THE SPRING BUDGET

2015

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BUDGET 18 MARCH 2015

This Summary covers the key tax changes announced in the Chancellor's speech and includes tables of the main rates and allowances.

Alongside our text we have included tips which you may want to consider. At the back of the Summary you will find a calendar of the tax year with important deadline dates shown.

We recommend that you review your financial plans regularly as some aspects of the Budget will not be implemented until later in the tax year.

We will, of course, be happy to discuss with you any of the points covered in this report, and help you adapt and reassess your plans in the light of any legislative changes.

Contents

Introduction

Budgets probably don't win or lose elections on their own – but in an election year, the Chancellor surely has one eye on the polls. George Osborne promised there would be no gimmicks and no irresponsible giveaways: he would concentrate on the Government's long-term aim of reducing the deficit, rather than attempting to fool the public with a short-term bribe.

The speech to the Commons was over in about an hour, which is the usual length these days. That concealed an enormous list of proposals, some large, some small, some imminent, some distant: these are described in more or less detail in the Treasury's Red Book, available on the Government website the moment the Chancellor sits down. One thing at least is apparent: if Mr Osborne is not returned to office on 7 May, his successor will have a great deal of work in unpicking his plans. Some things may survive because they would have cross-party support; some because they are too difficult to change. But the measures in this Budget come with a warning – many of them are dependent on the election result.

This booklet summarises the most significant tax changes and outlines their likely impact on the average taxpayer. There is too much in the Red Book: the extension to Business Rates Relief has already been announced, the announcement of a consultation on deeds of variation is so vague there is nothing much to report, the 'diverted profits tax' applies only to multinational businesses – all are important, but it is impossible to cover everything here.

One of the most striking announcements, trailed in advance in the press, was the 'abolition of tax returns'. At face value, that could be a vote-winner – but it is not at all clear what will replace them. We can be quite sure that Mr Osborne does not intend to abolish tax, and the collection of tax requires communication with taxpayers. We are told that everyone will have, by the end of the next Parliament, a 'digital tax account'. It seems likely that this will be used to send information to HM Revenue & Customs, and that will form the basis for tax liabilities – it is hard to see how that is not a 'tax return'.

We will have to wait and see what form our responsibilities will take over the next few years, whether they are shaped by this Budget or by the alternative plans of a different party. Whatever happens, we will be ready to offer help and advice.

Significant points

- No new major changes announced for April 2015
- Increases in allowances announced for 2016 and 2017
- More flexibility for ISA withdrawal and reinvestment later in 2015
- New 'Help to Buy' ISA to be introduced later in 2015
- Requirement to file annual tax return to be replaced by 'digital tax account' over life of next Parliament
- More flexible rules for drawing defined contribution pensions to commence 6 April 2015, as previously announced
- Lifetime allowance for tax-advantaged pension funds cut to £1m in April 2016
- Relaxation of tax on sale of pension annuity for a capital sum from April 2016
- Farmers allowed to average profits over 5 years instead of 2 from April 2016
- Big increases in Annual Tax on Enveloped Dwellings in April 2015
- Increases in tax charges for foreign domiciled individuals opting to use the remittance basis from 2015/16

Personal Income Tax

Tax rates and allowances (Table A)

As announced in the Autumn Statement, the standard personal allowance will increase in April 2015 by £600, to £10,600 in 2015/16. For a basic rate taxpayer, this represents a tax reduction of £120 for the year.

The band of income charged to the basic 20% rate narrows by £80 to £31,785 (from £31,865) – however, as the increase in the allowance is larger, the level of income at which 40% tax starts has gone up from £41,865 to £42,385. This means that the maximum benefit for someone earning up to £100,000pa is £224 – in recent years the threshold has been set at lower and lower levels to restrict the benefit of allowance increases to the same amount as that enjoyed by a basic rate taxpayer.

The personal allowance continues to be withdrawn for those with incomes above £100,000, producing a marginal tax rate of 60% in the band between £100,000 and £121,200. For those who have no personal allowances (incomes above £121,200), the reduction in the basic rate band represents a small tax increase of £32.

Transferable allowances and starting rate

For the first time in 2015/16, married couples or registered civil partners will be allowed to transfer up to £1,060 (one-tenth) of their personal allowances to their spouse or partner, if the transferee only pays basic rate tax. This enables such a couple to save up to £212, if one partner is not able to use the full allowance. This relief is not available to those who can claim the Married Couple’s Allowance (where one partner was born before 6 April 1935).

Also for the first time in 2015/16, the ‘starting rate’ is reduced from 10% to 0%, and the starting rate band is increased from £2,880 to £5,000. This only applies to people whose personal allowances cover all or most of any income that is not taxed at the savings or dividend rate – if, for example, salary or rent is greater than £10,600 + £5,000, the starting rate does not apply. Many pensioners will be entitled to register to receive their interest income gross.

Future allowances and rates

The personal allowance will rise to £10,800 for 2016/17 and £11,000 for 2017/18. The basic annual increase is linked to inflation, but each year of the present government has seen much larger rises – these £200 increases represent 1.9%pa, with no mention of any additional adjustment for inflation.

The higher allowances for those born before April 1938 cease to exist in 2016/17, because the standard personal allowance will be higher than the

£10,660 level at which it has been fixed since 2012/13. There will therefore no longer be any restriction on personal allowances for such people until their income reaches £100,000 (in 2015/16, there is a small restriction if income exceeds £27,700).

The basic rate band will be increased to £31,900 for 2016/17 and £32,300 for 2017/18. These are the first increases in the band since 2009/10.

Savings allowance

From 6 April 2016, savings income (such as bank or building society interest) of up to £1,000pa will not be taxable for a basic rate taxpayer, saving up to £200. A 40% taxpayer will enjoy the same benefit on an allowance of £500. An additional rate taxpayer (income over £150,000) will not benefit from this allowance.

It is estimated that this will mean that 95% of taxpayers will not have any tax to pay on this type of income. Banks and building societies will therefore no longer deduct tax from interest payments. This will represent a welcome simplification of the tax system.

Pensions

Pension contributions (Table B)

There are no changes in the annual and lifetime allowances between 2014/15 and 2015/16. However, yet another cut in the lifetime allowance has been announced for 6 April 2016 – the limit on tax-advantaged pension funds will be set at £1m (from £1.25m) for pension benefit events (first drawing benefits, whether a tax-free lump sum or an income) from 6 April 2016. Once the lifetime allowance has been used up, higher tax rates apply to withdrawals from pension schemes.

From 2018, the lifetime allowance will rise each year in line with inflation.

Flexible pension benefits

The Chancellor announced in March 2014 that people with defined contribution pension funds will be able to have flexible access to their savings from 6 April 2015. The details of the new rules have been developed in the last year, but the essential points remain the same: in most cases, it will be possible to draw 25% of the fund tax-free, and the remaining 75% can be drawn out subject to the saver's marginal rate of income tax in the year in which the money is drawn. This is a very significant change, and anyone with pension savings should take advice to understand their options and the tax consequences of different courses of action. Drawing out all the money at once will not only potentially leave nothing for the future – it may create a large current tax bill.

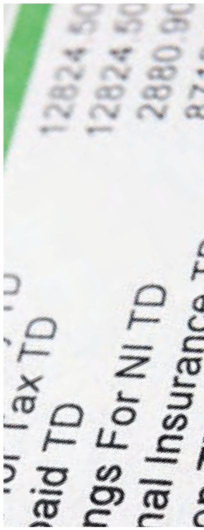
Existing annuities

Those who were required in the past to buy an annuity with their pension fund have complained that they have missed out on the new flexibility. The Chancellor has announced that, from 6 April 2016, they will be able to sell their annuity for a capital sum without incurring a penal tax charge. The Government will consult over the next year to try to reduce the risk of people making ill-advised and unwise decisions.

In addition, joint lives or guaranteed annuities benefit from 6 April 2015 from a measure announced last year. If the original annuitant dies under the age of 75, the income can be left tax-free to a designated beneficiary. If the annuitant dies over the age of 75, the income will be taxed at the recipient's marginal rate.

TAX TRAP

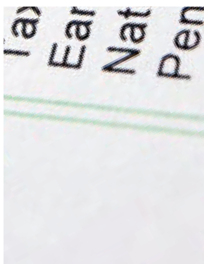
The pension changes create opportunity and risk – be cautious and take advice



National Insurance Contributions

Rates and limits (Table D)

The rates and thresholds for NIC were announced in the Autumn Statement. The threshold at which employees start to pay NIC increases from £7,956 to £8,060. After one year at the same level, the employer threshold is once again not quite the same as that for employees – £156pw instead of £155pw. The upper earnings limit, at which the rate for employee contributions drops from the full 12% to 2%, rises from £41,865 to £42,385; raising this threshold saves 40% tax, but collects more NIC. A £104 increase in the starting threshold means that most people will pay £12.48 less; a £520 increase in the upper limit means that those who earn above that will pay £52 more.



Employer contributions

There were no general changes to the Employment Allowance, introduced in 2014/15, which relieves most employers from the first £2,000 of employers' NIC each year. The original rules excluded certain categories of employers from the relief – for 2015/16, it will be extended to cover care and support workers.

As announced last year, employers' NIC will also be reduced to zero from 6 April 2015 for employees aged under 21 on earnings up to £815pw. This will be extended to all apprentices a year later.

Employees

Company cars and fuel (Table C)

The complications of owning a company car continue, made harder to follow by the fact that the changes coming into force now were announced several years ago, and the current Budget includes rate changes for 2019/20.

The tax charge on the benefit of a company car continues to be based on a percentage related to the CO_2 emissions rating of the car, applied to the 'list price' of the vehicle. For 2015/16, new bands of 0 – 50g/km (5%) and 51 – 75g/km (9%) are introduced, and the highest emitting cars have a new maximum percentage of 37%.

Further increases have been published going forward into 2019/20, so anyone choosing a new company car now can work out the tax effect of a current decision until they are likely to change it. By 2018/19, a car emitting 0 to 50g/km will be taxed on 13% of the list price, and one emitting 180g/km or more will be taxed on 37%.

Zero-emission vans will be subject to a tax charge in 2015/16 – 20% of the normal van rate of £3,150. This will rise in stages each year until there is a single tax charge for all vans available for private use in 2020/21.

The taxable benefit of free fuel provided for use in a company car is calculated by multiplying the emissions-based percentage by a fixed figure. This goes up to £22,100 for 2015/16 (2014/15: £21,700), so for many employees the taxable amount for fuel will increase for two separate reasons – the percentage and the amount.

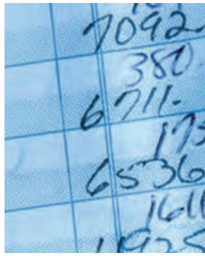
TAX TIP

The taxable benefits are increasing – think carefully when you change your company car

Simplified benefit reporting

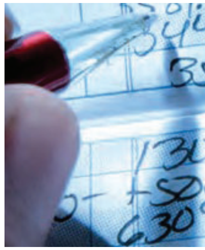
As announced in the Autumn Statement, there will be a new statutory exemption from 6 April 2015 for qualifying 'trivial benefits' provided by an employer. These are subject to a value cap of £50 on any individual benefit; officers of a closely-controlled company will also be subject to an overall limit of £300 in value of trivial benefits in a year. Previously such benefits had to be reported and were generally taxable unless covered by a specific exemption or an agreement with HMRC.

Other changes to the taxation and reporting of expenses, including reducing the number of situations in which a formal dispensation is needed to avoid filing annual P11D forms for reimbursed expenses, will come in April 2016.



Employment intermediaries

HMRC has been concerned for some years with ‘disguised employment’ through intermediaries such as ‘umbrella companies’ or personal service companies, as this can reduce an individual’s tax and NIC liabilities. There are a number of rules to counteract such avoidance, but the Government intends to consult further to restrict relief for travel and subsistence expenses where the intermediary structure appears to generate a tax deduction that would not be available to someone who was directly employed by the end user. Any changes will take effect from 6 April 2016.



Savings and Investment

Individual Savings Accounts (ISAs)

The annual limit for ‘new ISAs’ was set at £15,000 from 1 July 2014. This rises to £15,240 for the tax year 2015/16.

The Chancellor proposed a significant relaxation of the rules on ISAs, to be introduced later this year following a consultation. At present, any money withdrawn from an ISA can only be reintroduced within the annual investment limits – so a temporary shortage of cash could result in losing the benefit of the tax shelter. It is proposed that savers will be able to withdraw money and then replace it within the same tax year without using up their annual limit. The precise date on which this change will take effect will be announced later.

The Chancellor also announced a new type of ISA, also to be introduced later in 2015 following consultation. This is intended to help people saving towards the purchase of a first home. A Help to Buy ISA can be started with an initial deposit of up to £1,000, and monthly contributions of up to £200 can be added. Interest will be tax-free. When the account is cashed in to buy a first home, the Government will add 25% of the value of the account, up to £3,000 (on savings of £12,000).

TAX TIP

If you are saving for a deposit this could be worth a look

Venture capital schemes

The Enterprise Investment Scheme (EIS), Venture Capital Trusts (VCTs) and the Seed Enterprise Investment Scheme (SEIS) are generous but complicated reliefs for investment in small unquoted companies.
The basic rates and amounts of relief remain unchanged for 2015/16. A number of detailed amendments are being made to the rules to limit or improve their operation. These include:

- requiring that companies must be less than 12 years old when receiving their first EIS or VCT investment, except where the investment will lead to a substantial change in the company's activity;
- introducing a cap on the total investment received under these schemes to £15m, increasing to £20m for knowledge-intensive companies;
- increasing the employee limit for knowledge-intensive companies from 249 to 499 employees.

The interaction between the schemes will also be smoothed by removing the requirement that 70% of funds raised under SEIS must have been spent before EIS or VCT funding can be raised. These changes are subject to State aid approval by the European Commission.

Capital Gains Tax

Rate of tax and annual exemption

The rate of CGT remains 18% for those whose total taxable income and gains for the year are below £31,785, and 28% for gains which are above that figure. The annual exempt amount for CGT increases by £100 to £11,100.

Entrepreneurs' Relief (ER)

ER reduces the CGT rate on qualifying disposals to 10% on up to £10m of lifetime gains. Two changes are made with effect from 18 March 2015 to restrict the availability of ER on disposals using what are called 'contrived structures'. These include someone who personally owned an asset that was used by a business selling it without at the same time disposing of a significant interest in the business itself; and disposals of shares in a company which does not itself carry on a trade, but which has in the past qualified because the activities of joint venture investments have been taken into account.

ER was also removed from gains on goodwill transferred to a company on incorporation of a sole trade or partnership from 3 December 2014. This rule has been relaxed to a small extent – where a partnership is incorporated, any partner who does not acquire a stake in the new company will be eligible for ER on goodwill.

One further change was announced in the Autumn Statement and applies to disposals from 3 December 2014: where a gain that would otherwise qualify for ER is deferred by reinvestment into EIS or a qualifying social investment, the eventual disposal will also qualify for ER. Previously, the benefit of the reduced rate could be lost by deferring the gain.

TAX TIP

Retiring partners may benefit from ER on incorporation

Inheritance Tax

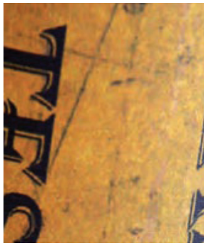
Rates

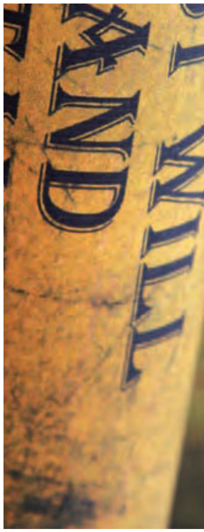
Rates of tax remain unchanged at 40% (death transfers) and 20% (lifetime chargeable transfers). In spite of some predictions that IHT relaxations might be announced in anticipation of the election, there were none. As far as we know, the nil rate band of £325,000 will not increase until April 2018 at the earliest.

Public service

There is an exemption from IHT for members of the armed forces whose death is caused or hastened by injury suffered while on active service, even if that death happens later. Where the individual has given their life for the country, the country does not ask for IHT as well. The Autumn Statement extended this to members of the emergency services and to humanitarian aid workers responding to emergency circumstances such as the Ebola crisis. The exemption will be backdated to deaths occurring on or after 19 March 2014.

There is also an IHT exemption for medals and other decorations awarded for valour or gallantry. From 3 December 2014, this will also be extended to cover all decorations and medals awarded to the armed services and emergency services personnel, and to awards made by the Crown for achievements and service in public life.





Corporation Tax

Rates

As announced last year, the main rate of Corporation Tax will fall from 21% to 20% for Financial Year 2015 (commencing 1 April 2015). There is no longer a separate rate for companies with small profits. This will not only cut companies' tax charges, but will remove the need for calculations for those falling in the marginal band between the small profits and full rates.

Research and development credits

The uplift in expenditure for small and medium companies claiming R&D tax credits will rise from 125% to 130% with effect from 1 April 2015. The 'above the line' credit for large businesses will rise from 10% to 11% from the same date.

Eligibility for credit will no longer extend to any expenditure on the costs of materials incorporated in products that are sold.

Creative industries

The Budget contains a number of measures intended to support the Government's policy of encouraging creative industries in the UK. Film tax relief, introduced in 2013, is to be increased to a payable 25% credit for all films. The minimum UK expenditure requirement is to be reduced from 25% to 10% for high-end television and animation tax relief. Subject to State aid approval, these measures will apply from 1 April 2015.

It is also proposed to introduce a new children's television relief from 1 April 2015, and a new orchestra tax relief from 1 April 2016.

TAX TIP

These are generous reliefs – but will people say using them is tax avoidance?

Business Tax

Annual Investment Allowance

The Annual Investment Allowance is the amount of expenditure on plant on which a business can claim 100% relief in the period of purchase. Last year, the AIA was increased to £500,000 until 31 December 2015, when it was scheduled to revert to £25,000. In his speech, the Chancellor stated that the limit will not be reduced to that very low figure on 1 January 2016, but a decision on the exact amount will not be taken until later in the year – possibly not until the Autumn Statement, which usually happens in late November or early December.

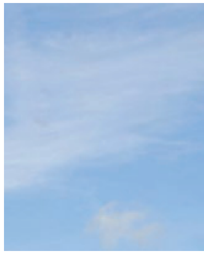
Farmers' averaging

Anyone subject to income tax will pay more if they have very high income one year and low income the next than if they have an even spread from year to year – they will suffer more 45% and 40% tax, and may waste basic rate bands and personal allowances. Because farmers are particularly prone to profit fluctuations, they are allowed to average their profits over two adjacent years in certain circumstances – taking some profit from a good year and taxing it instead in a lean year. The Chancellor announced that this spreading will be extended to cover five years rather than two with effect from 6 April 2016. There will be a consultation later in the year on the details of how the new rules will work.

Value Added Tax

Registration thresholds

The registration threshold for VAT rises from £81,000 to £82,000 on 1 April 2015. The deregistration threshold rises from £79,000 to £80,000 on



the same date. Self assessment returns for businesses can use ‘three-line accounts’ if they are below the registration threshold.

Prompt payment discounts

Discounts for prompt payment are normally offered by businesses to other businesses. UK law has up to now required VAT calculations to assume that the customer took up the discount – so VAT on £100 would be 20% of £97, if a 3% discount was offered. In a surprise announcement last year, the Chancellor withdrew this rule for all supplies from 1 April 2015. HMRC carried out a consultation and accepted that this would cause significant problems for businesses, but implementation has not been delayed. Any business that either offers or takes up such discounts will need to make sure that it has considered the changes necessary to comply with the new law before April.

TAX TIP

This makes the paperwork much more complex – be prepared

Recovery by charities

Charities cannot normally recover VAT incurred on their expenditure in relation to their non-business activities (e.g. carrying out their charitable objects for no consideration). A new relief will enable medical courier charities to reclaim the VAT they incur on goods and services purchased for these activities from 1 April 2015. This is added to the Autumn Statement announcement of a similar relief for charities supplying palliative care.

Stamp Duty Land Tax, Stamp Duty & ATED

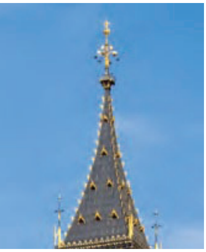
Rates

There have been significant changes to SDLT in recent years, culminating in a significant reform of the rates which took effect in December 2014. There were only minor technical changes to the duty in the March Budget.

Annual tax on enveloped dwellings (ATED)

ATED was introduced for 2013/14 to counter avoidance of SDLT by holding property through corporate structures. It has applied a flat rate charge based on bands of value to certain residential property in the UK worth over £2m which is owned by a ‘non-natural person’ such as a company.

The rates of ATED have increased 50% above inflation for 2015/16, and the scope of the tax is extended from April 2015 to cover ‘enveloped’ residential properties with a value over £1m. From April 2016 properties with values over £500,000 will be subject to the tax.



Other Measures

The end of the tax return?

The Chancellor announced an intention to abolish tax returns over the life of the next Parliament, replacing them with 'digital tax accounts' to enable taxpayers to see and manage their tax affairs online. It is not yet clear how this will reduce the taxpayer's responsibilities: the Government appears to believe that the new system will make compliance a great deal easier for most people, but large Government IT projects of this kind do not have a history of unqualified success. A 'roadmap' will be published later this year setting out the policy and administrative changes needed to implement this reform, and it is intended that all 5 million small businesses in the UK, and 10 million individual taxpayers, will have access to their online accounts by early 2016.

Evasion and avoidance

As usual, there were a number of specific measures aimed at closing particular tax avoidance schemes. There was also a more general proposal in relation to evasion (the illegal concealment of income and gains, rather than using the rules in an artificial way): a 'last chance disclosure facility' will be offered to those who have something to confess. This opportunity to own up will run from 2016 until mid-2017, with penalties of at least 30% on top of tax owed and interest, and no immunity from criminal prosecution in appropriate cases – but with the threat of even worse treatment for those who continue to hide and are found later.

Remittance basis

Foreign domiciled individuals – usually people born abroad – are allowed not to pay tax in the UK on their foreign income and capital gains until they bring the money to the country (the 'remittance basis'). For several years, anyone who has been resident here for 7 years has instead had to pay a flat rate tax charge of £30,000 if they claim the remittance basis; this goes up to £50,000 for someone who has been resident in the UK for 12 of the last 14 tax years. From 2015/16, the £50,000 charge will increase to £60,000, and a new £90,000 rate will be introduced for someone who has been resident here for 17 of the last 20 years. If the tax on foreign income and gains is lower, it is always possible to declare the actual figures instead of paying the flat rate. Further changes may be introduced when a current consultation is completed – for example, it may become necessary to opt in or out of the remittance basis for a minimum of 3 years at a time.

Income Tax Rates and Allowances (Table A)

Main allowances	2015/16	2014/15
Personal Allowance (PA)	£10,600	£10,000
Personal Allowance (born 6.4.38-5.4.48)	10,600	10,500*
Personal Allowance (born before 6.4.38)	10,660*	10,660*
Transferable Tax Allowance**	1,060	Nil
Blind Person's Allowance	2,290	2,230

Allowed only at 10%		
Married Couple's Allowance (MCA) only available if born before 6.4.35	8,355*	8,165*
Age-related allowance income limit (AAIL)	27,700	27,000

PA is withdrawn at £1 for every £2 by which net income exceeds £100,000, such that PA becomes nil at income of £121,200 (2014/15: £120,000)

*These allowances are reduced by £1 for every £2 by which income exceeds AAIL. Personal allowance is reduced before MCA, until equal to normal PA. MCA is reduced to minimum £3,220 (2014/15: £3,140).

** Married couples/civil partners born after 5 April 1935 can transfer this amount of the PA between them as long as the recipient is not taxed at more than 20%.

Rate Bands	2015/16	2014/15
Basic rate band (BRB)	£31,785	£31,865
Higher rate band	31,786-150,000	31,866-150,000
Additional rate	over 150,000	over 150,000

Tax Rates

Rates differ for General, Savings and Dividend income within each band:

	G	S	D
Basic	20%	20%	10%
Higher	40%	40%	32.5%
Additional	45%	45%	37.5%

If taxable general income is less than £5,000 (2014/15: £2,880), savings income is taxed at a 'starting rate' of nil (2014/15: 10%) until total taxable income exceeds that limit. This 'starting rate band' is part of the BRB.

High Income Child Benefit Charge (HICBC)

1% of child benefit for each £100 of net income between £50,000 and £60,000.

Remittance basis charge	2015/16	2014/15
For non-UK domiciled individuals who have been UK resident in at least		
7 of the preceding 9 tax years	£30,000	£30,000
12 of the preceding 14 tax years	60,000	50,000
17 of the preceding 20 tax years	90,000	N/A

Registered Pensions (Table B)

	2015/16	2014/15
Lifetime allowance (LA)	£1.25m	£1.25m
Annual allowance (AA)	40,000	40,000
LA charge if excess drawn as	Cash 55%/income 25%	
AA charge on excess inputs	20%-45%	

Annual relievable pension inputs are the higher of earnings (capped at AA) or £3,600.

Car and Fuel Benefits (Table C)

Cars

Taxable benefit is chargeable value multiplied by chargeable percentage.

Chargeable value:

Initial list price of car (including most accessories), reduced by any capital contribution (maximum £5,000) by employee when the car is first made available.

Chargeable percentage:

CO_2 emissions (g/km)	Petrol	Diesel
0-50	5%	8%
51-75	9%	12%
76-94	13%	16%
Above 94	Add 1% for every 5g/km	
Above 210 (petrol)/ 195 (diesel)	37% maximum	

Car Fuel

Where employer provides fuel for private motoring in an employer-owned car, CO_2-based percentage from above table multiplied by £22,100 (2014/15 £21,700).

Employee contributions for fuel do not reduce taxable figure unless *all* private fuel is paid for by the employee (in which case there is no benefit charge).

National Insurance Contributions (Table D)

Class 1 (Employees)	Employee	Employer
Main NIC rate	12%	13.8%
No NIC on first	£155pw	£156pw
Main rate* charged up to	£815pw	no limit
2% rate on earnings above	£815pw	N/A
Contracted out rebate on £112.01–£770pw	1.4%	3.4%
Employment allowance per business	N/A	£2,000

*Nil rate of employer NIC for employees under the age of 21 up to £815pw.

Since 6.4.2012, only employment with a salary-related pension scheme can benefit from the lower contracted-out NIC rates.

Employer contributions (at 13.8%) are also due on most taxable benefits (Class 1A) and on tax paid on an employee's behalf under a PAYE settlement agreement (Class 1B).

Class 2 (Self employed)

Flat rate per week	£2.80
Small profits threshold	£5,965

Class 3 (Voluntary)

Flat rate per week	£14.10

Class 3A

Contributions vary with age

Class 4 (Self employed)

On profits £8,061 – £42,385	9.0%
On profits over £42,385	2.0%

April 2015

M	T	W	T	F	S	S
		1	2	3	4	**5**
6	7	8	9	10	11	12
13	14	15	16	**17**	18	**19**
20	21	**22**	23	24	25	26
27	28	29	30			

5 End of tax year. Cut-off for income and gains between 2014/15 and 2015/16.
17 Employers pay PAYE for quarter or month March 2015, cheque to reach accounts office.
19 Last day for final 2014/15 Employer Payment Summary to reach HMRC.
22 PAYE electronic payment deadline: funds to clear HMRC's bank account.

May 2015

M	T	W	T	F	S	S
				1	2	**3**
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	**19**	20	21	**22**	23	24
25	26	27	28	29	30	**31**

1 Commencement of £10 daily penalties for 2013/14 tax returns not filed.
3 Employers submit P46(car) form showing quarter's changes to company cars.
19 Employers pay PAYE for month April 2015.
22 PAYE electronic payment deadline.
31 Employers send 2014/15 P60 to employees.

June 2015

M	T	W	T	F	S	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	**19**	20	21
22	23	24	25	26	27	28
29	30					

19 Employers pay PAYE for month May 2015.
22 PAYE electronic payment deadline.

July 2015

M	T	W	T	F	S	S
		1	2	3	4	**5**
6	7	8	9	10	11	12
13	14	15	16	**17**	18	19
20	21	**22**	23	24	25	26
27	28	29	30	**31**		

5 Agree 2014/15 PAYE Settlement Agreement
6 Employers send P9D, P11D and annual share scheme returns to HMRC; P9D, P11D to employees.
17 Employers pay class 1A NIC for 2014/15.
17 Employers pay PAYE for quarter or month June 2015.
22 PAYE electronic payment deadline.
31 Deadline for payment of second instalment of 2014/15 tax.

August 2015

M	T	W	T	F	S	S
					1	**2**
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	**19**	20	21	**22**	23
24	25	26	27	28	29	30
31						

1 If 2013/14 tax return not filed, further £300 (or 5% of tax due if higher) penalty.
2 Employers submit P46(car) form showing quarter's changes to company cars.
19 Employers pay PAYE for month July 2015.
22 PAYE electronic payment deadline.

September 2015

M	T	W	T	F	S	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	**18**	19	20
21	**22**	23	24	25	26	27
28	29	30				

18 Employers pay PAYE for month August 2015.
22 PAYE electronic payment deadline.

October 2015

M	T	W	T	F	S	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	**22**	23	24	25
26	27	28	29	30	**31**	

1 Corporation tax payday for companies with 31 December 2014 year-end.
5 Deadline for notifying HMRC if income tax or CGT is due for 2014/15 and no tax return received.
19 Employers pay PAYE for quarter or month September 2015, also PAYE Settlement Agreement for 2014/15.
22 PAYE electronic payment deadline.
31 Last day to file 2014/15 SA return on paper.

November 2015

M	T	W	T	F	S	S
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	**19**	20	21	**22**
23	24	25	26	27	28	29
30						

2 Employers submit P46(car) form showing quarter's changes to company cars.
19 Employers pay PAYE for month October 2015.
22 PAYE electronic payment deadline.

December 2015

M	T	W	T	F	S	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	**18**	19	20
21	**22**	23	24	25	26	27
28	29	**30**	**31**			

18 Employers pay PAYE for month November 2015.
22 PAYE electronic payment deadline.
30 File 2014/15 SA return online to take advantage of coding out of income tax underpayments.
31 Corporation tax filing deadline for companies with 31 December 2014 year-end.

January 2016

M	T	W	T	F	S	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	**19**	20	21	**22**	23	24
25	26	27	28	29	30	**31**

1 Corporation tax payday for companies with 31 March 2015 year-end.
19 Employers pay PAYE for quarter or month Dec 2015.
22 PAYE electronic payment deadline.
31 Online filing deadline for 2014/15 income tax and CGT return. Deadline for tax payments to avoid interest. Companies affected by IR35 to file Earlier Year Update for 2014/15.

February 2016

M	T	W	T	F	S	S
1	**2**	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	**19**	20	21
22	23	24	25	26	27	28
29						

1 If 2013/14 tax return not filed, a further penalty of £300 (or 5% of tax due if higher)
2 Employers submit P46(car) form showing quarter's changes to company cars.
19 Employers pay PAYE for month January 2015.
22 PAYE electronic payment deadline.
29 Deadline for payment of balance of 2014/15 tax to avoid late payment penalty.

March 2016

M	T	W	T	F	S	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	**18**	19	20
21	**22**	23	24	25	26	27
28	29	30	**31**			

18 Employers pay PAYE for month February 2016.
22 PAYE electronic payment deadline.
31 Corporation tax filing deadline for companies with 31 March 2015 year-end.

Electronic payments due on a weekend must be made on the previous working day unless "Faster Payments" is used.

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OUR SERVICES

Taxation

● Income Tax ● Business Tax ● Corporation Tax ● Value Added Tax
● PAYE and National Insurance ● Capital taxes (including Capital Gains and Inheritance Tax)
● Tax investigation advice & assistance ● Tax deferral

Audit

● Statutory Audits ● Specialist audits

Accountancy

● Financial accounts ● Monthly management accounts ● Budgets and cashflow projections
● Book-keeping services ● Payroll service

Small Businesses

● Comprehensive start-up service ● Financial management
● Cost benefit analysis ● Grant claims

Corporate Finance

● Share valuations ● Mergers & management buyouts ● Venture capital

ACCA

Director
Justin Smith-Milne FCCA