

INCOME TAX

INDIVIDUAL ALLOWANCES & RELIEFS	2012/13	2013/14
Personal (basic)*	£8,105	£9,440
Personal (age 65-74)* **	£10,500	£10,500
Personal (age 75+)* **	£10,660	£10,660
Married couples/civil partners	£2,960	£3,040
Income limit for personal allowance	£100,000	£100,000
Income limit for age related allowance	£25,400	£26,100

* The Personal Allowance reduces where the income is above £100,000 - by £1 for every £2 of income above the £100,000 limit. This reduction applies irrespective of age.

** These allowances reduce where the income is above the income limit by £1 for every £2 of income above the limit. The Personal Allowance for people aged 65 and over (up to and including 2012/13) and born before 6 April 1948 (from 2013/14) can be reduced below the basic Personal Allowance where the income is above £100,000.

RATES	2012/13	2013/14
STARTING RATE FOR SAVINGS ONLY*	10%	10%
on taxable interest between	£0-2,710	£0-2,790

BASIC RATE	20%	20%
on taxable earnings between	£0-34,370	£0-32,010

HIGHER RATE	40%	40%
on taxable earnings between	£34,371-150,000	£32,011-150,000

ADDITIONAL RATE	50%	45%
on taxable earnings of	£150,000+	£150,000+

* This allowance applies to savings income only. If non-savings income already exceeds this level then the starting rate on savings income will not apply.

USEFUL DATES

Submission of self-assessment forms

Paper tax returns:	31 October
Self-assessment:	31 January

PAYMENT DATES

31 Jan 2013	50% downpayment on tax for 2012/13 earnings (based on earnings for 2011/12)
31 Jul 2013	Balance of tax payable for tax year 2012/13
31 Jan 2014	Final payment date for any remaining 2012/13 tax year liability plus 50% downpayment on tax liability for 2013/14

INHERITANCE TAX

Liability on death	Normally 6 months from end of month in which death occurred
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Liability on lifetime transfers

Transfer date 6 Apr – 30 Sep	30 Apr in the following year
Transfer date 1 Oct – 5 Apr	6 months after month of transfer

CORPORATION TAX

Self-assessment	Within 9 months of the end of the accounting period
Instalments	Normally payable in quarterly instalments (where profits exceed £1.5m) after start of accounting period

Instalments are not required from growing companies where profits are below £10 million and the company was classified as small or medium in the previous year

TAX GUIDE 2013/14

For information only. The rates and allowances are subject to our understanding of legislation as at April 2013 and are subject to change. We recommend you always seek professional advice before making any investment decision.

ARIAN

NATIONAL INSURANCE CONTRIBUTIONS

EMPLOYED	2012/13	2013/14
Class 1 non-contracted out		
Lower earnings limit (LEL)	£107pw	£109pw
Earnings threshold (ET)	£146pw	£149pw
Upper accrual point (UAP)	£770pw	£770pw
Upper earnings limit (UEL)	£817pw	£797pw

RATES 2013/14	Employee	Employer
NIC rate if earnings below ET	nil	nil
NIC rate on earnings between ET & UEL	12.00%	13.80%
NIC rate on earnings above UEL	2.00%	13.80%
Certain married women between ET & UEL	5.85%	13.80%
Class 1A rate on employer-provided benefits	nil	13.80%

CONTRACTED OUT REBATES (EARNINGS BETWEEN LEL & UAP)	Employee	Employer
Salary-related schemes	1.40%	3.40%
Money purchase schemes	-	-

SELF EMPLOYED		
Class 2 flat rate	£2.70 pw	-
Small earnings exception	£5,725 pa	-
Class 3 (Voluntary)	£13.55 pw	-
Class 4 rate on profits		
£7,225 – £42,475	9%	-
Over £42,475	2%	-

CAPITAL GAINS TAX

	2012/13	2013/14
Annual allowance	£10,600	£10,900

RATES

Basic rate income tax payers	18%	18%
Higher rate income tax payers	28%	28%
Certain trusts & estates	28%	28%

ENTREPRENEURS RELIEF:

Rate payable	10%	10%
Lifetime limit of gains	£10 million	£10 million

INHERITANCE TAX

NIL RATE BAND – INDIVIDUAL	2012/13	2013/14
Nil rate band – individual	£325,000	£325,000
Combined nil rate band – married couples/civil partners	£650,000	£650,000
Tax rate on excess	40%*	40%*
Lifetime transfers to & from certain trusts	20%	20%

% OF TAX CHARGED ON LIFETIME GIFTS WITHIN SEVEN YEARS OF DEATH

Death between 0-3 years of gift	100%	100%
Death between 3-4 years of gift	80%	80%
Death between 4-5 years of gift	60%	60%
Death between 5-6 years of gift	40%	40%
Death between 6-7 years of gift	20%	20%
Death after 7 years of gift	nil	nil

*People who leave 10% or more of their net estate to charity can now choose to pay a reduced rate of Inheritance Tax of 36%.

INVESTMENT ALLOWANCES & RELIEFS

INDIVIDUAL SAVINGS ACCOUNTS	2012/13	2013/14
Annual allowance (total)	£11,280	£11,520
Maximum in cash	£5,640	£5,760

VENTURE CAPITAL TRUSTS (30%)

Investment allowance	£200,000	£200,000
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ENTERPRISE INVESTMENT SCHEMES (30%)

Investment allowance	£1,000,000	£1,000,000
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PENSION SCHEMES

Minimum allowable annual contribution	£3,600	£3,600
Maximum allowable annual contribution (or 100% of earnings, whichever is the lower)	£50,000	£50,000
Lifetime allowance	£1.5m	£1.5m
Maximum pension commencement lump sum	25% of fund value	25% of fund value
Lifetime allowance charge (for excess drawn as cash)	55%	55%
Lifetime allowance charge (for excess drawn as income)	25%	25%
Annual allowance charge on excess	40%	40%

CORPORATION TAX

	2012	2013
Small profits rate	20%	20%
Companies with profits not exceeding	£300,000	£300,000
Margins relief, lower limit	£300,000	£300,000
Margins relief, upper limit	£1,500,000	£1,500,000
Standard fraction	1/100	1/100
Main rate	24%	23%
Special rate: unit trusts & OEICs	20%	20%