

Tax & Benefit Tables 2020-21

A Summary Guide



5th April 2020 - 6th April 2021

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Personal Income Taxes

Income Tax Rates

Tax Bands	Band Start	Band End	Tax Rate	Income Total	Dividend Rate
Nil Rate	£0	£12 500	0%	£12 500	0.0%
Basic Rate	£12 500	£37 500	20%	£50 000	7.5%
Basic Rate Income Tax Allowance of £12,500 is reduced by £1 for each £2 Income above £100,00.					
Higher Rate	£37 000	£150 000	40%	112,500	32.5%
Additional Rate	£150 000	None	45%	£150 000	38.0%
Interest Allowance	£0	£5 000	0.0%	Total Income > £17,500	
Personal Savings Allowance	£0	£1 000	0.0%	Nil & Basic Rate Tax Payers	
Personal Savings Allowance	£0	£500	0.0%	Higher Rate Tax Payers	
Dividend Allowance	£0	£2 000	0.0%	Nil & All Tax Payers	

Other Tax Allowances

Consideration	Threshold	Tax Rate / Relief	Conditions
Rent a Room	£7 500	0%	Individual/Joint Income Allocation
Property Rental Allowance	£1 000	0%	Each Rented Property
Venture Capital Trusts	£200 000	30%	
Enterprise Investment Schemes	£1 000 000	30%	
Venture Capital Trusts	£100 000	50%	

National Insurance Contribution Thresholds (Monthly)

Class	Contributor	Band	Rate
1	Employed	£6 240	0.0%
		£9 504	12.0%
		£50 000	2.0%
1A	Voluntary	Any	£63.48
2	Self Employed	Stamp Rate	2.45%
4		£6 475	0.0%
		£9 500	9.0%
		£50 000	2.0%

Monthly Rates Annualised.
NIC's are paid as a statutory requirement by all UK Income Tax Residents

Capital Gains Tax

Tax Bands	Annual Threshold	Tax Rate
Nil & Basic Rate Tax Payers	£12 300	10%
Higher Rate Tax Payers	£12 300	20%
Govt Gilts & Corporate Bonds	Unlimited	0%
Seed Enterprise Investment Schemes	£100 000	0%
Enterprise Investment Schemes	£2 000 000	0%
Chattels (Personal Valuables)	£6 000	0%
Trustees	£5 450	20%

Capital Gains Tax is only applied as and when any such gains are materialised. Although any unused Annual Allowance cannot be carried forward; any materialised losses in the previous 6 years can be brought forward and offset against a current year gain.

Stamped Taxes (Duties)

<i>Tax</i>	<i>Threshold</i>	<i>Tax Rate</i>
VAT (Standard Charge Rate)	None	20%
VAT Registration Threshold	£79 000	
Stamp Duty Land Tax (1st Time Buyers)	£0 - £300,000	0%
Stamp Duty Land Tax (Other)	£0 - £125,000	0%
	£125,000 - £250,000	2%
	£250,000 - £925,000	5%
	£925,000 - £1,500,000	10%
	£1,000,000 - £1,500,000	10%
	£1,500,000 +	12%
Stamp Duty Reserve Tax (Stocks & Shares)	None	0.5%

Purchase Values upto £1,000 are Exempt.

ISA Contributions (Individual Savings Accounts)

<i>Consideration</i>	<i>Annual Allowance</i>	<i>Tax Rate *</i>
Adult ISA (Age 18)	£20 000	0%
Junior ISA (Age 17)	£9 000	0%

Personal/Employer Pension Contributions

Annual Allowances	Gross Allowance	Maximum Tax Relief	
Minimum Personal Allowance	£3 600	20%	Reduces to £4,000 within Drawdown.
Maximum Personal Allowance	£40,000 or 100% Earnings	20% / 40%	
Contributions in excess of the Annual Allowance are subject to Taxation at Individual Income Tax Rates			

Lifetime Allowances	Gross Allowance	Maximum Tax Surcharge
Maximum Lifetime Allowance	£1 000 000	25% TFC + 75% Income Tax Rates
Trivial Commutation	£18 000	
Pension Capital Values in excess of the Lifetime Allowance are subject to 25% Income Drawdown Tax or 50% Capital Withdrawal Tax.		
Trivial Commutation includes ALL Personal/Employer Pensions, and must be exercised within any ONE year from Age 60 to 74 only. Benefits remitted as Tax Free Capital Sum (25%) + Residual Capital Balance (75%).		

State Pension & Child Benefit (Annualy)

Benefit	Gross Amount	Qualifying Years & Criteria
Basic State Pension	£6 981.00	30 Years
New State Pension	£9 110.00	35 Years
Pension Deferral	10.4% Annualy	Pension Income or Cash Lump Sum (25% TFC)

Child Benefit (Family)	Only Child @ £20.70 Week Subsequent Child @ £13.70 Week
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Inheritance Tax

UK Status *	Maximum Allowance	Allowance Period	Tax Rate
UK Domiciled Individuals	£325 000 Estate + £100,000 Main Residence	Lifetime	0%
			40%
UK Domiciled Couples	£650 000 Estate + £200,000 Main Residence		0%
			40%

Individuals are 'Deemed Domicile' if UK Resident 17+ Years of 20 Years preceding Death.

Residual Estate IHT is reduced to 36% if Charity Donation equals 10% or more of Gross Estate Value.

Potentially Exempt Transfers	Years Preceding Death	IHT Rate Reduction	
UK Domiciled & Non UK Domiciled Individuals & Couples	0 - 3 Years	0%	Full IHT Charge @ 40%
	3 - 4 Years	20%	
	4 - 5 Years	40%	
	5 - 6 Years	60%	
	6 - 7 Years	80%	
	7 Years +	100%	No IHT Charge (0%)

Exempt Transfers	Exemption	Basis
Capital Gifts	£3 000	Single Annual Gift
Wedding Gifts	£5 000	Each Son/Daughter
Small Gifts	£250	Each Person Annually (Unlimited)
Registered Charities *	Unlimited	Full PAYE Personal / Corporation Tax Relief

Charities can reclaim Basic Rate Income Tax ; and Individuals/Businesses can reclaim Full Income/Corporation Tax Relief.

General Notes

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