



COCKBURN LUCAS
INDEPENDENT FINANCIAL CONSULTING

TAX GUIDE

2015/16



INCOME TAX

INDIVIDUAL ALLOWANCES & RELIEFS	2014/15	2015/16
Personal (basic)*	£10,000	£10,600
Personal (born between 6 Apr 1938 and 5 Apr 1948)* **	£10,500	£10,600
Personal (born before 6 Apr 1938)* **	£10,660	£10,660
Married couples/civil partners	£3,140	£3,220
Income limit for personal allowance	£100,000	£100,000
Income limit for age-related allowance	£27,000	£27,700

* 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.

** These allowances reduce where the income is above the income limit by £1 for every £2 of income above the limit. The Personal Allowance for people aged 65 and over can be reduced below the basic Personal Allowance where the income is above £100,000.

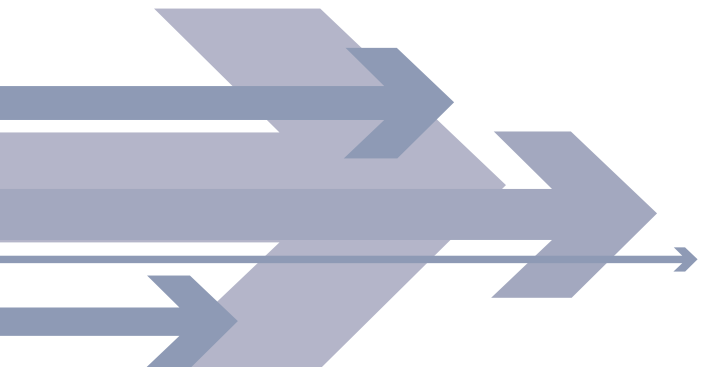
RATES	2014/15	2015/16
STARTING RATE FOR SAVINGS ONLY *	10%	0%
on taxable interest between	£0-2,880	£0-5,000

BASIC RATE	20%	20%
on taxable earnings between	£0-31,865	£0-31,785

HIGHER RATE	40%	40%
on taxable earnings between	£31,866-150,000	£31,786-150,000

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

* This allowance applies to savings income only. If non-savings income already exceeds this level then the starting rate on savings income will not apply.



USEFUL DATES

Submission of self-assessment forms

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

PAYMENT DATES

31 Jan 2015	50% down-payment on tax for 2014/15 earnings (based on earnings for 2013/14)
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31 Jul 2015	Balance of tax payable for tax year 2014/15
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31 Jan 2016	Final payment date for any remaining 2014/15 tax year liability, plus 50% down-payment on tax liability for 2015/16
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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 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 April 2015 and are subject to change. We recommend you always seek professional advice before making any investment decision.

NATIONAL INSURANCE CONTRIBUTIONS

EMPLOYED	2014/15	2015/16
Class 1 non-contracted out		
Lower earnings limit (LEL)	£111pw	£112pw
Earnings threshold (ET)	£153pw	£155pw
Upper accrual point (UAP)	£770pw	£770pw
Upper earnings limit (UEL)	£805pw	£815pw

RATES 2015/16	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%

CONTRACTED OUT REBATES (EARNINGS BETWEEN LEL & UAP)	Employee	Employer
Salary-related schemes	1.40%	3.40%
Money purchase schemes	-	-

SELF EMPLOYED		
Class 2 flat rate	£2.80pw	-
Small earnings exception	£5,965pa	-
Class 3 (Voluntary)	£14.10pw	-
Class 4 rate on profits		
£8,060 – £42,385	9%	-
Over £42,385	2%	-

CAPITAL GAINS TAX

	2014/15	2015/16
Annual exempt amount	£11,000	£11,100

RATES

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

ENTREPRENEURS RELIEF:

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

INHERITANCE TAX

NIL RATE BAND – INDIVIDUAL	2014/15	2015/16
Nil rate band – individual	£325,000*	£325,000*
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

*If someone's estate is less than the Inheritance Tax threshold of £325,000, the remaining threshold can be transferred to their husband, wife or civil partner's estate when they die - even if they remarried.

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

INVESTMENT ALLOWANCES & RELIEFS

INDIVIDUAL SAVINGS ACCOUNTS	2014/15	2015/16
Annual allowance (total)	£15,000	£15,240
Maximum in cash	£15,000	£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		
Maximum contribution if earnings below £3,600 p.a	£3,600	£3,600
Maximum allowable annual contribution (or 100% of earnings, whichever is the lower)	£40,000	£40,000
Lifetime allowance	£1.25m	£1.25m
Maximum pension commencement lump sum	25% of fund value	25% of fund value
Tax on excess	55%	Marginal rate
Lifetime allowance charge (for excess drawn as income)	25%	25%
Annual allowance charge on excess	40%	40%

CORPORATION TAX

	2014	2015
Small profits rate	20%	20%
Companies with profits not exceeding	£300,000	N/A
Marginal relief, lower limit	£300,000	N/A
Marginal relief, upper limit	£1,500,000	N/A
Standard fraction	1/400	N/A
Main rate	21%	20%

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