

National Insurance Contributions*

| Class 1: Employee ** | (%) |
|--|--------------------|
| 2020/21 | |
| Earnings bracket (weekly) up to £138 | Nil |
| £138.01 to £823 | 11 |
| over £823 | 1 |
| 2019/20 | |
| Earnings bracket (weekly) up to £125 | Nil |
| £125.01 to £784 | 11 |
| over £784 | 1 |
| Class 1: Employer ** | |
| 2020/21 (%) | |
| Earnings bracket (weekly) up to £138 | Nil |
| over £138 | 12.8 |
| Classes 2 and 3 | |
| | 2020/21 (£) |
| | 2019/20 (£) |
| Class 2 (self employed flat rate) | |
| Per week | 5.40 |
| Small earnings exception (year) | 7,176 |
| Class 3 (voluntary) | |
| Per week | 15.30 |
| | 15.00 |
| Class 4 (self employed) | |
| | (%) |
| 2020/21 | |
| up to £7,176 | 0 |
| £7,176.01 to £42,796 | 8 |
| over £42,796 | 1 |
| 2019/20 | |
| up to £6,500 | 0 |
| £6,500.01 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.

National Insurance Holiday Scheme:

From 6 April 2019 certain new residents and returning students will be able to apply for a refund of the Class 1 NIC's paid as employees during the first 12 months of their employment here. This scheme is to continue for a further year starting 6 April 2020 (finishing 5 April 2021)

Company fees and duties

| | £ |
|------------------------------|-----|
| Incorporation fees | |
| Standard - within 48 hours | 100 |
| 2 hour incorporation | 250 |
| While you wait incorporation | 500 |
| Annual filing fees* | |
| Standard | 380 |
| Excepted companies and LLC's | 95 |

*Increased fees apply where returns are filed late.

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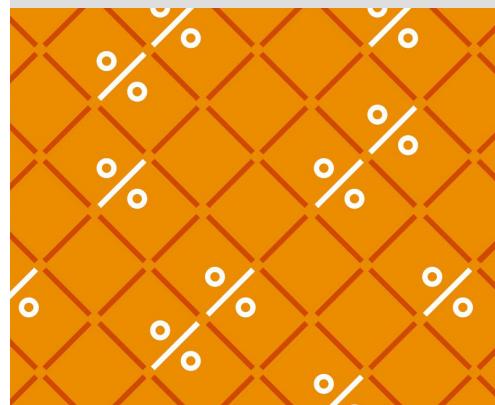
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The information contained herein is only a general guideline and should not be used for determining a tax liability or planning a tax investment strategy. Specific advice pertaining to your particular circumstances should be obtained in all cases.

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Tax matters

Isle of Man tax guide 2020/2021



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Income tax

| Allowances | 2020/21 (£) | 2019/20 (£) |
|-----------------------------------|-------------|-------------|
| Single person | 14,250 | 14,000 |
| Married couple (combined) | 28,500 | 28,000 |
| 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 | Nil | Nil |
| Non-resident's personal allowance | Nil | Nil |

| Reliefs | 2020/21 (£) | 2019/20 (£) |
|--|-------------|-------------|
| Interest paid to Manx residents lenders (maximum)* | 5,000 | 5,000 |
| Covenanted educational payments* | 5,500 | 5,500 |
| Charitable donations* | 7,000 | 7,000 |
| Charitable donations by a company | 15,000 | 15,000 |
| Nursing expenses* | 12,500 | 12,500 |

* 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 (%) | 2020/21 (£) | 2019/20 (£) |
|-----------------|----------|--------------|--------------|
| Single person* | 10 | Up to 6,500 | Up to 6,500 |
| | 20 | Above 6,500 | Above 6,500 |
| Married couple* | 10 | Up to 13,000 | Up to 13,000 |
| | 20 | Above 13,000 | Above 13,000 |
| Non resident | 20 | All | All |

* Subject to an irrevocable election being made no later than 5 April 2020, a Manx resident's tax liability will be fixed at £200,000 (or £400,000 for a married couple) for the five years commencing on 6 April 2020.

| Companies | 2020/21 Rate (%) | 2019/20 Rate (%) |
|---------------------------------|------------------|------------------|
| Banking business | 0/10 | 0/10 |
| Income from IoM land & property | 20 | 20 |
| 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%.

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

Benefits in Kind

| Car benefit - 2020/21 | 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 2019/20.

| 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 |

Value Added Tax

- Standard rate 20%.
- Lower rates of 0% or 5% apply in certain circumstances.
- Registration threshold from 1 April 2020 £85,000 (2019 - £85,000) and will remain at £85,000 for 2 years from 1 April 2020.

Chargeable benefits with an aggregate value of under £600 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.
- Bicycle and related safety equipment provided under a cycle to work scheme up to an annual maximum value of £1,200.

Personal Pensions & Retirement Annuities

Flexible pension options exist via either of two common types of IoM scheme, being a Self-Invested Personal Pension (SIPP) and a new type of scheme, the Pension Freedom Scheme (PFS). A comparison of the key features of the two types of scheme is below:

| | Current Schemes | Pension Freedom Schemes |
|--|---|---|
| Maximum annual contribution - | | |
| Pre 6 April 2018 | £300,000 | N/A |
| Post 5 April 2018 | £50,000 | £50,000 |
| Minimum age for receiving benefits | 50 or 55 | 55 |
| Tax free lump sum | Up to 30% | Up to 40% |
| Tax treatment of payments in excess of the tax free lump sum | ITIP (with treaty relief if applicable)* | ITIP (with treaty relief if applicable) |
| Transfers from current IoM scheme to a PFS | 10% charge withheld at source from transfers out of the PFS | 10% charge withheld at source from transfers into the PFS |
| Amount charged on residue paid out on death | 7.5% if scheme is not drawn down | Nil |

*Income restricted based on published limits.

Capital Allowances

| Rate 2020/21 and 2019/20 | Rate (%) |
|--|----------|
| Plant & Machinery | |
| first year allowance | 100 |
| writing down allowance | 25 |
| Industrial Buildings & Structures | |
| first year allowance | 100 |
| writing down allowance | 4 |
| Agricultural 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.