

National Insurance Contributions

Class 1 (employers and employees):

Contracted in:

Employees:

11% on earnings between £110 and £730 per week, then 1% on all earnings over £730 per week.

Employers:

Weekly earnings

Up to £110	nil%
Over £110	12.8%

Contracted out:

Employees: 9.4% on weekly earnings between £110 and £730, then 1% on all earnings over £730 per week.

Employers: Special reduced rates apply on earnings between £110 and £730 depending on the type of pension scheme in place.

Contributions are paid at a rate of 12.8% on excess over £730.

Class 2 (flat rate for self employed):

£2.40 per week

Class 3 (voluntary):

£12.05 per week

Class 4 (self-employed):

8% of profits between £5,715 and £37,960 per annum.

An additional 1% charge above the annual upper profits limits has been introduced with effect from 6 April 2010.

Action should not be taken on the strength of information contained herein without obtaining specific advice from us.



Abacus is an independent, privately owned group based in the Isle of Man. Core services include taxation services, bespoke trust and company solutions and fund administration.

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Isle of Man Taxation
Budget Data Card

2010/2011



Income Tax – Individuals

Rates – Resident

Standard Rate.....	10% on first £10,500
Higher Rate.....	20% all other income

Tax Cap – An individual's tax liability will be capped at £115,000

Rates – Non Resident

Higher Rate.....	20% all income
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Main Personal Allowances

	£
Single Person	9,300
Married Couples (Joint Allowance)	18,600
Single Parent Addition	6,400
Blind Persons	2,900
Disabled Persons	2,900
Co-habiting Couples' Maximum Addition	6,400
Age Allowance (65 and over)	2,020

Married couples have the option to be taxed jointly or independently as if they were a single person. Where they are taxed jointly any liability to tax will be 'joint and several' and all allowances and deductions will remain fully transferable.

Non-Resident Personal Allowance

The non-resident personal allowance has been withdrawn with effect from 6 April 2010.

Personal Allowance Credit

A maximum payment of £650 will be paid to an eligible individual whose gross income for the purposes of the credit is less than £9,300.

Mortgage and Loan Interest Relief

With effect from 6 April 2010 relief for mortgage and loan interest relief will be capped at £10,000 per individual.

Benefits in kind - Taxation of Company Cars and Fuel

Annual Benefit

Cylinder capacity (cc)	Car Rate	Fuel Rate
Electric cars (regardless of cylinder capacity)	Nil	Nil
1000 or less	£800	£800
1001 - 1200	£1,100	£950
1201 - 1800	£3,600	£1,500
1801 - 2500	£5,000	£1,750
2501 - 3500	£7,000	£2,000
3501 - 5000	£10,000	£2,250
More than 5000	£12,000	£2,500

Isle of Man Companies

A '0/10' tax system is currently in operation. The 0% rate applies to all companies except those engaged in banking or local land and property activities including rental, development, mining and quarrying. To protect the domestic tax base the Attribution Regime for Individuals applies to resident shareholders. This acts to treat certain profits as attributable to resident shareholders.

Attribution Regime for Individuals "ARI"

ARI applies to all companies whose accounting period commences after 5 April 2008 and have resident shareholders. The ARI replaces the distributable profits charge and under the regime trading companies are required to distribute 55% of their profits. If the company fails to make the required distribution the profits are attributed to the shareholders and treated as being received 12 months from the accounting date. Where there is a combination of resident and non resident shareholders the profits are apportioned and the attribution applies only to resident shareholders.

Investment companies will be treated as attributing 100% of their distributable profits to resident shareholders.