

# Tax Facts

# 2021/2022

July update

## INCOME TAX

	21/22	20/21
<b>Main personal allowances and reliefs</b>		
Personal allowance*	£12,570	£12,500
Marriage/civil partner's transferable allowance	£1,260	£1,250
Married couple's/civil partner's allowance at 10%† (if at least one born before 6/4/35) – maximum	£9,125	£9,075
– minimum	£3,530	£3,510
Blind person's allowance	£2,520	£2,500
Rent-a-room relief	£7,500	£7,500
Property allowance and trading allowance (each)	£1,000	£1,000

\*Personal allowance reduced by £1 for every £2 of adjusted net income over £100,000

†Married couple's/civil partner's allowance reduced by £1 for every £2 of adjusted net income over £30,400 (£30,200 for 20/21), until minimum reached

	21/22	20/21
<b>UK taxpayers' non-dividend, non-savings income</b>		
20% basic rate on first slice of taxable income up to	£37,700	£37,500
40% higher rate on next slice of taxable income over	£37,700	£37,500
45% additional rate on taxable income over	£150,000	£150,000

### All UK taxpayers

Starting rate at 0% on band of savings income up to**	£5,000	£5,000	
Personal savings allowance at 0%:			
Basic rate	£1,000	£1,000	
Higher rate	£500	£500	
Additional rate	£0	£0	
Dividend allowance at 0%:	All individuals	£2,000	£2,000
Tax rates on dividend income:			
Basic rate	7.5%	7.5%	
Higher rate	32.5%	32.5%	
Additional rate	38.1%	38.1%	
Trusts: Standard rate band generally	£1,000	£1,000	
Rate applicable to trusts:			
Dividends	38.1%	38.1%	
Other income	45%	45%	

\*\*Not available if taxable non-savings income exceeds the starting rate band

Rates and bands differ for Scottish taxpayers.

**High Income Child Benefit Charge**, 1% of benefit per £100 of adjusted net income between £50,000 – £60,000

**Non-domicile remittance basis charge after UK residence in at least:**

7 of the last 9 tax years	£30,000	£30,000
12 of the last 14 tax years	£60,000	£60,000

## REGISTERED PENSIONS

	21/22	20/21
Lifetime allowance	£1,073,100	£1,073,100
Money purchase annual allowance	£4,000	£4,000
Annual allowance*	£40,000	£40,000

Annual allowance charge on excess is at applicable tax rate(s) on earnings

Lifetime allowance charge if excess is drawn as cash: 55%; as income: 25%

Pension commencement lump sum up to 25% of pension benefit value

\*Reduced by £1 for every £2 of adjusted income over £240,000 to a minimum of £4,000, subject to threshold income being over £200,000

## STATE PENSIONS

	Annual	Weekly
New state pension – where state pension age reached after 5/4/16	£9,339.20	£179.60
Basic state pension – single person*	£7,155.20	£137.60
Basic state pension – spouse/civil partner*	£4,287.40	£82.45

\*State pension age reached before 6/4/16

## TAX INCENTIVISED INVESTMENT

<b>Total Individual Savings Account (ISA) limit excluding Junior ISAs (JISAs)</b>	<b>21/22</b>	<b>20/21</b>
Lifetime ISA	£20,000	£20,000
JISA and Child Trust Fund	£4,000	£4,000
<b>Venture Capital Trust (VCT) at 30%</b>	£9,000	£9,000
<b>Enterprise Investment Scheme (EIS) at 30%*</b>	£200,000	£200,000
EIS eligible for CGT deferral relief	£2,000,000	£2,000,000
<b>Seed EIS (SEIS) at 50%</b>	No limit	No limit
SEIS CGT reinvestment relief	£100,000	£100,000
	50%	50%

\*Above £1,000,000 investment must be in knowledge-intensive companies

## NATIONAL INSURANCE CONTRIBUTIONS

<b>Class 1</b>	<b>Employee</b>	<b>Employer</b>	
NICs rate	12%	13.8%	
No NICs for employees generally on the first	£184 pw	£170 pw	
No NICs for younger/veteran employees* on the first	£184 pw	£967 pw	
NICs rate charged up to	£967 pw	No limit	
2% NICs on earnings over	£967 pw	N/A	
<b>Employment Allowance</b>		£4,000	
Per business – not available if sole employee is a director or employer's NICs for 20/21		£100,000 or more	
<b>Limits and Thresholds</b>	<b>Weekly</b>	<b>Monthly</b>	<b>Annual</b>
Lower earnings limit	£120	£520	£6,240
Primary threshold	£184	£797	£9,568
Secondary threshold	£170	£737	£8,840
Upper earnings limit			
(and upper secondary thresholds*)	£967	£4,189	£50,270

\*Employees generally under 21 years and apprentices under 25 years. Veterans in first 12 months of civilian employment from April 2021

<b>Class 1A Employer</b> On car and fuel benefits and most other taxable benefits provided to employees and directors		13.8%
<b>Class 2 Self-employed</b> Flat rate per week	£3.05	(£158.60 pa)
<b>Small profits threshold</b>		
No compulsory NICs if annual profits less than		£6,515
<b>Class 4 Self-employed</b> On annual profits of	£9,568 to £50,270:	9%
	Over £50,270:	2%
<b>Class 3</b> Voluntary flat rate per week		£15.40 (£800.80 pa)

## CAPITAL GAINS TAX

<b>Tax Rates – Individuals</b>	<b>21/22</b>	<b>20/21</b>
Below UK higher rate income tax band	10%	10%
Within UK higher and additional rate income tax bands	20%	20%
<b>Tax Rate – Trusts and Estates</b>	20%	20%
<b>Surcharge</b> for residential property and carried interest	8%	8%
<b>Exemptions</b>		
Annual exempt amount: Individuals, estates, etc	£12,300	£12,300
Trusts generally	£6,150	£6,150
<b>Chattels:</b> gain limited to 5/6rds of proceeds exceeding	£6,000	£6,000
<b>Business Asset Disposal Relief</b>		
10% on lifetime limit of £1,000,000		
For trading businesses and companies (minimum 5% participation) held for at least 2 years		

## INHERITANCE TAX

	21/22	20/21
Nil-rate band*	£325,000	£325,000
Residence nil-rate band*†	£175,000	£175,000
Rate of tax on excess	40%	40%
Rate if at least 10% of net estate left to charity	36%	36%
Lifetime transfers to and from certain trusts	20%	20%
Overseas domiciled spouse/civil partner exemption	£325,000	£325,000
100% relief: businesses, unlisted/AIM companies, certain farmland/buildings		
50% relief: certain other business assets e.g. farmland let before 1/9/95		
Annual exempt gifts of:	£3,000 per donor	£250 per donee

### Tapered tax charge on lifetime gifts within 7 years of death

Years between gift and death	0–3	3–4	4–5	5–6	6–7
% of death tax charge	100	80	60	40	20

\*Up to 100% of the unused proportion of a deceased spouse's/civil partner's nil-rate band and/or residence nil-rate band can be claimed on the survivor's death

†Estates over £2,000,000: the value of the residence nil-rate band is reduced by 50% of the excess over £2,000,000

## STAMP DUTIES AND PROPERTY TRANSACTION TAXES

**Stamp Duty and SDRT:** Stocks and marketable securities 0.5%

### Additional residential and all corporate residential properties

£40,000 or more – add 3% to SDLT rate(s)

### England & N Ireland – Stamp Duty Land Tax (SDLT) on slices of value

Residential property	%	Commercial property	%
Up to £125,000*	0	Up to £150,000	0
£125,001*–£250,000*	2	£150,001–£250,000	2
£250,001*–£925,000	5	Over £250,000	5
£925,001–£1,500,000	10		
Over £1,500,000	12		

\*0% on slice up to £500,000 (8/7/20–30/6/21) and £250,000 (1/7/21–30/9/21)

**First time buyers:** 0% on first £300,000 for properties up to £500,000

**Non-resident purchasers:** 2% surcharge on properties £40,000 or more

**Residential properties** bought by companies etc over £500,000: 15% of total consideration, subject to certain exemptions

*Different Stamp Duty Land Tax Rules apply in Scotland and Wales.*

## ANNUAL TAX ON ENVELOPED DWELLINGS

Annual Tax on Enveloped Dwellings (ATED)	21/22	20/21
More than £500,000 but not over £1 million	£3,700	£3,700
More than £1 million but not over £2 million	£7,500	£7,500
More than £2 million but not over £5 million	£25,300	£25,200
More than £5 million but not over £10 million	£59,100	£58,850
More than £10 million but not over £20 million	£118,600	£118,050
More than £20 million	£237,400	£236,250

## CORPORATION TAX

	Profits	Diverted Profits	Loans to participators
Years to 31/3/22 and 31/3/21	19%	25%	32.5%

## VALUE ADDED TAX

Standard rate	20%	Domestic fuel	5%
Reduced rate on hospitality, holiday accommodation and attractions:			
15/7/20–30/9/21:	5%	1/10/21–31/3/22:	12½%
Since 1/4/17: Registration level £85,000		Deregistration	£83,000
Flat rate scheme turnover limit			£150,000
Cash and annual accounting schemes turnover limit			£1,350,000

## CAR BENEFITS

Taxable amount depends on original list price and CO<sub>2</sub> emissions in g/km.

**Zero emission cars** 1%.

**Petrol and diesel hybrids** with CO<sub>2</sub> emissions 1–50g/km

Range – electric-only miles	<30	30–39	40–69	70–129	130+
Registered pre-6/4/20 (NEDC)	14%	12%	8%	5%	2%
Registered post-5/4/20 (WLTP)	13%	11%	7%	4%	1%

**All non-diesel cars over 50g/km CO<sub>2</sub>**

Registered pre-6/4/20 (NEDC)	15%	16%*–37%
Registered post-5/4/20 (WLTP)	14%	15%*–37%

\*Increased for every extra 5g/km by 1% up to the maximum of 37%

**Diesels** not meeting RDE2 standards: add 4%, up to 37% maximum

**Fuel Benefit – taxable amount for private use**

CO <sub>2</sub> % charge used for car benefit multiplied by	21/22	20/21
	£24,600	£24,500

## VANS – FOR PRIVATE USE

Zero emission: chargeable amount	21/22	20/21
	Nil	£2,792
Other vans: chargeable amount	£3,500	£3,490
Fuel: chargeable amount	£669	£666

## TAX-FREE BUSINESS MILEAGE ALLOWANCE – OWN VEHICLE

Cars and vans first 10,000 miles	45p per mile	then 25p per mile
Qualifying passenger	5p per mile	
Motorcycles	24p per mile	Bicycles 20p per mile

## MAIN CAPITAL AND OTHER ALLOWANCES

Plant and machinery (P&M) 100% annual investment allowance (1st year):			
1/1/19–31/12/21	£1,000,000	From 1/1/22	£200,000*
P&M super-deduction first year allowance (FYA) for companies from 1/4/21			130%
Special rate P&M FYA for companies from 1/4/21			50%
Plant and machinery†			18%
Patent rights and know-how†			25%
Certain long-life assets and integral features of buildings†			6%
Structures and buildings (straight line)			3%
Electric charge points			100%

\*Subject to a further extension

### Motor Cars

CO <sub>2</sub> emissions of g/km:	0**	1–50	Over 50
Capital allowance:	100% first year	18% pa†	6% pa†

†Annual reducing balance

\*\*New cars only

### Research and Development

Capital expenditure	100%
Revenue expenditure relief – small/medium-sized companies	230%
Research and development expenditure credit – large companies	13%
SME cash credit for R&D loss surrendered	14.5%

## SOCIAL SECURITY BENEFITS

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*Weekly rates and taxable unless stated otherwise.*

**Statutory Pay Rates** Based on minimum average earnings of at least £120pw:

**Statutory Sick Pay** £96.35 standard rate

**Statutory Maternity Pay/Statutory Adoption Pay**

First 6 weeks – 90% of average weekly pay

Next 33 weeks – 90% of average weekly pay up to £151.97

**Statutory Paternity Pay**

90% of average weekly pay up to £151.97

**Shared Parental Pay**

Up to 37 weeks: 90% of average weekly pay up to £151.97

**Child Benefit (see 'Income Tax – High Income Child Benefit Charge')**

Child benefit, first or only child £21.15

Child benefit, each subsequent child £14.00

**National Living/National Minimum Wage (per hour)**

**1/4/21 – 31/3/22**

Aged 23 and over National Living Wage £8.91

Aged 21–22 National Minimum Wage £8.36

Aged 18–20 National Minimum Wage £6.56

Aged under 18 National Minimum Wage £4.62

Apprentice National Minimum Wage £4.30

## MAIN DUE DATES FOR TAX PAYMENTS

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**Income Tax, NICs and Capital Gains Tax – Self-Assessment**

31 Jan in tax year } Normally 50% of previous year's income tax

Following 31 July } (less tax deducted at source) and class 4 NICs

Following 31 Jan Balance of income tax and class 4 NICs, class 2 NICs  
and balance of CGT

**Inheritance Tax**

On death: Normally 6 months after end of month of death

Lifetime transfer 6 April–30 September: 30 April in following year

Lifetime transfer 1 October–5 April: 6 months after month of transfer

**Corporation Tax – Self-assessment**

• Profits under £1,500,000: 9 months + 1 day after end of accounting period

• Profits £1,500,000 or over: normally payable in 7th, 10th, 13th and 16th months after start of the accounting period

• Profits £20,000,000 or over: normally payable in 3rd, 6th, 9th and 12th months after start of the accounting period

• Growing companies: no instalments where profits are £10,000,000 or less and the company was not a large company for the previous year.

## 2021/22 TAX CALENDAR

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*Make payment on previous working day where due date falls on a weekend/bank holiday.*

### Every month

- 19 Submit CIS contractors' monthly return.
- 22 PAYE/NICs/CIS deductions paid electronically for period ending 5th of the month (19th if not paying electronically).

### Month end

Submit CT600 for year ending 12 months previously. Last day to amend CT600 for year ending 24 months previously.

### April 2021

- 1 Pay any outstanding tax for 2019/20 or make a Time to Pay arrangement, to avoid a late payment penalty.

### July 2021

- 1 SDLT 0% band reduces from £500,000 to £250,000.
- 5 Last date to agree a new PAYE Settlement Agreement (PSA) for 2020/21.
- 6 Deadline for employers to return forms P11D (expenses) and P11D (b) (benefits) for 2020/21 to HMRC and provide copies to employees.
- 22 Pay class 1A NICs (19 July if not paying electronically).
- 31 Confirm tax credit claims for 2020/21 and renewal for 2021/22. Second payment on account for 2020/21 income tax and class 4 NICs.

### August 2021

- 1 Penalty of 5% of the tax due or £300, whichever is the greater, where the 2019/20 tax return has not been filed.

### September 2021

- 30 End of Coronavirus Job Retention Scheme (CJRS) and Self-Employed Income Support Scheme (SEISS).

### October 2021

- 1 SDLT 0% band reduces from £250,000 to £125,000. VAT rate on hospitality, holiday accommodation and attractions increases from 5% to 12½%.
- 5 Deadline to register for self-assessment for 2020/21.
- 22 Pay tax and class 1B NICs on PSAs (19th if not paying electronically).
- 31 Deadline for 2020/21 tax return if filed on paper.

### December 2021

- 30 Deadline to submit 2020/21 tax return online to have underpaid PAYE tax collected through the 2022/23 tax code.

### January 2022

- 31 Submit 2020/21 self-assessment tax return online. Pay balance of 2020/21 income tax, class 4 NICs, all of class 2 NICs and balance of CGT, plus first payment on account for 2021/22 income tax and class 4 NICs.

### February 2022

- 1 Initial penalty imposed where the 2020/21 tax return has not been filed or has been filed on paper after 31 October 2021.

### March 2022

- 2 Last day to pay 2020/21 tax to avoid automatic 5% penalty.

### April 2022

- 1 VAT rate on hospitality, holiday accommodation and attractions increases from 12½% to 20%.

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