

**TAX SHEET 2015/16**

**NORTHERN IRELAND**

Personal Allowances	2014/15 £	2015/16 £
Personal allowance (1)	N/A	N/A
Personal allowance (Born after 5 April 1948) (1)	10,000	10,600
Personal Allowance for people aged 65-74 (1)(2)	N/A	10,600
Personal Allowance for people aged 75+ (1)(2)	N/A	N/A
Income Limit For Personal Allowance	100,000	100,000
Married couples allowance* (born before 6 April 1935 and aged 75 and over) (2)(3)	8,165	8,355
Married couples allowance* (minimum allowance)	3,140	3,220
Income limit for age related allowances	N/A	N/A
Blind Person's Allowance	2,230	2,290

(1) 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.

(2) These allowances reduce where the income is above the income limit by £1 for every £2 of income above the £27,000 limit. The Personal Allowance for people aged 65 and over and born before 6 April 1948 can be reduced below the basic Personal Allowance where the income is above £100k.

(3) Tax relief for the Married Couple's Allowance is given at the rate of 10 per cent.

Income Tax Rates and Bands	2014/15 £	2015/16 £
Lower rate 20%	<31,865	<31,785
Higher rate 40%	>31,866-150,000	>31,786-150,000
Additional rate 45%	>150,000	>150,000

National Insurance Contributions for Sole Traders	2014/15 £	2015/16 £
Class 2	2.75 per week	2.80 per week
Class 2 Small earnings exemption	5,885 per annum	5,965 per annum
Special rate class 2 for share fishermen	3.40 per week	3.45 per week
Special class 2 volunteer development worker	5.55 per week	5.60 per week
Class 4 Lower profits limit	7,956 per annum	8,060 per annum
Upper profits limit	41,865 per annum	42,385 per annum
Rate between upper and lower profits limit	9%	9%
Rate above upper profits limit	2%	2%

### Calculation of estimated monthly tax 2015/2016 (£)

This can be used as a guide to how much you need to put aside for tax and national insurance within your business and household budget. There is an example on page 3/4 of this fact sheet. There is no provision for Additional Rate if income is greater than £150,000 (taxed at 45%) please refer to an accountant if this applies to you.

1	Figure from top box of stage 3 of budget 'drawings'		A
2	Multiply by 12 to get the annual figure		B
3	Tax allowance (refer to personal allowances)		C
4	Taxable amount (B-C)		D
5	First - £31,785 of D x 20%		E
6	D - £31,785 (if answer is greater than 0) x 40%		F
7	E + F = estimated tax liability		G
8	Divide G by 12 to get monthly amount		H

**Insert the figure for H into Stage 3 of the budget 'estimated Income tax'**

### Calculation of estimated National Insurance Contributions 2015/2016 (£)

Class 2

Flat-rate of £2.80 per week (£12.13 per month) inserts in **Stage 3 National Insurance Class 2 on budget sheet.**

Class 4			
1	Figure B from above (If above the maximum of £42,385 then insert £42,385)		I
2	Less £8,060		J
3	J x 9% = rate payable between upper and lower limits		K
4	Figure B from above minus £42,385 (if less than 0 insert 0)		L
5	L x 2% = rate payable above upper limit		M
6	K + M = total annual class 4 contributions		N
7	Divide N by 12 to get monthly amount		O

**Insert the figure for O into Stage 3 National Insurance Class 4 on the budget sheet**

### Calculation of estimated monthly income tax 2015/2016 (£) - example

This is an example of the calculation for tax and national insurance where you have worked through the business budget and the figure for Stage 3 drawings is £3,800. In this example the sole trader is under the age of 65.

1	Figure from top box of stage 3 of budget 'drawings'	3,800	A
2	Multiply by 12 to get the annual figure	45,600	B
3	Tax allowance (refer to personal allowances)	10,600	C
4	Taxable amount (B-C)	35,000	D
5	First - £31,785 of D x 20%	6,357	E
6	D - £31,785 (if answer is greater than 0) x 40%	1,286	F
7	E + F = estimated tax liability	7,643	G
8	<b>Divide G by 12 to get monthly amount</b>	<b>636.92</b>	H

**Insert the figure for H into Stage 3 of the budget 'estimated Income tax'**

### Calculation of estimated National Insurance Contributions 2015/2016 (£)

Class 2

Flat-rate of £2.80 per week (£12.13 per month) inserts in **Stage 3 National Insurance Class 2 on budget sheet.**

Class 4			
1	Figure B from above (If above the maximum of £42,385 then insert £42,385)	42,385	I
2	Less £8,060	34,325	J
3	J x 9% = rate payable between upper and lower limits	3,089.25	K
4	Figure B from above minus £42,385 (if less than 0 insert 0)	3,215	L
5	L x 2% = rate payable above upper limit	64.30	M
6	K + M = total annual class 4 contributions	3153.55	N
7	<b>Divide N by 12 to get monthly amount</b>	<b>262.80</b>	O

**Insert the figure for O into Stage 3 National Insurance Class 4 on the budget sheet**

<b>Corporation Tax</b>	<b>2014/15</b>	<b>2015/16</b>
Small profits rate £0 – £300,000	20%	20%
Marginal Relief * £300,001 – £1,500,000	variable	20%
Main Rate £1,500,001 or more	21%	20%

\* Marginal relief for the company tax year 2014/15 was a sliding scale rate of corporation tax that was payable if the companies profits were between £300,001 and £1.5million. The amount payable was dependant on how many associated companies there were and the accounting period of the company. For help calculating marginal relief, visit [www.gov.uk](http://www.gov.uk).

<b>Value Added Tax (VAT)</b>	<b>2014/15</b>	<b>2015/16</b>
Standard Rate	20%	20%
Reduced Rate	5%	5%
Zero Rate	0%	0%
Registration Level	81,000	82,000
De-registration	79,000	80,000

<b>National Insurance Contributions Class I (per week)</b>	<b>2014/15</b>	<b>2015/16</b>
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#### **Directors and employees**

Lower earnings limit primary Class I	111 per week	112 per week
Upper earnings limit primary Class I	805 per week	815 per week
Primary threshold	153 per week	155 per week
Secondary threshold	153 per week	156 per week

#### **Rates**

Class I rate between primary threshold and upper earnings limit	12%	12%
Class I rate above upper earnings limit	2%	2%
Contracted out: salary related scheme	1.4%	1.4%
Class IA rate on employer provided benefits	13.8%	13.8%
Married women's reduced rate between primary threshold and upper earnings limit	5.85%	5.85%
Married women's rate above upper earnings limit	2%	2%

#### **Employers rates**

Secondary class I rate above second threshold	13.8%	13.8%
Contracted out: salary related schemes	3.4%	3.4%

**Remember: You can always contact us for advice about any difficulty you have in dealing with your debts.**

Advice and information for businesses in NI is provided by Business Debtline working in partnership with Advice NI.

**Freephone 0800 0838 018 Websites [www.businessdebtline.org](http://www.businessdebtline.org) [www.adviceni.net](http://www.adviceni.net)**

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