

Employee benefits in kind

Car scale benefit

This benefit is assessed on a percentage of a car's price according to level of carbon dioxide emissions.

2008/9-2009/10		2008/9-2009/10	
CO ₂ emissions in grams per kilometre	Percentage of car's price taxed	CO ₂ emissions in grams per kilometre	Percentage of car's price taxed
120	10*	185	25*
135	15*	190	26*
140	16*	195	27*
145	17*	200	28*
150	18*	205	29*
155	19*	210	30*
160	20*	215	31*
165	21*	220	32*
170	22*	225	33+
175	23*	230	34▼
180	24*	235	35

Supplement if car runs on diesel (unless Euro Standard iv and registered by 1.1.06): * Add 3% + Add 2% ▼ Add 1%

Car fuel benefit 2009/10

This calculation is based on the percentage in the above table according to the car's CO₂ emissions applied to a standard figure of £16,900 pa.

Vans: £3,000 plus £500 if fuel provided.

Mileage allowances

No taxable benefit arises, irrespective of engine size, on the following reimbursement rates:

Cars	first 10,000 business miles	40p
	excess business miles	25p
	each passenger making same business trip	5p
Motorcycles		24p
Bicycles		20p
Advisory fuel scale	Petrol	Diesel
1,400 cc or less	10p	10p
1,401 cc to 2,000 cc	12p	10p
Over 2,000 cc	18p	13p
		LPG
		7p
		8p
		12p

Petrol hybrid cars are treated as petrol cars for this purpose.

Tax free benefits

Employers can provide the following to employees as tax free benefits:

- mobile phone – one per employee
- work-place nurseries
- childcare vouchers up to £55 a week
- works buses
- bicycles for commuting to work
- luncheon vouchers up to 15p a day

Inheritance Tax

Rates of tax	Death rate	Lower (lifetime) rate
For 2009/10		
Up to £325,000	NIL	NIL
(2008/9 £312,000)		
Thereafter	40%	20%

Major exemptions	2009/10 and 2008/9
Gifts to UK domiciled spouse	Unlimited
Gifts to non-UK domiciled spouse	£55,000
Gifts to charities	Unlimited
Annual gifts per donor	£3,000
Small gifts to different individuals	£250 each
Recurring gifts out of income	depends on income
Agricultural property relief	
Vacant possession obtainable within 24 months	100%
Landlord's interest in let farmland – for new tenancies let after 31.8.95	50%
– for new tenancies let after 31.8.95	100%
Business property relief	
Unincorporated businesses	100%
Unquoted shares in a company	100%
Personal assets used in your own business	50%
Gifts on marriage	
By parent	£5,000
By remote ancestor or party to marriage	£2,500
By other person	£1,000

National Insurance contributions

Class 1 Employees'

No contributions are due on first £110 weekly, £476 monthly or £5,715 yearly of earnings.

Weekly earnings	Contracted in	Contracted out
On first £95	NIL	NIL
£95 - £110	NIL	Rebate 1.6%
£110 - £770	11%	9.4%
£770 - £844	11%	11%
Above £844	1%	1%

Married women's reduced rate = 4.85% of £110 to £844 per week + 1% over £844 per week.

Class 1 Employers'

Weekly earnings	Contracted out	Contracted out rate	Contracted out rate
	Not out	COSR*	COMP+
On first £95	NIL	NIL	NIL
£99 - £110	NIL	Rebate 3.7%	Rebate 1.4%
£110 - £770	12.8%	9.1%	11.4%
Above £770	12.8%	12.8%	12.8%

* Contracted Out Salary Related Scheme + Contracted Out Money Purchase Scheme

Class 1A NIC on all taxable benefits in kind payable 19 July after end of tax year.

Class 1B payable on PAYE Settlement Agreement benefits and tax due 19 October after end of tax year.

Class 2 self employed flat rate £2.40 per week. Small earnings exception £5,075 per annum.

Class 3 voluntary rate £12.05 per week.

Class 4 self employed earnings related rate 8% of profits between £5,715 and £43,875 (max = £3,052.80) plus 1% of excess over £43,875 (2008/9 8% of profits between £5,435 and £40,040 plus (max £2,768.40) + 1% above £40,040).

Authorised and regulated by the Financial Services Authority.
Copyright © 2009

Tax rates 2009/10



www.critchleys.co.uk

Oxford t: 01865 261100
Abingdon t: 01235 553333

Prepared following April 2009 Budget
so does not reflect later changes

Income Tax rates

	Taxable income	Rate	Tax on band
2009/10	£0 - £37,400 **	20%*	£7,480
	£37,400 and above	40%	
2008/9	£0 - £34,800 **	20%*	£6,960
	£34,800 and above	40%	

* Dividends 10%/32½%

** 10% starting rate of £2,440 applies to savings income only.

40% tax rate reached if total income exceeds £43,875 (2008/9 £40,835)

Annual charge for non-domiciliaries claiming remittance basis: £30,000 (de minimis income: £2,000)

Personal allowances & tax credits

	2009/10	2008/9
a) Given at marginal rate of Income Tax:		
Personal allowance up to 65 years	£6,475	£6,035
Personal allowance 65 to 74 years	£9,490*	£9,030*
Personal allowance over 75 years	£9,640*	£9,180*
Blind person's allowance	£1,890	£1,800
Rent-a-room tax free home income	£4,250	£4,250

b) Relief restricted to 10%:

Married couple's allowance		
Age under 75 and born pre 6.4.35	£6,865*	£6,535*
Aged 75 and over	£6,965*	£6,625*
Minimum amount	£2,320	£2,540

* Age reliefs abated by £1 for every £2 income over £22,900 £21,800

c) Child Tax Credit (CTC):

Family element	£545	£545
Family element baby addition	£545	£545
Child element	£2,210	£2,085
Disabled child element	£2,670	£2,540
Severely disabled child element	£1,075	£1,020

Personal allowances & tax credits continued

	2009/10	2008/9
d) Working Tax Credit (WTC):		
Basic element	£1,890	£1,800
Couples & lone parent element	£1,860	£1,770
30 hour element	£775	£735
Disabled worker element	£2,530	£2,405
Severe disability element	£1,075	£1,020

Childcare element		
Max eligible cost for 1 child	£175pw	£175pw
Max eligible cost for 2+ children	£300pw	£300pw
Proportion of eligible costs paid	80%	80%

e) Common elements to CTC & WTC:

First income threshold	£6,420	£6,420
First income threshold CTC only	£16,040	£15,575
First withdrawal rate	39%	39%
Second income threshold	£50,000	£50,000
Second withdrawal rate	6.67%	6.67%
Income disregard	£25,000	£25,000

Savings products

	2009/10	2008/9
Enterprise Investment Scheme		
Income Tax relief @20%	£500,000	£500,000
Capital Gains Tax deferral	Unlimited	Unlimited
Venture Capital Trusts	£200,000	£200,000
Income Tax relief	30%	30%
CGT relief rollover	No	No
Individual Savings Account (ISA) Maxi	£10,200*	£7,200
Stocks and Shares Mini	£5,100	£3,600
Cash limit - Mini ISA	£5,100	£3,600

*over 50's only then 10/11 for all

Stamp Duty Land Tax

a) on land transactions	
£0 - £175,000 (residential)	nil
£0 - £150,000 (other)	nil
£150,001 - £250,000	1%
£250,001 - £500,000	3%
over £500,000	4%

Stamp duty land tax continued

b) on granting of lease, % of NPV*
residential: 1% of excess over £175,000
other: 1% of excess over £150,000

*on net present value of rents over term of lease (applying 3.5% discount rate)

Note: the £175,000 threshold for residential properties applies until 31 December 2009, when it reverts to £125,000. Also it does not apply to leases under 21 years

Stamp Duty

Transfer of stock and marketable securities	0.5%
Intellectual property, goodwill and declaration of trust	NIL

Capital Gains Tax

	2009/10	2008/9
Rates of tax		
Individuals	18%	18%
Companies - added to profits	21/28%	21/28%
Trusts	18%	18%
Exemptions		
Individuals and most estates	£10,100	£9,600
Most trusts	£5,050	£4,800
Chattels (⅓ taxable on excess)	£6,000	£6,000

Companies' indexation allowance continues to be calculated to month of disposal.

Entrepreneurs' Relief

Entrepreneurs' relief is available on disposals of certain business assets if held for at least one year. Effective tax rate of 10% on gains up to lifetime allowance of £1 million.

Corporation Tax

Financial year 2009 ie 1.4.09 to 31.3.10

First	£300,000	at 21%	=	£63,000
Next	£1,200,000	at 29.75%	=	£357,000
Above	£1,500,000	at 28%		

Corporation Tax continued

For financial year 2008, the figures were

First	£300,000	at 21%	=	£63,000
Next	£1,200,000	at 29.75%	=	£357,000
Above	£1,500,000	at 28%		

Tax payment dates

a) Large companies pay CT by four equal instalments which are due 6½, 9½, 12½ and 15½ months after the start of each accounting period. Large companies are defined as those with profits greater than £1.5 million. This figure is divided by 1 + the number of associated companies, and reduced proportionally if the accounting period is less than 12 months.

b) Other companies pay the whole CT liability nine months after the end of the accounting period.

VAT

	2009/10	2008/9
Standard rate	15%	17.5%
Reduced rate	5%	5%
Annual registration limit	£68,000+	£67,000+
Deregistration limit	£66,000+	£65,000+
Cash accounting entry limit	£1,350,000	£1,350,000
Cash accounting exit limit	£1,600,000	£1,600,000
Annual VAT returns entry limit	£1,350,000	£1,350,000
Annual VAT returns exit limit	£1,600,000	£1,600,000
Flat rate scheme, max VATable turnover	£150,000	£150,000
+ effective from 1 May 2009		

15% rate effective from 1 December 2008 to 31 December 2009.

VAT Fuel Scale Charge

The fuel scale charges are based on CO₂ emissions rather than engine size (there are 24 bands).

The new scale charges will be effective from the first accounting period beginning on or after 1 May 2009.