

## National Insurance Contributions \*

Class 1: Employee **	(%)
2013/14	
Earnings bracket (weekly) up to £120	Nil
£120.01 to £784	11
over £784	1
2012/13	
Earnings bracket (weekly) up to £118	Nil
£118.01 to £770	11
over £770	1

Class 1: Employer **, ***	2013/14 (%)
Earnings bracket (weekly) up to £117	Nil
over £117	12.8

Classes 2 and 3	2013/14 (£)	2012/13 (£)
Class 2 (self employed flat rate)		
Per week	2.70	2.65
Small earnings exception (year)	5,725	5,595
Class 3 (voluntary)		
Per week	13.55	13.25

Class 4 (self employed)	(%)
2013/14	
up to £6,136	0
£6,136.01 to £40,768	8
over £40,768	1
2012/13	
up to £6,136	0
£6,136.01 to £40,040	8
over £40,040	1

\* Standard rates are shown. These figures may alter if an employee elects to contract out.

\*\* Class 1A and 1B contributions are not charged in the IoM.

\*\*\* From 6 April 2012 employers can apply for exemption from their contributions for new employees, for up to two years, where certain conditions are met.

At PwC we measure our success by yours. Every day our more than 169,000 people in 158 countries go to work to help our clients succeed. From Minneapolis to Manila, from Durban to Douglas, our job is channelling knowledge and value through our lines of service and industry-specialised practices.

To learn more about how PwC in the Isle of Man can add value to your business please contact:

**Audit & Assurance services:** Ian Clague  
David Churcher  
Mike Simpson  
Peter Craig  
Nick Halsall

**Advisory services:** Ian Clague  
Gordon Wilson

**Actuarial services:** Johann Marais

**Business recovery services:** Mike Simpson  
Gordon Wilson

**Tax services:** Kevin Cowley  
George Sharpe

**Transaction services:** Nick Halsall  
Gordon Wilson

**PricewaterhouseCoopers LLC**  
Sixty Circular Road, Douglas, Isle of Man, IM1 1SA  
T: +44 (0) 1624 689689 F: +44 (0) 1624 689690

The information contained herein is only a general guideline and should not be used for determining a tax liability or planning a tax investment strategy. Specific advice pertaining to your particular circumstances should be obtained in all cases.

©2013 PricewaterhouseCoopers LLC, an Isle of Man Limited Liability Company. All rights reserved.

PwC refers to the Isle of Man member firm, and may sometimes refer to the PwC network. Each member firm is a separate legal entity. Please see <http://www.pwc.com/structure> for further details.

[www.pwc.com/im](http://www.pwc.com/im)

**Money matters**  
Isle of Man tax card  
2013/2014



**pwc**

## Income tax

Allowances	2013/14 (£)	2012/13 (£)
Single person	9,300	9,300
Married couple (combined)	18,600	18,600
Blind person's addition	2,900	2,900
Single parent's addition	6,400	6,400
Disabled person's addition	2,900	2,900
Co-habiting couple's addition	6,400	6,400
Aged addition	2,020	2,020
Non-resident's personal allowance	Nil	Nil

Reliefs	2013/14 (£)	2012/13 (£)
Interest paid to Manx residents lenders (maximum)*	7,500	7,500
Covenanted educational payments*	5,500	5,500
Charitable donations*	7,000	7,000
Charitable donations by a company	15,000	15,000

\* Tax relief from 6 April 2012 is restricted to 10% of the amount paid and in respect of educational deeds of covenant is restricted to payments made under covenants that have been entered into on or before 5 April 2011 and where the student is in qualifying full time education at that date.

## Rates

Individuals	Rate (%)	2013/14 and 2012/13 (£)
Single person*	10	Up to 10,500
	20	Above 10,500
Married couple*	10	Up to 21,000
	20	Above 21,000
Non resident	20	All

\* A Manx resident's tax liability is capped at £120,000 or £240,000 for a married couple.

Companies	2013/14 Rate (%)	2012/13 Rate (%)
Banking business	0/10	0/10
Income from IoM land & property	10	10
Retail business*	0/10	0
Other	0	0

\* Retail businesses with taxable profits of over £500,000 are subject to tax at 10%, those with taxable profits below that level are subject to tax at 0%.

## Benefits in Kind

Car benefit - 2013/14	Car Rate (£)	Fuel rate (£)
Cylinder capacity		
Electric cars (regardless of capacity)	Nil	Nil
1,000 or less	800	800
1,001 - 1,200	1,100	950
1,201 - 1,800	3,600	1,500
1,801 - 2,500	5,000	1,750
2,501 - 3,500	7,000	2,000
3,501 - 5,000	10,000	2,250
More than 5,000	12,000	2,500

Note: These rates are unchanged from 2012/13.

Other Taxable benefits	Taxable amount
Accommodation	Cash equivalent
Use of an asset	20% of market value (or cost to employer if higher)
Other	Cost to employer

**Chargeable benefits with an aggregate value of under £400 for the year are exempt from tax**

### Exempt benefits

- Accommodation used solely for duties of employment.
- Approved Profit Sharing or Savings Related Share Options Schemes.
- Car Parking space at or near place of work.
- Medical/dental insurance.
- Christmas party expenses up to £100 per head.
- Provision of a personal computer for use at home up to benefit value of £1,000.
- Nursery or creche facility expenses necessary for employees to attend work.

## Personal Pensions & Retirement Annuities

- Maximum contributions of £300,000 per annum.
- Income tax relief for contributions limited to the lower of £300,000 or 100% of relevant earnings.
- Income and gains accrued in the fund are exempt from tax.
- Lump sum of 30% may be taken tax free on retirement.
- No requirement to purchase an annuity.
- Potential 7.5% charge on amounts remaining in pension fund on death.
- Pension fund trivial commutation conversion of small funds into single lump sum (maximum) £18,000.

## Capital Allowances

Rates 2013/14 and 2012/13	Rate (%)
<b>Plant &amp; Machinery</b>	
first year allowance	100
writing down allowance	25
<b>Industrial Buildings &amp; Structures</b>	
first year allowance	100
writing down allowance	4
<b>Agricultural Land &amp; Buildings</b>	
first year allowance	100
writing down allowance	10
<b>Tourist Premises</b>	
first year allowance	100
writing down allowance	10

For a motor car a first year allowance/writing down allowance of 25% may be claimed each year up to a maximum of £3,000 per annum.

## Value Added Tax

- Standard rate 20%.
- Lower rates of 0% or 5% apply in certain circumstances.
- Registration threshold from 1 April 2013 £79,000.

There are no inheritance, wealth, gift, death, capital gains or insurance premium taxes or stamp duties in the IoM.