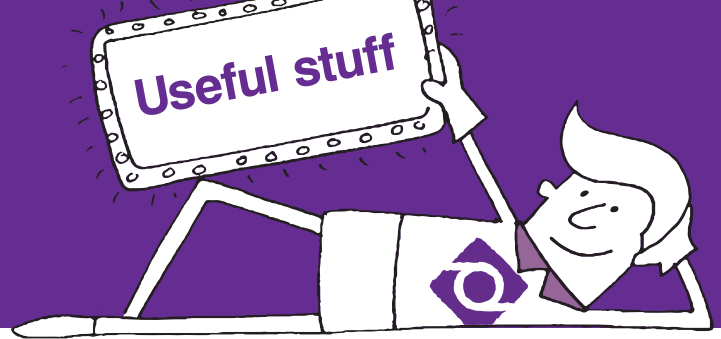


# Tax Fact Card 2020/2021



## National Insurance Contributions Class 1

Pay Frequency	Lower Earnings Limit	Primary Earnings Threshold	Secondary Earnings Threshold	Upper Earnings Limit
Weekly	£120	£183	£169	£962
Monthly	£520	£792	£732	£4,167
Annual	£6,240	£9,500	£8,788	£50,000

Category Letter	Employee Earnings above PT to UEL	Employee Earnings above ST to UEL	Employee Earnings above UEL
A Standard Rate	0%	12%	2%
B Reduced Rate	0%	5.85%	2%
C Above SPA	Nil	Nil	Nil
H (apprentice aged under 25)	0%	12%	2%
J (deferment)	0%	2%	2%
M (under 21)	0%	12%	2%
Z (deferment for employees under 21)	0%	2%	2%

NI rebates have ceased following the abolition of contracting out from 6 April 2016.

### Class 1A

Payable by employers for benefits provided to employees in the 2018/19 tax year, at a rate of 13.8% on most taxable benefits. Applicable even where benefits have been processed through the payroll in 2018/19.

#### Contribution Deadlines

If posted	19 July
If electronic payment used	22 July

### Class 1B

Paid by employers for PAYE settlement agreements in 2018/19, at a rate of 13.8% on most taxable benefits.

#### Contribution Deadlines

If posted	19 October
If electronic payment used	22 October

### Other classes of NI

Class 2 flat rate for self-employed	£3.05
Class 2 small earnings exception per year	£6,475
Special Class 2 rate for share fishermen	£3.70
Special Class 2 rate for volunteer development workers	£6.00
Class 3 Voluntary	£15.30
Class 4 lower profits limit per year	£9,500
Class 4 upper profits limit per year	£50,000
Class 4 rate between lower profits limit and upper profits limit	9%
Class 4 rate above upper profits limit	2%

## Income Tax Rates

UK Rate	%	Earnings range
Basic rate	20%	£1 to £37,500
Higher rate	40%	£37,501 to £150,000
Additional Rate	45%	£150,001 and above

## Scottish Rate

Scottish Rate	%	Earnings range
Personal Allowance	0%	up to £12,000
Starter Rate	19%	£12,501 to £14,549
Basic Rate	20%	£14,550 to £24,994
Intermediate Rate	21%	£24,945 to £43,430
Higher Rate	41%	£43,431 to £150,000
Top Rate	46%	£150,001 and above

## Personal Income Tax Allowances

Personal Allowance*	£12,500
Marriage Allowance	£9,075
Blind Person's Allowance	£2,500
Dividend Allowance	£2,000
Personal Savings Allowance for basic rate taxpayers	£1,000
Personal Savings Allowance for higher rate taxpayers	£500

Married Couples' Allowance for those born before 6 April 1935:

Maximum amount of Married Couple's Allowance	£9,075
Minimum amount of Married Couple's Allowance	£3,510
Income limit for Married Couple's Allowance	£29,600

\*A Personal Allowance goes down by £1 for every £2 that an individual's adjusted net income is over £100,000, meaning that an individual's allowance is zero if their income is £125,000 or higher.

## Tax Codes

Code	Effect
OT	Deducts 20% at the basic rate, 40% at the higher rate and 45% at the additional rate, with no Personal Allowance.
BR	Deducts tax at a flat rate of 20%, with no Personal Allowance.
D0	Deducts tax at a flat rate of 40%, with no Personal Allowance.
D1	Deducts tax at a flat rate of 45%, with no Personal Allowance.
L	Entitles the employee to the basic Personal Allowance.
M	Ensures that the employee receives a transfer of 10% of their partner's Personal Allowance
N	Means that the employee has transferred 10% of their Personal Allowance to their partner.
NT	Deducts zero tax on this income.
S	Deducts tax according to the Scottish rate of Income Tax.

## Student Loan Deductions

There will be an additional loan deduction – the original Student Loan will be known as Plan 1, with an Earnings Threshold of £18,935. The new Loan type will be Plan 2 with an Earnings Threshold of £25,725. A revised Starter Checklist will ask which plan graduates are on – if the employee does not know, then employers must use Plan 1 until HMRC inform otherwise.

Student Loan Deductions are payable at a rate of 9%.

## National Minimum and National Living Wage

	April 2020
25 and over	£8.72
21-24	£8.20
Development rate (inc 18-20 year olds)	£6.45
Under 18 but over compulsory school age	£4.55
Apprentices under 19 or in first year	£4.15

## Statutory Maternity Pay & Statutory Adoption Pay

Standard Rate	£151.20
Higher Rate	90% of average weekly earnings

## Statutory Sick Pay (SSP)

Minimum average earnings	£95.85
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## SMP, SAP, OSPP & ShPP Recovery (PAYE Scheme)

Class 1 NICs paid	Amount recoverable
Over £45,000	92%
£45,000 and under	103%

## Statutory Redundancy Pay\*

Time Period	Redundancy Pay
Each complete year of service between the ages of 18 and 21	Half a week's pay
Each complete year of service between the ages of 22 and 40	1 week's pay
Each complete year of service between the ages of 41 and 65	1.5 week's pay

\*Employees are only eligible for Statutory Redundancy Pay if they have worked for the employer for 2 years or longer.

## Child Care Vouchers

	2020/2021 (Basic Rate)	2020/2021 (Higher Rate)	2020/2021 (Additional Rate)
Weekly Limit	£55	£28	£25
Monthly Equivalent	£243	£124	£110

From 28th April 2017, a new Tax Free Childcare Scheme will kick into effect (where, for every 80p the parents put into an account, the Government will put in 20p). This will not require any input from employers and will prevent employees from entering into a CCV scheme.

## Pension Scheme Allowances

Annual allowance*	£40,000
Lifetime allowance	£1,073,000

Relief on the contribution is granted at the taxpayer's marginal rate of tax.

\*The annual allowance will be reduced by £1 for every £2 by which an individual's income exceeds £150,000, subject to a maximum reduction of £30,000. Pension input periods are now aligned to tax years (this became effective on 8 July 2015).

## Employment Allowances

Annual allowance	£4,000 (limit for NI bills of less than £100,000)
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Single Director-only payrolls, where the Director is the only employee, are no longer eligible.

## Company Cars

CO2 Band	Electric	2020-21	2021-22	2022-23
0	n/a	0	1	2
1-50	>130 miles	2	2	2
1-50	>70-129 miles	5	5	5
1-50	>40-69 miles	8	8	8
1-50	>30-39 miles	12	12	12
1-50	>30 miles	14	14	14
51-54		15	15	15
55-59		16	16	16
60-64		17	17	17
65-69		18	18	18
70-74		19	19	19
75-79		20	20	20
80-84		21	21	21
85-89		22	22	22
90-94		23	23	23
95-99		24	24	24
100-104		25	25	25
105-109		26	26	26
110-114		27	27	27
115-119		28	28	28
120-124		29	29	29
125-129		30	30	30
130-134		31	31	31
135-139		32	32	32
140-144		33	33	33
145-149		34	34	34
150-154		35	35	35
155-159		36	36	36
160 or more		37	37	37

The Diesel Supplement has increased to 4%.

## Ultra Low Emission Vehicles (ULEVs)

CO2 Emissions (g/km)	Electric Range (Miles)	%
0	n/a	0
1-50	>130 miles	0
1-50	>70-129 miles	3
1-50	>40-69 miles	6
1-50	>30-39 miles	10
1-50	>30 miles	12
51-54		13
55-59		14
60-64		15
65-69		16
70-74		17
75-79		18
80-84		19
85-89		20
90-94		21
95-99		22
100-104		23
105-109		24
110-114		25
115-119		26
120-124		27
125-129		28
130-134		29
135-139		30
140-144		31
145-149		32
150-154		33
155-159		34
160-164		35
165-169		36
170 or more		37

## Car Fuel Benefits

The charge to tax for fuel provided for private use in a company car is based on the same percentages as above, multiplied by a value of £24,100 for 2019/2020 and £23,400 for 2018/2019.

## Van and Van Fuel Benefits

The Van Benefit Charge has increased to £3,490 for 2020/2021 and the Van Fuel Benefit to £666pa.

Vans which do not emit CO2 when driven incur a Van Benefit Charge of £2,792.

## Advisory Fuel Rates for Company Cars

These rates apply to all journeys on or after 1 March 2019.

Engine Size	Petrol	LPG
1400cc or less	12p	8p
1401cc to 2000cc	14p	9p
Over 2000cc	21p	14p

Engine Size	Diesel
1600cc or less	9p
1601cc to 2000cc	11p
Over 2000cc	14p

These rates are reviewed on a quarterly basis (in March, June, September and December) by HMRC; for the most up-to-date rates, it is recommended that you refer to the HMRC website at [www.hmrc.gov.uk](http://www.hmrc.gov.uk).

## Private Vehicles

	Per mile
Cars First 10,000	45p
Additional business miles	25p
Motor cycles	24p
Pedal cycles	20p
Passenger payments	5p

## Payrolling Benefits in Kind 2020/2021

The Advisory Electricity Rate for fully electric cars is 4 pence per mile.

Electricity is not a fuel for car fuel benefit purposes.

Employers can decide whether to payroll their Benefits in Kind (BIK) for the 2020/2021 Tax Year. All BIKs can be payrolled, except Living Accommodation, Credit Cards & Vouchers and Beneficial Loans.

Employers can choose which benefits to payroll and which employees to exclude (e.g. because they are on long term sick leave or sabbatical with no pay – or because the employee does not want to have benefits payrolled.)

In order to payroll BIKs for 2020/2021, employers must have registered with HMRC before 5 April 2020; any current dispensation will cease on this date.

## Expenses Exemptions

Dispensations are replaced by Expenses Exemptions (excluding for benefits which are payrolled – see 'Payrolling Benefits in Kind 2017/18')

Employers must decide what does not need to go on a P11D as a business expense and ensure they have an expense policy.

Every effort is made to ensure the accuracy of the information in this booklet. However, it should not be relied upon to replace specific professional advice or reference to actual legislation.

The information contained in this booklet is based upon the Budget Statement which may be altered in the course of its passage through Parliament.

No responsibility for loss occasioned by any person acting or refraining from action as a result of the information contained in this booklet can be accepted by the firm.

## Trivial Benefits

Trivial Benefits are all benefits amounting to under £50 including VAT. Cash cannot be categorised as a Trivial Benefit, but gift vouchers can. Trivial Benefits must be available to all employees.

## Homeworker Tax Free Allowances

HMRC continues to allow employers to pay £4 per week tax free, to compensate for the additional domestic costs incurred when an employee works regularly from home. This equates to £18 where paid monthly.

## Useful Websites

Department for Work and Pensions [www.dwp.gov.uk](http://www.dwp.gov.uk)  
HM Revenue and Customs (HMRC) [www.hmrc.gov.uk](http://www.hmrc.gov.uk)  
Gov.uk [www.gov.uk](http://www.gov.uk)

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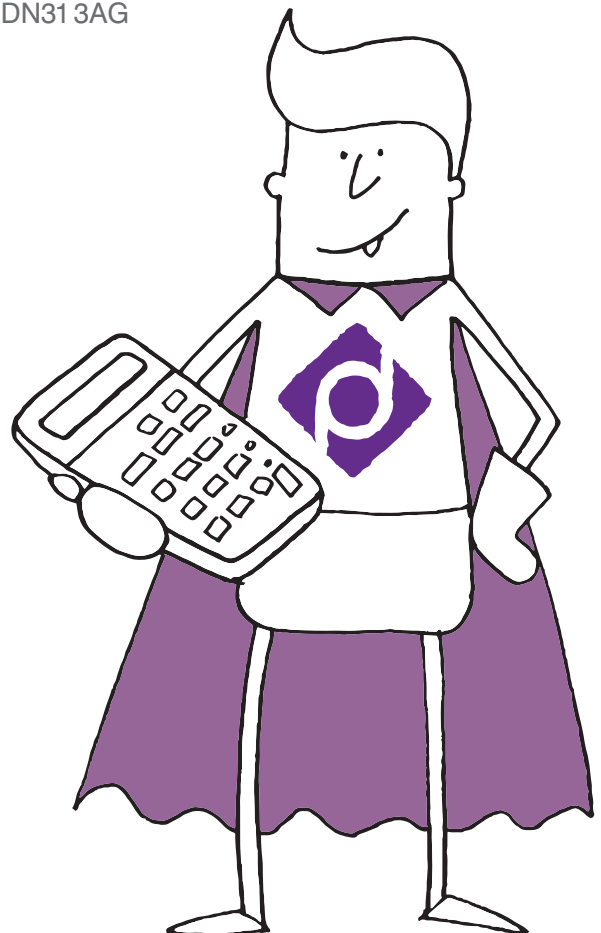
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