

# BASIC FACTS 2016/17

- 1 The tax free allowance is £11,000 - so tax is not payable on the first £11,000 of income. If your taxable income exceeds £100,000 this allowance is gradually withdrawn.
- 2 The next £31,900 (increase of £115) of income is taxed at 20% - any income above this (i.e. £42,700) is taxed at 40% up to £150,000 with income over £150,000 taxed at 45%.
- 3 As a self employed person Class 2 NIC is payable at the flat rate of £2.80 per week this is usually paid by monthly direct debit. If your self-employment income is below £5,965, Class 2 NIC is not payable.
- 4 Class 4 NIC is also payable at the rate of 9% on self employed profits between £8,060 and £43,000 and at 2% on profits in excess of £43,000.
- 5 If you have any employees, they will pay NIC at 12% on salaries between £155-£827 per week and at 2% on the amount above £827.  
  
An employer you would pay NIC at the rate of 13.8% on any salary above £156 per week.
- 6 VAT registration threshold is £83,000 from 1 April 2016 and de-registration is £81,000.

---

For more information, please contact

**Shameem Matin**

**Accountant & Tax Advisor**

accountancy@ipiassociates.com

**Tel: +44 (0) 7816278818**

*'Accountancy Made Simple'*

