

National Insurance Contributions*

Class 1: Employee **	(%)
2019/20	
Earnings bracket (weekly) up to £125	Nil
£125.01 to £784	11
over £784	1
2018/19	
Earnings bracket (weekly) up to £118	Nil
£118.01 to £784	11
over £784	1

Class 1: Employer **	2019/20 (%)
Earnings bracket (weekly) up to £125	Nil
over £125	12.8

Classes 2 and 3	2019/20 (£)	2018/19 (£)
Class 2 (self employed flat rate)		
Per week	5.40	5.40
Small earnings exception (year)	6,500	6,136
Class 3 (voluntary)		
Per week	15.00	14.65

Class 4 (self employed)	(%)
2019/20	
up to £6,500	0
£6,500.01 to £40,768	8
over £40,768	1
2018/19	
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.

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.

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.

Operating from our Douglas office PwC Isle of Man is a locally owned and controlled partnership of more than 100 staff with 12 Partners/Directors. At PwC, our purpose is to build trust in society and solve important problems. We're a network of firms in 158 countries with over 250,000 people who are committed to delivering quality in assurance, advisory and tax services.

By combining our local expertise with the power of our global network, we can deliver smart solutions that address our local and international clients business challenges.

Your PwC contacts

Kevin Cowley +44 (0) 1624 689714
 Tax Partner kevin.cowley@pwc.com

Andrew Cardwell +44 (0) 1624 689465
 Tax Director andrew.cardwell@pwc.com

Phil Morris +44 (0) 1624 689713
 Tax Director (VAT) phil.morris@pwc.com

PricewaterhouseCoopers LLC

Sixty Circular Road, Douglas, Isle of Man, IM1 1SA
 T: +44 (0) 1624 689689 W: www.pwc.com/im

 pwcisleofman  @pwc_iom  /pwcisleofman

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.

© 2019 PricewaterhouseCoopers LLC, an Isle of Man limited liability company. All rights reserved. PwC refers to the Isle of Man member firm, and may sometimes refer to the PwC network. Each member firm is a separate legal entity. Please see www.pwc.com/structure for further details.

Tax matters

Isle of Man tax guide 2019/2020



www.pwc.com/im

Income tax

Allowances	2019/20 (£)	2018/19 (£)
Single person	14,000	13,250
Married couple (combined)	28,000	26,500
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	2019/20 (£)	2018/19 (£)
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 (%)	2019/20 (£)	2018/19 (£)
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 2019, a Manx resident's tax liability will be fixed at £175,000 (or £350,000 for a married couple) for the five years commencing on 6 April 2019.

Companies	2019/20 Rate (%)	2018/19 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 - 2019/20	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 2018/19.

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 2019 £85,000 (2018 - £85,000).

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.

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	£300,000 £50,000	N/A £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

Rates 2019/20 and 2018/19	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.