

## National Insurance Contributions \*

Class 1: Employee **	(%)
2014/15	
Earnings bracket (weekly) up to £120	Nil
£120.01 to £784	11
over £784	1
2013/14	
Earnings bracket (weekly) up to £120	Nil
£120.01 to £784	11
over £784	1

Class 1: Employer **	2014/15 (%)
Earnings bracket (weekly) up to £117	Nil
over £117	12.8

Classes 2 and 3	2014/15 (£)	2013/14 (£)
<b>Class 2 (self employed flat rate)</b>		
Per week	2.70	2.70
Small earnings exception (year)	5,725	5,725
<b>Class 3 (voluntary)</b>		
Per week	13.90	13.55

Class 4 (self employed)	(%)
2014/15	
up to £6,136	0
£6,136.01 to £40,768	8
over £40,768	1
2013/14	
up to £6,136	0
£6,136.01 to £40,768	8
over £40,768	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.

\*\*\* For employees recruited before 6 April 2013 an employer can apply for exemption from their national insurance contribution where certain conditions are met.

## Company fees and duties

	From 7 January 2014 (£)
<b>Incorporation fees</b>	
Standard - within 48 hours	100
2 hour incorporation	250
While you wait incorporation	500
<b>Annual filing fees*</b>	
Standard	380
Excepted companies and LLC's	95

Share capital fees have been abolished with effect from 7 January 2014.

\*Increased fees apply where returns are filed late.

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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  
2014/2015



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## Income tax

Allowances	2014/15 (£)	2013/14 (£)
Single person	9,500	9,300
Married couple (combined)	19,000	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	1,000	2,020
Non-resident's personal allowance	Nil	Nil

Reliefs	2014/15 (£)	2013/14 (£)
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 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 (%)	2014/15 and 2013/14 (£)
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

\* Subject to an irrevocable 5 year election being made no later than 1 July 2014, a Manx resident's tax liability will be fixed at £120,000 or £240,000 for a married couple from 2014/15. For subsequent years the election must be made prior to the start of the tax year.

Companies	2014/15 Rate (%)	2013/14 Rate (%)
Banking business	0/10	0/10
Income from IoM land & property	10	10
Retail business*	0/10	0/10
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 - 2014/15	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 2013/14.

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 2014/15 and 2013/14	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 2014 £81,000.

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

