

# Larsen & Co

## Chartered Accountants

### Income Tax

#### Earnings related income

		2015/16	2014/15
Starting rate on savings	10%	<b>£5,000</b>	£2,880
Basic rate	20%	<b>£31,785</b>	£31,865
Higher rate	40%	<b>£31,785- £150,000</b>	£31,865-£150,000
Additional rate	45%	<b>Over £150,000</b>	Over £150,000
Dividends			
Basic rate taxpayers		<b>10%</b>	10%
Higher rate taxpayers		<b>32.5%</b>	32.5%
Additional rate tax payers		<b>37.5%</b>	37.5%

#### Child benefit charge

1% of benefit for each £100 of income between £50,000 and £60,000.

#### Allowances

	Restriction	2015/16	2014/15
Personal allowance			
Born after 5 April 1948	£1 per £2	<b>£10,600</b>	£10,000
Born between 6/4/38 – 5/4/48	£1 per £2	<b>£10,600</b>	£10,500
Born before 6 April 1938	£1 per £2	<b>£10,660</b>	£10,660
Married Couples Allowance			
Either partner born before 6/4/35		<b>£8,355</b>	£8,165
Minimum Allowance		<b>£3,220</b>	£3,140
Income limit age allowance		<b>£27,700</b>	£27,000
Income limit personal allowance		<b>£100,000</b>	£100,000
Blind Person		<b>£2,290</b>	£2,230
Payment on loss of office		<b>£30,000</b>	£30,000
		<b>From</b>	<b>To</b>
		<b>1/7/14</b>	<b>30/6/14</b>
ISA's maximum investment		<b>£15,240</b>	£11,880
Junior ISA's maximum		<b>£4,080</b>	£3,840

### Working and child tax credits

	Restriction	2015/16	2014/15
Working tax credit			
Basic element		<b>£1,960</b>	£1,940
Couple/one parent element		<b>£2,010</b>	£1,990
Disability		<b>£2,970</b>	£2,935
Severe disability		<b>£1,255</b>	£1,255
30 hours		<b>£810</b>	£800
Childcare 1 child	70%	<b>£175</b>	£175
Childcare 2 or more children	70%	<b>£300</b>	£300
Earnings threshold		<b>£6,420</b>	£6,420
Child tax credit			
Family element		<b>£545</b>	£545
Child element		<b>£2,780</b>	£2,750
Disabled child		<b>£3,140</b>	£3,100
Severely disabled child		<b>£1,275</b>	£1,255
Earnings threshold		<b>£16,105</b>	£16,010

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### National minimum wage

Age	From 1/10/15	From 1/10/14
Over compulsory school age	<b>3.87</b>	3.79
18 +	<b>5.30</b>	5.13
21 +	<b>6.70</b>	6.50
Apprentice rate for first year of apprenticeship or under 19's	<b>3.30</b>	2.73

### Capital gains tax

Annual exemption	<b>2015/16</b>	2014/15
Individuals	<b>£11,100</b>	£11,000
Trusts (generally)	<b>£5,550</b>	£5,500
Chattels exemption	<b>£6,000</b>	£6,000
Tax rate		
Basic rate tax payers	<b>18%</b>	18%
Entrepreneurs relief	<b>10%</b>	10%
Higher rate tax payers, estates and trusts	<b>28%</b>	28%

Entrepreneur's relief is available on certain business assets subject to a lifetime limit of £10million.

### Inheritance tax

Rates	Gross cumulative transfer	
	<b>2015/16</b>	2014/15
0%	<b>£325,000</b>	£325,000
40%	<b>Over £325,000</b>	Over £325,000
Exemptions		
Annual	<b>£3,000</b>	£3,000
Small gifts	<b>£250</b>	£250
Marriage gifts		
Parent	<b>£5,000</b>	£5,000
Grandparent	<b>£2,500</b>	£2,500
Spouses	<b>£2,500</b>	£2,500
Other	<b>£1,000</b>	£1,000

### Taper relief on gifts within 7 years of death

Years before death	0-3	3-4	4-5	5-6	6-7
Death charge percentage	100%	80%	60%	40%	20%

### Transfer of unused nil rate bands

On the death of a surviving spouse after 9 October 2007 (no matter what date first spouse died) the relevant percentage of the first spouses unused nil rate band may be transferred to the estate of the surviving partner.

### Personal pension schemes

From 6 April 2011 contributions of any type are capped at a maximum of 100% of Net Relevant Earnings, or £3,600 if higher: but limited by an annual allowance. Tax is also charged if the value of the pension at retirement exceeds the individual's lifetime allowance.

	<b>2015/16</b>	2014/15
Annual allowance	<b>£40,000</b>	£40,000
Lifetime allowance	<b>£1,250,000</b>	£1,250,000

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## Chartered Accountants

### National insurance contributions

				Employee's rate	Employer's rate
Class 1					
Non contracted out rates					
Per week	Per Month	Per Year			
Below £155.01	Below £671.67	Below £8060.01		0%	0%
£155.01-£156.00	£671.67-£676.00	£8060.01-£8,112		0%	0%
£156.01-£815.00	£676.01-£3,531.67	£8,112.01-£42,380		12%	13.8%
Over £815.00	Over £3,531.67	Over £42,380.00		2%	13.8%
Class 2				From April 2014	From April 2013
Earnings over £5,965 per annum				£2.80 per week	£2.70 per week
Class 3 (voluntary)				£14.10 per week	£13.55 per week
Class 4 (self employed)				2015/16	2014/15
0%				Below £8,060	Below £7,755
8%				£8,060- £42,385	£7,755-£41,450
1%				Over £42,385	Over £41,450

### Corporation tax

	From 1/4/15	From 1/4/14
Full tax rate	20%	21%
Small company rate (£1-£300,000)	20%	20%
Marginal rate (£300,001 - £1.5m)	20%	21.25%

### Capital allowances

	From April 2014	From 1/1/13
Plant and Machinery		
Annual Investment allowance	£500,000	£250,000
Rate	100%	100%
Writing down allowance	18%	18%
Long life assets	8%	8%
Cars with CO emissions under 110g/km	100%	100%
Cars 110g/km-160g/km	18%	18%
Cars over 160g/km	8%	8%
Integral features	8%	8%
Energy saving plant or machinery	100%	100%
Business premises renovation allowance	100%	100%

### Car benefits

Emissions	Petrol	Diesel
0	5%	5%
1-50	5%	8%
51-75	9%	12%
76-94	13%	16%
Each additional 5g/km	Add 1%	Add 1%
Maximum	37%	37%

#### Fuel benefit

£22,100 times the relevant percentage of the car benefit scale, (2014/15 £21,700).

### Company Van benefits

	2015/16	2014/15
Benefit for directors and employees earning over £8,500p.a.	£3,150	£3,090
Fuel	£594	£581

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### Mileage allowance

	Per business mile
Annual business mileage up to 10,000 miles	45p
Business mileage over 10,000 miles	25p
Each passenger making same business trip	5p
Motorcycles	24p
Bicycles	20p

### VAT Car fuel scales – quarterly returns

For accounting periods commencing on or after 1 May 2007 the VAT fuel scale charge reflects the CO2 emissions. For details please see notice 700/64 on HM Revenue and Customs website.

### VAT

	From 1/4/15	From 1/4/14
Registration threshold	<b>£82,000</b>	£81,000
Deregistration threshold	<b>£80,000</b>	£79,000
Cash accounting and annual accounting		
Start to use scheme	<b>£1,350,000</b>	£1,350,000
Stop using scheme	<b>£1,600,000</b>	£1,600,000
Flat rate scheme		
Start to use scheme	<b>£150,000</b>	£150,000
Stop using scheme	<b>£230,000</b>	£230,000

### STUDENT LOANS

	<b>2015/16</b>	2014/15
Employee annual earnings threshold at which repayments begin	<b>£17,335</b>	£16,910
Rate of deductions above threshold	<b>9%</b>	9%