE'S ALLOWANCE*	£9,125	£9,075
BLIND PERSON'S ALLOWANCE	£2,520	£2,500
INCOME LIMIT FOR AGE-RELATED ALLOWANCES	£30,400	£30,200



\* Relief is restricted to 10%.

Where an individual's "adjusted net income" is above the income limit of £100,000 p.a., the amount of the personal allowance will be reduced by £1 for every £2 of income above the limit until it is eliminated.

Married Couple's Allowance (MCA) is only available for married couples where at least one of the parties was born before 6 April 1935. However, where a person born before 6 April 1935 gets married they or their spouse will be able to claim MCA.

The age-related allowances are reduced by £1 for every £2 of the individual's income above the income limit subject to the minimum personal allowances of those aged up to 65. For those still entitled to the age-related married couple's allowance, the minimum amount will be £3,530.

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## INDIVIDUAL SAVINGS ACCOUNT

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Up to £20,000 can be contributed to a ISA for 2021/22.

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## CAPITAL GAINS TAX

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Net gains in excess of the annual exemption of £12,300 are taxable at 10% for 2021/22 for individuals whose total income and capital gains fall within the basic rate limit for income tax purposes.

A rate of 20% applies to gains (or part gains thereof) for individuals above the basic rate limit.

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## INHERITANCE TAX

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RATE OF TAX FROM 06/04/21	TAXABLE ESTATE ON DEATH**
Nil	On first £325,000
40%*	Over £325,000



\* For deaths on or after 6 April 2012, a lower rate of 36% applies where 10% or more of the deceased's net estate is left to charity.

\*\*The resident Nil Rate Band (RNRB) may also be available for qualifying estates. For 2021/22 the RNRB is £175,000 and is tapered away by £1 for every £2 that the estate exceeds £2,000,000.

MAIN EXEMPTIONS	
GIFTS TO SPOUSE DOMICILED IN UK	£ unlimited
ANNUAL EXEMPTION	£3,000
SMALL GIFTS	£250
GIFTS IN CONSIDERATION OF MARRIAGE:	
by parent	£5,000
by grandparent or fiancé	£2,500
by any other person	£1,000
GIFTS TO CHARITY	£ unlimited
NORMAL EXPENDITURE OUT OF INCOME EXEMPTION MAY ALSO BE AVAILABLE.	
LIFETIME GIFTS	
Taper relief may be available to reduce the tax payable for non-exempt lifetime gifts made between three and seven years before the death of the donor. Where tax is payable on chargeable lifetime gifts, tax is initially charged at 20%.	

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# NATIONAL INSURANCE CONTRIBUTIONS

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## CLASS 1 - EMPLOYED EARNERS

**Class 1 (primary)** - 0% below PT, 12% between PT & UEL and 2% above the UEL (paid by employees)

**Class 1A (secondary)** - 0% below ST and 13.8% above with no lower amount or limit (paid by employers)

## 2021/22 THRESHOLDS - EMPLOYED EARNERS

	WEEK	MONTH	YEAR
PRIMARY THRESHOLD (PT)	£184/week	£797/month	£9,568/year
SECONDARY THRESHOLD (ST)	£170/week	£737/month	£8,840/year
UPPER EARNINGS LIMIT (UEL)	£967/week	£4,189/month	£50,270/year

Reduced rate for certain widows and married women:  
5.85% of earnings between £184pw and £967pw plus  
2% of earnings above £967pw.

## CLASS 2/4 - SELF EMPLOYED

Flat rate of £3.05 pw if earnings from 6th April 2021 are greater than £6,515 pa. Plus 9.0% of profits between £9,568 and £50,270pa and 2% above £50,270 p.a.

## CLASS 3 - VOLUNTARY

Flat rate of £15.40 per week.

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## PERSONAL RETIREMENT PROVISION

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Tax relief is available in respect of personal contributions made to a registered pension scheme provided the individual is a relevant UK individual for the tax year in question.

The maximum amount of contribution that qualifies for tax relief in any tax year is the greater of:

- › The basic amount - currently set at £3,600, and
- › 100% of the individual's relevant UK earnings chargeable to income tax

The limits are cumulative across all pension schemes rather than relating to one individual scheme.

In addition to the personal contribution limit each individual also has an annual allowance limit encompassing all pension contributions made in the tax year on behalf of the individual. The annual allowance for 2021/22 is set at £40,000, although it may be possible to carry forward the allowance for the previous three tax years.

Once contributions paid exceed the annual allowance then the individual becomes subject to an annual allowance tax charge on the excess.

There is a lifetime allowance limit for pensions savings of currently £1,073,100 across all pension arrangements.

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## OTHER

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### CORPORATION TAX

For Financial Year 2021	Rate
All profits	19%

### VALUE ADDED TAX

Standard Rate: 20%

Registration Level: £85,000 per annum from 1 April 2021



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