

**Deloitte  
& Touche**

**Pocket tax  
guide 2002/03**

## TAX RATES

Band £	Dividends	Other savings income	Other income	Capital gains
1–1,920	10%	10%	10%	10%
1,921–29,900	10%	20%	22%	20%
29,901 +	32.5%	40%	40%	40%

Broadly speaking, capital gains are taxed as the top slice of income and gains, then dividends, followed by other savings income. Other income is taxed as the lowest slice.

## PERSONAL ALLOWANCES

	£
<b>Personal allowances</b>	
Basic	4,615
Age related (see note 1)	6,100
Born 6.4.28 to 5.4.38	
Born before 6.4.28	6,370
<b>Married couple's</b> (see notes 1, 2 and 3)	
Age related (see note 1)	5,465
Elder spouse born 6.4.28 to 5.4.35	
Elder spouse born before 6.4.28	5,535
Blind person's allowance	1,480
Children's tax credit (see notes 3 and 4)	5,290
– baby rate	10,490

### Notes

1. Excess over the basic allowance withdrawn by £1 for every £2 of income over £17,900. The personal allowance is reduced first, then the married couple's allowance.
2. Married couples allowance was abolished from April 2000 where both spouses were born after 5 April 1935. The minimum age related married couple's allowance is £2,110.
3. Relief restricted to 10%.
4. The children's tax credits are reduced if the main earner in the family is a higher rate taxpayer, at the rate of £2 for every £3 taxable at the higher rate.

## VEHICLES AND CAR FUEL BENEFIT CHARGES

### Car benefit charge

Charge as a percentage of list price

Cars emitting less than 165 grams CO <sub>2</sub> per kilometre	15%
For each additional 5 grams of CO <sub>2</sub> per kilometre, add	1%
Maximum percentage benefit (CO <sub>2</sub> in excess of 265 grams per kilometre)	35%

For cars running solely on diesel, supplements should be added to the above percentages:  
15-32%, add 3%; 33%, add 2%; 34%, add 1%; 35%, no supplement.

For the full table and further details of the new rules, see [www.cartax.co.uk](http://www.cartax.co.uk).

Fuel scale charge	Petrol/LPG	Diesel
1400cc or less	£2,240	£2,850
1401cc to 2000cc	£2,850	£2,850
More than 2000cc	£4,200	£4,200

### Approved mileage rates

	First 10,000 business miles	Excess over 10,000 miles
Cars and vans	40p	25p
Motorcycles	24p	24p
Bicycles	20p	20p

## CAPITAL GAINS TAX

	£
Exemption limit	
individuals	7,700
trusts (maximum)	3,850

## INHERITANCE TAX

### Death after 5.4.02

Rate %	Band £
0	0 – 250,000
40	250,001+

The rate on chargeable lifetime transfers above the zero-rate band is 20% subject to tapering relief.

## STAMP DUTY

Shares	0.5%
<b>Other property</b>	
0 – £60,000	Exempt
£60,001 – £250,000	1.0%
£250,001 – £500,000	3.0%
Above £500,000	4.0%

These tables are only a summary and do not cover all situations. The information is based on the Budget announcements on 17 April 2002.

## PENSIONS

General earnings cap £97,200

### Relief for private pension contributions

	% of net relevant earnings	
Age on 6.4.02	PPP	RAP
35 or under	17.5	17.5
36 to 45	20.0	17.5
46 to 50	25.0	17.5
51 to 55	30.0	20.0
56 to 60	35.0	22.5
61 or over	40.0	27.5

## STAKEHOLDER PENSIONS

Maximum investment regardless of earnings (gross) £3,600

## INDIVIDUAL SAVINGS ACCOUNTS

**Maximum investment** £7,000

Made up of

Stocks and shares	up to £7,000
Cash	up to £3,000
Life insurance	up to £1,000

You can only invest in either one maxi ISA or up to three mini ISAs in each tax year.

## NATIONAL INSURANCE CONTRIBUTIONS

### Class 1 employed

	<b>Employees</b>	<b>Employers</b>
Not contracted out	10% on excess over £89 up to weekly earnings of £585	11.8% on excess over £89 with no upper earnings limit

### Contracted out

	<b>Employees</b>	<b>Employers</b>
With a salary related scheme	1.6% rebate on earnings between £75 and £89  8.4% on excess over £89 up to weekly earnings of £585	3.5% rebate on earnings between £75 and £89  8.3% on excess over £89 11.8% on excess over £585
With a money purchase scheme	1.6% rebate on earnings between £75 and £89  8.4% on excess over £89 up to weekly earnings of £585	1.0% rebate on earnings between £75 and £89  10.8% on excess over £89 11.8% on excess over £585

<b>Classes 1A and 1B (employers only)</b>	11.8%
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### Class 2 and 4 self-employed

Class 2 fixed (per week)	£2.00
No liability if earnings below (per year)	£4,025
Class 4 earnings-related on profits	7%
Earnings band (per year)	£4,615 – £30,420

### Class 3 voluntary

Rate per week	£6.85
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### 2003/04

An additional 1% national insurance contribution by employers, employees and self employed on all earnings above the threshold of £89 per week will be introduced in 2003/04.

## CORPORATION TAX

	Year ended 31 March	
	2003	2002
Normal rate	30%	30%
Small companies rate	19%	20%
charged up to	£300,000	£300,000
marginal relief up to	£1,500,000	£1,500,000
marginal rate	32.75%	32.5%
Starting rate	Nil	10%
charged up to	£10,000	£10,000
marginal relief up to	£50,000	£50,000
marginal rate	23.75%	22.5%

The main rate of corporation tax for 2003/04 will be 30%.

## VAT

Standard rate	17.5%
VAT as a fraction of the inclusive price	7/47
Annual turnover limits	
registration (last 12 months or next 30 days)	£55,000
deregistration	£53,000

## DELOITTE & TOUCHE OFFICES

Aberdeen	01224 625888
Belfast	028 9032 2861
Birmingham	0121 200 2211
Bracknell	01344 454445
Bristol	0117 921 1622
Cambridge	01223 460222
Cardiff	029 2048 1111
Crawley	01293 510112
Edinburgh	0131 225 6834
Glasgow	0141 204 2800
Guernsey	01481 724011
Isle of Man	01624 672332
Jersey	01534 824200
Leeds	0113 243 9021
Liverpool	0151 236 0941
London	020 7936 3000
Manchester	0161 832 3555
Newcastle	0191 261 4111
Nottingham	0115 950 0511
St Albans	01727 839000
Southampton	023 8033 4124

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