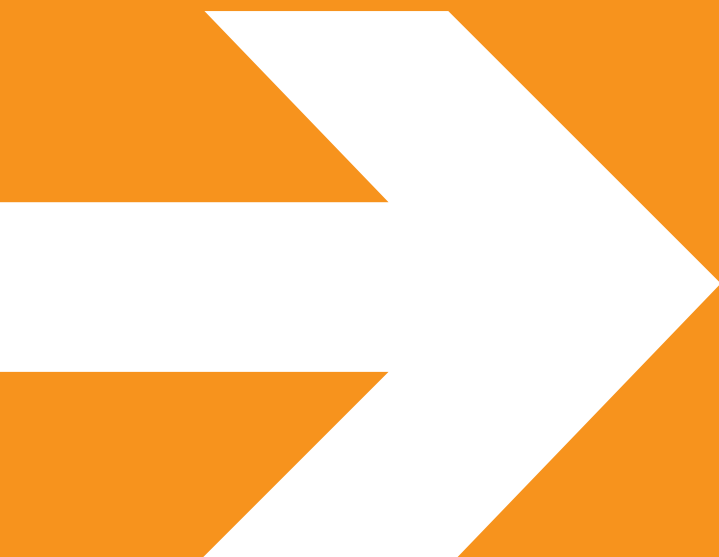


# TAX GUIDE

2016/17



**adviser-hub**

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Nexus IFA Ltd is an appointed representative of The Whitechurch Network Ltd.  
which is authorised & regulated by the Financial Conduct Authority

# INCOME TAX

INDIVIDUAL ALLOWANCES & RELIEFS	2015/16	2016/17
Personal (irrespective of age)	£10,600	£11,000
Married couples/civil partners	£3,220	£3,220
Income limit for personal allowance*	£100,000	£100,000
Income limit for age-related allowance**	£27,700	£27,700
Dividend allowance***	-	£5,000

\* 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.

\*\* The age-related Personal Allowance reduces where the income is above £27,700 - by £1 for every £2 above the limit, but does not fall below £10,600 unless the £100,000 income limit applies.

\*\*\* From 2016/17, the 10% notional dividend tax credit has been abolished and a Dividend Allowance of £5,000 per year (rate of 0%) has been introduced.

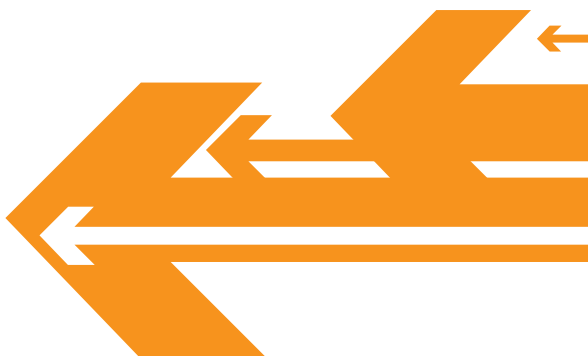
RATES	2015/16	2016/17
STARTING RATE FOR SAVINGS ONLY*	0%	0%
on taxable interest between	£0-5,000	£0-5,000

BASIC RATE	20%	20%
on taxable earnings between	£0-31,785	£0-32,000

HIGHER RATE	40%	40%
on taxable earnings between	£31,786-150,000	£32,001-150,000

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

\* This allowance applies to the first £5,000 of savings income only. If non-savings income already exceeds this level then the starting rate on savings income will not apply.



# NATIONAL INSURANCE CONTRIBUTIONS

EMPLOYED	2015/16	2016/17
Class 1		
Lower earnings limit (LEL)	£112pw	£112pw
Earnings threshold (ET)	£155pw	£155pw
Upper earnings limit (UEL)	£815pw	£827pw

RATES 2016/17	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%

SELF EMPLOYED		
Class 2 flat rate	£2.80pw	-
Small earnings exception	£5,965pa	-
Class 3 (Voluntary)	£14.10pw	-
Class 4 rate on profits		
£8,061 – £43,000	9%	-
Over £43,000	2%	-

# CAPITAL GAINS TAX

	2015/16	2016/17
Annual allowance	£11,100	£11,100

## RATES

Basic rate income tax payers	18%	10%
Higher rate income tax payers	28%	20%
Certain trusts & estates	28%	20%

## ENTREPRENEURS RELIEF:

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

# INHERITANCE TAX

NIL RATE BAND – INDIVIDUAL	2015/16	2016/17
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

\* From 6 April 2012, people who leave 10% or more of their net estate to charity can choose to pay a reduced rate of Inheritance Tax of 36%.

## INVESTMENT ALLOWANCES & RELIEFS

INDIVIDUAL SAVINGS ACCOUNTS	2015/16	2016/17
Annual allowance (total)	£15,240	£15,240
Maximum in cash	£15,240	£15,240

VENTURE CAPITAL TRUSTS (30%)		
Investment allowance	£200,000	£200,000

ENTERPRISE INVESTMENT SCHEMES (30%)		
Investment allowance	£1,000,000	£1,000,000

PENSION SCHEMES		
Minimum allowable annual contribution	£3,600	£3,600
Maximum allowable annual contribution (or 100% of earnings, whichever is the lower)*	£40,000	£40,000
Lifetime allowance	£1.25m	£1m
Maximum pension commencement lump sum	25% of fund value	25% of fund value
Tax on excess	Marginal rate	Marginal rate
Lifetime allowance charge (for excess drawn as income)	25%	25%
Annual allowance charge on excess	Marginal rate	Marginal rate

\* From 2016/17, annual allowance is reduced by £1 for every £2 of income over £150,000 (to a minimum of £10,000).

## CORPORATION TAX

	2015	2016
All profits	20%	20%
Special rate: unit trusts & OEICs	20%	20%

## USEFUL DATES

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### Submission of self-assessment forms

Paper tax returns:	31 October
Online self-assessment:	31 January

### PAYMENT DATES

31 Jan 2016	50% down-payment on tax for 2015/16 earnings (based on earnings for 2014/15) plus final payment date for any remaining 2014/15 tax year liability
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31 Jul 2016	Balance of tax payable for tax year 2015/16
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31 Jan 2017	Final payment date for any remaining 2015/16 tax year liability, plus 50% down-payment on tax liability for 2016/17
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### INHERITANCE TAX

Liability on death	Normally 6 months from end of month in which death occurred
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Liability on lifetime transfers	for transfers made between 6 Apr and 30 Sep, tax should be paid by 30 Apr in the following year. For transfers made between 1 Oct and 5 Apr, tax should be paid six months after the end of the month of transfer
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#### Liability on lifetime transfers

For transfers made between 6 Apr and 30 Sep, tax should be paid by 30 Apr in the following year. For transfers made between 1 Oct and 5 Apr, tax should be paid six months after the end of the month of the transfer

### CORPORATION TAX

Self-assessment	Within 9 months and 1 day of the end of the accounting period
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Instalments	Normally payable in quarterly instalments (where profits exceed £1.5m) after start of accounting period
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*Instalments are not required from growing companies where profits are below £10m and the company was classified as small or medium in the previous year*

**For information only.** The rates and allowances are subject to our understanding of legislation as at March 2016 and are subject to change. We recommend you always seek professional advice before making any investment decision.