

# UK TAX TABLES SUMMARY

## 2020/21

### RATES OF INCOME TAX

2020/21					2019/20				
BAND	TAXABLE INCOME RATE	"EARNED" RATE	SAVINGS RATE <sup>3</sup>	DIVIDEND RATE <sup>4</sup>	BAND	TAXABLE INCOME RATE	"EARNED" RATE	SAVINGS RATE <sup>3</sup>	DIVIDEND RATE <sup>4</sup>
Starting Rate <sup>2</sup>	Up to £5,000	20%	0%	7.5%	Starting Rate <sup>2</sup>	Up to £5,000	20%	0%	7.5%
Basic Rate	Up to £37,500 <sup>1</sup>	20%	20%	7.5%	Basic Rate	Up to £37,500 <sup>1</sup>	20%	20%	7.5%
Higher Rate	£37,501 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%



<sup>1</sup> For Scottish taxpayers different rates and bandings apply for non-savings income.

<sup>2</sup> If an individual's non-savings income exceeds £5,000 then the starting rate for savings income will not be available.

<sup>3</sup> In general, to determine the rate of tax the gross savings income is added to other taxable income.

<sup>4</sup> In general, to determine the rate of tax the dividend income is treated as the top-slice of income after allowing for dividend income falling within the dividend allowance.

### INCOME TAX ALLOWANCES

	2020/21	2019/20
PERSONAL ALLOWANCE	£12,500	£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 <sup>5</sup>	£9,075	£8,915
BLIND PERSON'S ALLOWANCE	£2,500	£2,450
INCOME LIMIT FOR AGE-RELATED ALLOWANCES	£30,200	£29,600



<sup>5</sup> 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 £3,510.

## CAPITAL GAINS TAX

Net gains in excess of the annual exemption of £12,300 are taxable at 10% for 2020/21 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.

These rates rise to 18% and 28% respectively where the gain is in respect of residential property.

## INHERITANCE TAX

RATE OF TAX FROM 06/04/20	TAXABLE ESTATE ON DEATH <sup>7</sup>
Nil	On first £325,000
40% <sup>6</sup>	Over £325,000

<sup>6</sup> 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.

<sup>7</sup> The Residence Nil Rate Band (RNRB) may also be available for qualifying estates. For 2020/21 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%.	

## NATIONAL INSURANCE CONTRIBUTIONS

CLASS 1 - EMPLOYED EARNERS			
ON WEEKLY EARNINGS	EMPLOYEE <sup>8</sup>	ON WEEKLY EARNINGS	EMPLOYER
	%		%
Up to £120 <sup>9</sup>	N/A		
£120 to £183 <sup>10</sup>	0.00	Up to £169 <sup>12</sup>	0.00
£183 to £962 <sup>11</sup>	12.00	Above £169 <sup>12</sup>	13.80
Over £962	2.00		

### CLASS 1A

Employer pays 13.8% on taxable benefits in kind (excluding some childcare benefits).

CLASS 2/4 - SELF EMPLOYED
Flat rate of £3.05 pw if earnings from 6th April 2020 are greater than £6,475 pa. Plus 9.0% of profits between £9,500 and £50,000 pa and 2% above £50,000 pa.

CLASS 3 - VOLUNTARY
Flat rate of £15.30 per week.

<sup>8</sup> Reduced rate for certain widows and married women: 5.85% of earnings between £183 pw and £962 pw plus 2% of earnings above £962 pw.

<sup>9</sup> The Lower Earnings Limit (LEL)

<sup>10</sup> The Primary Threshold (PT)

<sup>11</sup> Upper Earnings Limit (UEL)

<sup>12</sup> Weekly Secondary Threshold (ST)

---

## PERSONAL RETIREMENT PROVISION

---

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 2020/21 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 pension savings of currently £1,073,100 across all pension arrangements.

---

## OTHER

---

### INDIVIDUAL SAVINGS ACCOUNT

Up to £20,000 can be contributed to an ISA for 2020/21

### CORPORATION TAX

For Financial Year 2020	Rate
All profits	19%

### VALUE ADDED TAX

Standard Rate: 20%

Registration Level: £85,000 per annum from 1 April 2020



Whilst every effort has been made to ensure the accuracy and completeness of the information, no representation or warranty, express or implied, is given in respect of the accuracy or completeness of the information. The information is based on Utmost Wealth Solutions' understanding at the time of writing of current law and HM Revenue & Customs' practice which may change. It does not constitute legal or tax advice and must not be treated as such. The companies in the Utmost Group can take no responsibility for any loss which may occur as a result of reliance on this information.

## A WEALTH *of* DIFFERENCE

Utmost Wealth Solutions is a trading name used by a number of Utmost companies. Utmost Trustee Solutions is the trading name used by Utmost Trustee Solutions Limited. This item has been issued by Utmost Limited and Utmost PanEurope dac.

The following companies are registered in the Isle of Man: Utmost Limited (No 056473C), Utmost Administration Limited (No 109218C) and Utmost Trustee Solutions Limited (No 106739C) which are regulated or licensed by the Isle of Man Financial Services Authority. Utmost Services Limited (No 059248C) is an appointed representative of Utmost Limited. Each has its registered office at: Royalty House, Walpole Avenue, Douglas, Isle of Man, IM1 2SL, British Isles. Utmost Limited is authorised in the UK by the Financial Conduct Authority (160418).

Utmost PanEurope dac (No 311420), trading as Utmost Wealth Solutions, is regulated by the Central Bank of Ireland. Its registered office is Navan Business Park, Athlumney, Navan, Co. Meath C15 CCW8, Ireland.

All promotional material has been approved by Utmost Limited who is authorised in the UK by the Financial Conduct Authority.

UL PR 00336/13.03.2020