

National Insurance Contributions *

Class 1: Employee **	(%)
2012/13	
Earnings bracket (weekly) up to £118	Nil
£118.01 to £770	11
over £770	1
2011/12	
Earnings bracket (weekly) up to £115	Nil
£115.01 to £750	11
over £750	1

Class 1: Employer ** ***	2012/13 (%)
Earnings bracket (weekly) up to £115	Nil
over £115	12.8

Classes 2 and 3	2012/13 (£)	2011/12 (£)
Class 2 (self employed flat rate)		
Per week	2.65	2.50
Small earnings exception (year)	5,595	5,315
Class 3 (voluntary)		
Per week	13.25	12.60

Class 4 (self employed)	(%)
2012/13	
up to £6,136	0
£6,136.01 to £40,040	8
over £40,040	1
2011/12	
up to £5,980	0
£5,980.01 to £39,000	8
over £39,000	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.

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David Churcher
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Peter Craig
Nick Halsall

Advisory services: Ian Clague
Gordon Wilson

Actuarial services: Ian Jackson
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.

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Money matters
Isle of Man tax card
2012/2013



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Income tax

Allowances	2012/13 (£)	2011/12 (£)
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

Relief's	2012/13 (£)	2011/12 (£)
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 (%)	2012/13 and 2011/12 (£)
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	2012/13 Rate (%)	2011/12 Rate (%)
Banking business	0/10	0/10
Income from IoM land & property	10	10
Other	0	0

Benefits in Kind

Car benefit - 2012/13	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 2011/12.

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 2012/13 and 2011/12	Rate (%)
Plant & Machinery	
first year allowance	100
writing down allowance	25
Industrial Buildings & Structures	
first year allowance	100
writing down allowance	4
Agricultural Land & Buildings	
first year allowance	100
writing down allowance	10
Tourist Premises	
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 2012 £77,000.

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

