

SOVEREIGN
— WEALTH —

TAX CARD
2020/21

Together We Prosper



INCOME TAX

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

All UK taxpayers

0% starting rate on savings income up to*	£5,000	£5,000
0% personal savings allowance:		
Basic rate	£1,000	£1,000
Higher rate	£500	£500
Additional rate	£0	£0
0% dividend allowance – all individuals	£2,000	£2,000
Rates on dividend income:		
Basic rate band	7.5%	7.5%
Higher rate band	32.5%	32.5%
Additional rate band	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 non-savings income exceeds the starting rate band

Scottish taxpayers – non-dividend, non-savings income

19% starter rate on taxable income up to	£2,085	£2,049
20% basic rate on taxable income over	£2,085	£2,049
21% intermediate rate on taxable income over	£12,658	£12,444
41% higher rate on taxable income over	£30,930	£30,930
46% top rate on taxable income over	£150,000	£150,000

High Income Child Benefit charge, 1% of Child Benefit per £100 of adjusted net income between £50,000 and £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		
*From 6/4/20 reduced by £1 for every £2 of adjusted income over £240,000 to a minimum of £4,000, subject to threshold income being over £200,000		

STATE PENSIONS

	Annual	Weekly
Single tier pension: SPA* after 5/4/16	£9,110.40	£175.20
Basic: single pension, SPA* before 6/4/16	£6,981.00	£134.25
Basic: spouse/civil partner, SPA* before 6/4/16	£4,183.40	£80.45

*SPA is State pension age

TAX INCENTIVISED INVESTMENT

	20/21	19/20
Individual Savings Account (ISA)	£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 Employed	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 £3.05 pw £158.60 pa

Small profits threshold
no compulsory NICs if profits less than £6,475 pa

Class 4 Self-Employed On profits £9,500–£50,000 pa 9%
Over £50,000 pa 2%

Class 3 (Voluntary) Flat rate £15.30 pw £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 & 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 $\frac{5}{3}$ rds of proceeds over £6,000 £6,000

Entrepreneurs' 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%
Non-UK domiciled spouse/civil partner exemption	£325,000	£325,000
100% relief: businesses, unlisted/AIM shares, certain farmland/buildings		
50% relief: quoted shares with majority interest or land & buildings used in business		
Annual exempt gifts of:	£3,000 per donor	£250 per donee

Tapering relief 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

[†]Subject to 50% taper on excess if value of deceased's assets over £2,000,000

STAMP DUTIES AND PROPERTY TRANSACTION TAXES

Stamp Duty and SDRT: Stocks and marketable securities 0.5%

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

Residential property	%	Commercial property	%
Up to £125,000	0	Up to £150,000	0
£125,001–£250,000	2	£150,001–£250,000	2
£250,001–£925,000	5	Over £250,000	5
£925,001–£1,500,000	10		
Over £1,500,000	12		

First-time buyers: 0% on first £300,000 for properties up to £500,000

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

Scotland – Land & Buildings Transaction Tax (LBTT) slices of value

Residential property	%	Commercial property	%
Up to £145,000	0	Up to £150,000	0
£145,001–£250,000	2	£150,001–£250,000	1
£250,001–£325,000	5	Over £250,000	5
£325,001–£750,000	10		
Over £750,000	12		

First-time buyers: 0% on first £175,000

Wales – Land Transaction Tax (LTT) slices of value

Residential property	%	Commercial property	%
Up to £180,000	0	Up to £150,000	0
£180,001–£250,000	3.5	£150,001–£250,000	1
£250,001–£400,000	5	£250,001–£1,000,000	5
£400,001–£750,000	7.5	Over £1,000,000	6
£750,001–£1,500,000	10		
Over £1,500,000	12		

Additional private and all corporate residential properties

£40,000 or more – add 3% to SDLT/LTT and 4% to LBTT rate(s)

CORPORATION TAX

	Profits	Diverted Profits
Year to 31/3/21	19%	25%
Year to 31/3/20	19%	25%
Corporation tax at 32.5% on outstanding loans to participators		

VALUE ADDED TAX

Standard rate	20%
Reduced rate, e.g. on domestic fuel	5%
Registration level since 1/4/17:	£85,000
Deregistration since 1/4/17	£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. No charge for zero emission cars.

Electric hybrids (petrol and diesel) 1–50 g/km CO₂

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

All non-diesel cars over 50 g/km CO₂

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

*Plus 1% for each extra 5g/km over 55g/km 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

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 & 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 (R&D)

Capital expenditure	100%
R&D qualifying expenditure additional tax credit – SMEs	230%
R&D expenditure credit – large companies	13%

SOCIAL SECURITY BENEFITS

Weekly rates unless stated otherwise.

Attendance Allowance (non-taxable)

Enhanced rate: £89.15

Standard rate: £59.70

Personal Independence Payment (PIP) (non taxable)

Daily living

Enhanced rate: £89.15

Standard rate: £59.70

Mobility

Enhanced rate: £62.25

Standard rate: £23.60

Employment and Support Allowance (contribution-based taxable)

13-week assessment phase

Aged under 25: up to

£58.90

Aged 25 or over: up to

£74.35

From week 14 after Work Capability Assessment if eligible

In Work Related Activity Group

up to £103.90

In Support Group

up to £113.55

Bereavement Support Payments (non-taxable) – initial and for 18 months

Higher rate: * £3,500 lump sum

£350 monthly

Lower rate: £2,500 lump sum

£100 monthly

*If claiming Child Benefit or pregnant at partner's death

Statutory Sick Pay (taxable)

Where average weekly pay £120 or over

£95.85 standard rate

Child Benefit (non-taxable)

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

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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: 9 months and one day after end of accounting period

• Payable by instalments where profits are £1.5m or over.

Normally payable in 7th, 10th, 13th and 16th months after start of accounting period.

• Where profits are £20m or over, normally payable in 3rd, 6th, 9th and 12th months after start of accounting period.

• Growing companies: no instalments where profits are £10m 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.

April 2020

- 5 Submit final Full Payment Submission (FPS) or Employer Payment Summary (EPS) for 2019/20. Final day to register online to 'payroll' benefits and expenses in 2020/21.
- 6 First day of the 2020/21 tax year. Changes apply to tax allowances, rates and thresholds, car benefit scales, CGT payment timing on residential property and JISA limit. Start of new rules for off-payroll working (IR35) for private businesses.
- 19 Final day to send a late FPS for 2019/20. (From 19 April 2020 HMRC will accept FPSs with YTD figures and will also accept changes notified on an Earlier Year Update (EYU). A penalty will usually be charged.)
- 23 Interest accrues on employers' unpaid PAYE and NICs for 2019/20 (20th if not paying electronically).

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.
- 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 and class 4 NICs.

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.

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.

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— WEALTH —

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