

Tax Facts

2020/2021

August update

INCOME TAX

UK taxpayers' non-dividend, non-savings income	20/21	19/20
20% basic rate on first slice of taxable income up to	£37,500	£37,500
40% higher rate on next slice of taxable income over	£37,500	£37,500
45% additional rate on taxable income over	£150,000	£150,000

All UK taxpayers

Starting rate at 0% on band of savings income up to*	£5,000	£5,000
Personal savings allowance at 0%:		
Basic rate	£1,000	£1,000
Higher rate	£500	£500
Additional rate	£0	£0
Dividend allowance at 0% – all individuals	£2,000	£2,000
Tax rates on dividend income:		
Basic rate	7.5%	7.5%
Higher rate	32.5%	32.5%
Additional rate	38.1%	38.1%
Trusts: Standard rate band generally	£1,000	£1,000
Rate applicable to trusts:		
Dividends	38.1%	38.1%
Other income	45%	45%

*Not available if taxable non-savings income exceeds the starting rate band

Rates and bands differ for Scottish taxpayers.

High Income Child Benefit Charge, 1% of benefit per £100 of adjusted net income between £50,000 – £60,000

Main personal allowances and reliefs

	20/21	19/20
Personal allowance**	£12,500	£12,500
Marriage/civil partner's transferable allowance	£1,250	£1,250
Married couple's/civil partner's allowance at 10%†		
(if at least one born before 6/4/35) – maximum	£9,075	£8,915
– minimum	£3,510	£3,450
Blind person's allowance	£2,500	£2,450
Rent-a-room relief	£7,500	£7,500
Property allowance and trading allowance (each)	£1,000	£1,000

**Personal allowance reduced by £1 for every £2 of adjusted net income over £100,000

†Married couple's allowance reduced by £1 for every £2 of adjusted net income over £30,200 (£29,600 for 19/20), until minimum reached

Non-domicile remittance basis charge after UK residence in at least:

7 of the last 9 tax years	£30,000	£30,000
12 of the last 14 tax years	£60,000	£60,000

REGISTERED PENSIONS

	20/21	19/20
Lifetime allowance	£1,073,100	£1,055,000
Money purchase annual allowance	£4,000	£4,000
Annual allowance*	£40,000	£40,000

Annual allowance charge on excess is at applicable tax rate(s) on earnings

Lifetime allowance charge if excess is drawn as cash 55%; as income 25%

Pension commencement lump sum up to 25% of pension benefit value

*Reduced by £1 for every £2 of adjusted income over £240,000 (£150,000 for 19/20) to a minimum of £4,000 (£10,000 for 19/20), subject to threshold income being over £200,000 (£110,000 for 19/20)

STATE PENSIONS

	Annual	Weekly
New state pension – where state pension age reached after 5/4/16	£9,110.40	£175.20
Basic state pension – single person*	£6,981.00	£134.25
Basic state pension – spouse/civil partner*	£4,183.40	£80.45

*State pension age reached before 6/4/16

TAX INCENTIVISED INVESTMENT

Total Individual Savings Account (ISA)	20/21	19/20
limit excluding Junior ISAs (JISAs)	£20,000	£20,000
Lifetime ISA	£4,000	£4,000
JISA and Child Trust Fund	£9,000	£4,368
Venture Capital Trust (VCT) at 30%	£200,000	£200,000
Enterprise Investment Scheme (EIS) at 30%*	£2,000,000	£2,000,000
EIS eligible for CGT deferral relief	No limit	No limit
Seed EIS (SEIS) at 50%	£100,000	£100,000
SEIS CGT reinvestment relief	50%	50%

*Above £1,000,000 investment must be in knowledge-intensive companies

NATIONAL INSURANCE CONTRIBUTIONS

Class 1	Employee	Employer
NICs rate	12%	13.8%
No NICs for employees generally on the first	£183 pw	£169 pw
No NICs for younger employees* on the first	£183 pw	£962 pw
NICs rate charged up to	£962 pw	No limit
2% NICs on earnings over	£962 pw	N/A
Employment Allowance		£4,000
Per business – not available if sole employee is a director or 19/20 employer's NICs £100,000 or more		

Limits and Thresholds	Weekly	Monthly	Annual
Lower earnings limit	£120	£520	£6,240
Primary threshold	£183	£792	£9,500
Secondary threshold	£169	£732	£8,788
Upper earnings limit (and upper secondary thresholds*)	£962	£4,167	£50,000

*Employees generally under 21 years and apprentices under 25 years

Class 1A Employer On car and fuel benefits and most other taxable benefits provided to employees and directors		13.8%
Class 2 Self-employed Flat rate per week	£3.05	(£158.60 pa)
Small profits threshold No compulsory NICs if annual profits less than		£6,475
Class 4 Self-employed On annual profits of	£9,500–£50,000	9%
	Over £50,000	2%
Class 3 Voluntary flat rate per week	£15.30	(£795.60 pa)

CAPITAL GAINS TAX

Tax Rates – Individuals	20/21	19/20
Below UK higher rate income tax band	10%	10%
Within UK higher and additional rate income tax bands	20%	20%
Tax Rate – Trusts and Estates	20%	20%
Surcharge for residential property and carried interest	8%	8%
Exemptions		
Annual exempt amount: Individuals, estates, etc	£12,300	£12,000
Trusts generally	£6,150	£6,000
Chattels: gain limited to 5/6rds of proceeds exceeding	£6,000	£6,000
Business Asset Disposal Relief		
10% on lifetime limit of £1,000,000 (£10,000,000 before 11 March 2020)		
For trading businesses and companies (minimum 5% participation) held for at least 2 years		

INHERITANCE TAX

	20/21	19/20
Nil-rate band*	£325,000	£325,000
Residence nil-rate band*†	£175,000	£150,000
Rate of tax on excess	40%	40%
Rate if at least 10% of net estate left to charity	36%	36%
Lifetime transfers to and from certain trusts	20%	20%
Overseas domiciled spouse/civil partner exemption	£325,000	£325,000
100% relief: businesses, unlisted/AIM companies, certain farmland/buildings		
50% relief: certain other business assets e.g. farmland let before 1/9/95		
Annual exempt gifts of:	£3,000 per donor	£250 per donee

Tapered tax charge on lifetime gifts within 7 years of death

Years between gift and death	0–3	3–4	4–5	5–6	6–7
% of death tax charge	100	80	60	40	20

*Up to 100% of the unused proportion of a deceased spouse's/civil partner's nil-rate band and/or residence nil-rate band can be claimed on the survivor's death

†Estates over £2,000,000: the value of the residence nil-rate band is reduced by 50% of the excess over £2,000,000

STAMP DUTIES AND PROPERTY TRANSACTION TAXES

Stamp Duty and SDRT: Stocks and marketable securities 0.5%

Second residential and all corporate residential properties

£40,000 or more – add 3% to SDLT rate(s)

England & N Ireland – Stamp Duty Land Tax (SDLT) on slices of value

Residential property (from 8/7/20 - 31/3/21)	%	Commercial property	%
Up to £500,000	0	Up to £150,000	0
£500,001–£925,000	5	£150,001–£250,000	2
£925,001–£1,500,000	10	Over £250,000	5
Over £1,500,000	12		

Residential properties bought by companies etc over £500,000: 15% of total consideration, subject to certain exemptions

Different Stamp Duty Land Tax Rules apply in Scotland and Wales.

ANNUAL TAX ON ENVELOPED DWELLINGS

Annual Tax on Enveloped Dwellings (ATED)	20/21	19/20
More than £500,000 but not over £1 million	£3,700	£3,650
More than £1 million but not over £2 million	£7,500	£7,400
More than £2 million but not over £5 million	£25,200	£24,800
More than £5 million but not over £10 million	£58,850	£57,900
More than £10 million but not over £20 million	£118,050	£116,100
More than £20 million	£236,250	£232,350

CORPORATION TAX

	Profits	Diverted Profits	Loans to participators
Years to 31/3/21 and 31/3/20	19%	25%	32.5%

VALUE ADDED TAX

Standard rate	20%
Reduced rate, e.g. on domestic fuel and from 15/7/20 - 12/1/21 on hospitality, holiday accommodation and attractions	5%
Since 1/4/17: Registration level £85,000	Deregistration £83,000
Flat rate scheme turnover limit	£150,000
Cash and annual accounting schemes turnover limit	£1,350,000

CAR BENEFITS

Taxable amount depends on original list price and CO₂ emissions in g/km.

Zero emission cars no charge.

Petrol and diesel hybrids with CO₂ emissions 1–50g/km

Range – electric-only miles	<30	30–39	40–69	70–129	130+
Registered pre-6/4/20 (NEDC)	14%	12%	8%	5%	2%
Registered post-5/4/20 (WLTP)	12%	10%	6%	3%	0%

All non-diesel cars over 50g/km CO₂

	51–54	55 & over
Registered pre-6/4/20 (NEDC)	15%	16%*–37%
Registered post-5/4/20 (WLTP)	13%	14%*–37%

*Increased for every extra 5g/km by 1% up to the maximum of 37%

Diesels not meeting RDE2 standards: add 4%, up to 37% maximum

Fuel Benefit – taxable amount for private use

	20/21	19/20
CO ₂ % charge used for car benefit multiplied by	£24,500	£24,100

VANS – FOR PRIVATE USE

	20/21	19/20
Zero emission: chargeable amount	£2,792	£2,058
Other vans: chargeable amount	£3,490	£3,430
Fuel: chargeable amount	£666	£655

TAX-FREE BUSINESS MILEAGE ALLOWANCE – OWN VEHICLE

Cars and vans first 10,000 miles	45p per mile	then 25p per mile
Qualifying passenger	5p per mile	
Motorcycles	24p per mile	Bicycles 20p per mile

MAIN CAPITAL AND OTHER ALLOWANCES

Plant and machinery 100% annual investment allowance (1st year)	
1/1/19 to 31/12/20	£1,000,000
From 1/1/21	£200,000
Enterprise zone plant and machinery (max €125m per project)	100%
Plant and machinery*	18%
Patent rights and know-how*	25%
Certain long-life assets and integral features of buildings*	6%
Structures and buildings (straight line)	3%
Electric charge points	100%

Motor Cars

CO ₂ emissions of g/km:	50 or less [†]	51–110	Over 110
Capital allowance:	100% first year	18% pa*	6% pa*

*Annual reducing balance

[†] New cars only

Research and Development

Capital expenditure	100%
Revenue expenditure relief – small/medium-sized companies	230%
Research and development expenditure credit – large companies	13%

SOCIAL SECURITY BENEFITS

Weekly rates and taxable unless stated otherwise.

Statutory Pay Rates Based on minimum average earnings of at least £120pw:

Statutory Sick Pay £95.85 standard rate

Statutory Maternity Pay/Statutory Adoption Pay

First 6 weeks – 90% of average weekly pay

Next 33 weeks – 90% of average weekly pay up to £151.20

Statutory Paternity Pay 90% of average weekly pay up to £151.20

Shared Parental Pay Up to 37 weeks: 90% of average weekly pay up to £151.20

Child Benefit (see 'Income Tax – High Income Child Benefit Charge')

Child benefit, first or only child £21.05

Child benefit, each subsequent child £13.95

National Living/National Minimum Wage (hourly) 1/4/20 – 31/3/21

Aged 25 and over National Living Wage £8.72

Aged 21–24 National Minimum Wage £8.20

Aged 18–20 National Minimum Wage £6.45

Aged under 18 National Minimum Wage £4.55

Apprentice National Minimum Wage £4.15

MAIN DUE DATES FOR TAX PAYMENTS

Income Tax, NICs and Capital Gains Tax – Self-Assessment

31 Jan in tax year
Following 31 July
(if not otherwise deferred) } Normally 50% of previous year's income tax
(less tax deducted at source) and class 4 NICs

Following 31 Jan Balance of income tax and class 4 NICs, class 2 NICs
and balance of CGT

Inheritance Tax

On death: Normally 6 months after end of month of death

Lifetime transfer 6 April–30 September: 30 April in following year

Lifetime transfer 1 October–5 April: 6 months after month of transfer

Corporation Tax – Self-assessment

- Profits under £1,500,000: 9 months + 1 day after end of accounting period
- Profits £1,500,000 or over: normally payable in 7th, 10th, 13th and 16th months after start of the accounting period
- Profits £20,000,000 or over: normally payable in 3rd, 6th, 9th and 12th months after start of the accounting period
- Growing companies: no instalments where profits are £10,000,000 or less and the company was not a large company for the previous year.

2020/21 TAX CALENDAR

Make payment on previous working day where due date falls on a weekend/bank holiday.

Every month

- 19 Submit CIS contractors' monthly return.
- 22 PAYE/NICs/CIS deductions paid electronically for period ending 5th of the month (19th if not paying electronically).

Month end

Submit CT600 for year ending 12 months previously. Last day to amend CT600 for year ending 24 months previously.

May 2020

- 1 Start of £10 daily penalty where the 2018/19 tax return has not been filed (charged for up to 90 days).
- 31 Last day to issue 2019/20 P60s to employees.

July 2020

- 5 Last date to agree a new PAYE Settlement Agreement (PSA) for 2019/20.
- 6 Deadline for employers to return forms P11D (expenses) and P11D (b) (benefits) for 2019/20 to HMRC and provide copies to employees.
- 8 SDLT nil rate band raised to £500,000 in England and Northern Ireland until 31/3/21.
- 15 Temporary 5% VAT rate for hospitality, holiday accommodation and attractions until 12/1/21.
- 22 Pay class 1A NICs (19 July if not paying electronically).
- 31 Confirm tax credit claims for 2019/20 and renewal for 2020/21. Second payment on account for 2019/20 income tax (with option to defer until 31 January 2021 if affected by Covid 19).

August 2020

- 1 Penalty of 5% of the tax due or £300, whichever is the greater, where the 2018/19 tax return has not been filed.

October 2020

- 5 Deadline to register for self-assessment for 2019/20.
- 22 Pay tax and class 1B NICs on PSAs (19th if not paying electronically).
- 31 Deadline for 2019/20 tax return if filed on paper.

December 2020

- 30 Deadline to submit 2019/20 tax return online to have underpaid PAYE tax collected through the 2021/22 tax code.

January 2021

- 31 Submit 2019/20 self-assessment tax return online. Pay balance of 2019/20 income tax, class 4 NICs, all of class 2 NICs and balance of CGT, plus first payment on account for 2020/21 income tax and class 4 NICs. Second payment on account for 2019/20 also due if deferred from July 2020 (due to Covid-19).

February 2021

- 1 Initial penalty imposed where the 2019/20 tax return has not been filed or has been filed on paper after 31 October 2020.

March 2021

- 2 Last day to pay 2019/20 tax to avoid automatic 5% penalty. Temporary increase in the nil rate bands for SDLT ends.

**For further information and advice,
please talk to your usual Shipleys contact,
or call one of our offices:**

LONDON

10 Orange Street
Haymarket
London WC2H 7DQ
T +44 (0)20 7312 0000
E advice@shipleys.com

GODALMING

5 Godalming Business Centre
Woolsack Way
Godalming
Surrey GU7 1XW
T +44 (0)1483 423607
E godalming@shipleys.com

www.shipleys.com

**Specific advice should be obtained before taking action, or
refraining from taking action, on the basis of this information.**

**Registered to carry on audit work in the UK and regulated for
a range of investment business activities by the Institute of
Chartered Accountants in England and Wales.**



**Shipleys is a Member of AGN International, a global
association of separate and independent accounting
and advisory businesses.**