2021/22
Tax Rates & Allowances

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INCOME TAX

Rates and bands (other than savings and dividend income)

2021/22		2020/21	
Band £	**Rate %**	**Band £**	**Rate %**
0 - 37,700	20	0 - 37,500	20
37,701 - 150,000	40	37,501 - 150,000	40
Over 150,000	45	Over 150,000	45

Income tax rates in Scotland and Wales on income other than savings and dividend income have been devolved.

Savings income	**2021/22 and 2020/21**
Savings allowance basic rate	£1,000
Savings allowance higher rate	£500

A starting rate of 0% may be available unless taxable non-savings income exceeds £5,000.

Dividend income	**2021/22 and 2020/21**
Dividend allowance	£2,000
Dividend ordinary rate	7.5%
Dividend upper rate	32.5%
Dividend additional rate	38.1%

INCOME TAX RELIEFS

	2021/22	**2020/21**
Personal allowance	£12,570	£12,500
Personal allowance income limit	£100,000	£100,000
Marriage allowance	£1,260	£1,250
Married couple's allowance	£9,125	£9,075
- minimum amount	£3,530	£3,510
- income limit	£30,400	£30,200
Blind person's allowance	£2,520	£2,500

INDIVIDUAL SAVINGS ACCOUNTS

	2021/22	**2020/21**
Overall investment limit	£20,000	£20,000
Junior account investment limit	£9,000	£9,000

CAR, VAN AND FUEL BENEFITS

2021/22	Cars registered pre 6.4.20	Cars registered after 5.4.20
CO_2 emissions g/km	% of list price taxed	% of list price taxed
0	1	1
1-50		
Electric range - 130 or more	2	1
70 - 129	5	4
40 - 69	8	7
30 - 39	12	11
under 30	14	13
51-54	15	14
For every extra 5	+1	+1
160 and above	37	n/a
165 and above	n/a	37

For fully diesel cars generally add a 4% supplement (unless the car is registered on or after 1 September 2017 and meets the Euro 6d emissions standard) but the maximum is still 37%. For emissions of 75g/km or more if the CO_2 figure does not end in a 5 or 0 round down to the nearest 5 or 0.

	2021/22
Car fuel benefit	£24,600
Van benefit	£3,500
Van fuel benefit	£669

NATIONAL INSURANCE

2021/22 Class 1 (employed) rates

Employee		Employer	
Earnings per week	**%**	**Earnings per week**	**%**
Up to £184	Nil	Up to £170	Nil
£184.01 - £967	12	Over £170	13.8
Over £967	2		

Entitlement to contribution-based benefits for employees retained for earnings between £120 and £184 per week. The employer rate is 0% for employees under 21 and apprentices under 25 on earnings up to £967 per week.

Class 1A (employers)	13.8% on employee taxable benefits
Class 1B (employers)	13.8% on PAYE Settlement Agreements
Class 2 (self-employed)	flat rate per week £3.05 small profits threshold £6,515 per annum
Class 3 (voluntary)	flat rate per week £15.40
Class 4 (self-employed)	9% on profits between £9,568 and £50,270 plus 2% on profits over £50,270

STAMP DUTY LAND TAX

Land and buildings in England and N. Ireland

Residential rates may be increased by 3% where further residential properties are acquired.

Residential Band £	Rate %	Non-residential Band £	Rate %
0 - 500,000*	0	0 - 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		

**£250,000 from 1 July 2021. From 1 October 2021, 0% up to £125,000, 2% from £125,001 - £250,000 and 5% from £250,001 - £925,000.*

CAPITAL GAINS TAX

Individuals	**2021/22**	**2020/21**
Exemption	£12,300	£12,300
Standard rate	10%	10%
Higher/additional rate	20%	20%
Trusts		
Exemption	£6,150	£6,150
Rate	20%	20%

Higher rates (18/28%) may apply to the disposal of certain residential property and carried interest.

Business Asset Disposal Relief

The first £1m of qualifying gains are charged at 10%.

INHERITANCE TAX

Death rate	Lifetime rate	Chargeable transfers 2021/22 and 2020/21
Nil	Nil	0 - £325,000 (nil rate band)
40%	20%	Over £325,000

A further nil rate band of £175,000 may be available in relation to current or former residences.

CORPORATION TAX

	Rate %		Rate %
Year to 31.3.22	19	Year to 31.3.21	19

Different rates apply for ring-fenced (broadly oil industry) profit.

CAPITAL ALLOWANCES

Corporation tax super-deduction on certain plant and machinery	**130%**
First Year Allowance (FYA) on certain plant, machinery and cars of 0g/km	**100%**
Corporation tax FYA on long-life assets, integral features of buildings, etc.	**50%**
Annual Investment Allowance (AIA) £1,000,000 (£200,000 from 1 January 2022) Excludes cars	
Writing Down Allowance	
Long-life assets, integral features of buildings, cars over 50g/km	**6%**
Other plant and machinery	**18%**
Structures and Buildings Allowance	**3%**

PENSIONS

	2021/22	2020/21
Lifetime Allowance limit	£1,073,100	£1,073,100
Annual Allowance limit	£40,000	£40,000
Money Purchase Annual Allowance	£4,000	£4,000

VALUE ADDED TAX

	From 1.4.21	From 1.4.20
Standard rate	20%	20%
Reduced rate	5%*	5%
Annual Registration Limit	£85,000	£85,000
Annual Deregistration Limit	£83,000	£83,000

**12.5% for hospitality and tourism from 1 October 2021 - 31 March 2022.*

Disclaimer: Rates are for guidance only. No responsibility for loss occasioned by any person acting/refraining from action as a result of this information can be accepted by the authors or firm.

SELECTED RATES

	2021/22	2020/21
Weekly benefit	**£**	**£**
Basic State Pension	137.60	134.25
New State Pension	179.60	175.20
Statutory pay standard rates		
- average weekly earnings £120 (£120) or over		
Sick Pay	96.35	95.85
Maternity/Adoption Pay	151.97	151.20
Shared Parental Pay	151.97	151.20
Paternity Pay	151.97	151.20

National Living Wage and National Minimum Wage

Age	NLW	21-22	18-20	16-17	Apprentices
From 1 April 2021	£8.91	£8.36	£6.56	£4.62	£4.30

Applies to apprentices under 19, or 19 and over in the first year of apprenticeship. NLW applies to those aged 23 and over.

TAX RELIEFS FOR INDIVIDUALS

2021/22 and 2020/21

Enterprise Investment Scheme (EIS)
Relief on investments in certain unquoted trading companies up to £1m per annum (£2m for knowledge intensive companies):

• Income tax relief at 30% • Capital gains exemption on disposal

Unlimited amounts of capital gains from the disposal of other assets may be able to be deferred by making an EIS investment.

Seed Enterprise Investment Scheme (SEIS)
Relief on investments in certain unquoted trading companies up to £100,000 per annum:

• Income tax relief at 50% • Capital gains exemption on disposal

Capital gains from the disposal of other assets may be exempt up to £50,000 per annum by making an SEIS investment.

Venture Capital Trusts (VCTs)
Relief on investments in certain quoted companies up to £200,000 per annum:

• Income tax relief at 30% • Capital gains exemption on disposal

Dividends received from VCTs may be exempt from income tax.

All reliefs subject to detailed conditions being met.