



GLOBAL  
EMPLOYER  
GUIDE

**UNITED KINGDOM**





## Basic Country Facts

### Full name

- The United Kingdom of Great Britain and Northern Ireland

### Capital

- London

### Main Languages

- English (98%)
- Scots
- Welsh
- Irish

### Population

- 66.65 million

### Monetary unit

- Pound sterling (£)

### Internet domain

- .uk

### International dialing code

- +44

### Currency

- Pound sterling (£)



# STATUTORY LABOR REQUIREMENTS

## Probation Period

- The scope and terms of any probation period are governed by an individual's contract of employment, but it will typically last three or six months and may involve either formal or informal assessments.

## Annual Leave

- All full-time employees in the UK are legally entitled to 28 days of paid vacation per year (known as statutory leave entitlement or annual leave).

## Public Holidays

- The holidays are as follows
  - 1. New Year's Day (1st January)
  - 2. Good Friday (2nd April)
  - 3. Easter Monday (5th April)
  - 4. Early May Bank Holiday (8th May)
  - 5. Spring Bank Holiday (25th May)
  - 6. Summer Bank Holiday (31st August)
  - 7. Christmas Day (25th December)
  - 8. Boxing Day (28th December)
- The dates may vary from year to year
- If a bank holiday is on a weekend, a 'substitute' weekday becomes a bank holiday, normally the following Monday.



## Maternity Leave

- Female employees are entitled to 52 weeks of maternity leave.
- Two weeks must be taken after the baby is born (four weeks for factory workers.)
- The leave is divided into:
  - Ordinary Maternity Leave – first 26 weeks
  - Additional Maternity Leave – last 26 weeks
- Employees receive Statutory Maternity Pay for up to 39 weeks.
  - 90% of average weekly earnings (before tax) for the first 6 weeks
  - £139.58 (current since April 2016) or 90% of average weekly earnings (whichever is lower) for the next 33 weeks

## Paternity Leave

- Fathers can choose to take either 1 or 2 weeks.
- They get the same amount of leave even if the partner has a multiple birth (such as twins).
- Leave cannot start before the birth.
- It must end within 56 days of the birth.
- The statutory weekly rate of Paternity Pay is £151.20, or 90% of your average weekly earnings (whichever is lower).

## Sick Leave

- Employees in the UK are entitled to Statutory Sick Pay for up to 28 weeks, paid for by the employer.
- If employees are absent from work for more than seven days, they must provide a note from their doctor to document the Sick Pay obligation.
- Sick Pay begins after the employee has been out of work for four or more days in a row and it is currently paid at the rate of £88.45 per week (since April 2016).

## Work Hours

- By law there is a maximum of 48 hours per week which an employee can be expected to work, averaged over 17 weeks.

## Overtime

- By law, employees cannot usually be forced to work more than an average of 48 hours per week.
- They can agree to work longer - but this agreement must be in writing and signed by the employee.
- Employers do not have to pay workers for overtime.
- However, the average pay for the total hours worked must not fall below the National Minimum Wage.

## Notice Period

- There are two types of notice – statutory notice, which is required by law, and the notice period stated in the employee’s contract of employment.
- Length of service is used to calculate the statutory notice period:
  - one week notice for one month and less than two years of service
  - one week notice for each year for between two and 12 years of service
  - 12 weeks’ notice for 12+ years of service
- The length of notice in the employment contract is at the employer’s discretion, but this notice period is usually 1 month for employees and up to 3 months for senior employees.





## Severance

- Severance pay is given when an employee is terminated due to redundancy and the employee has worked for the employer continuously for at least two years prior to the redundancy, according to the following schedule:
  - one half of one week's pay for each year of service where the employee was below the age of 22
  - one week's pay for each year of service where the employee was between 22 to 40 of age
  - 1 1/2 week's pay for each year of employment where the employee was 41 and over
- There is a cap on a week's pay for redundancy pay purposes that is adjusted annually.

## 13th Month

- This not mandatory in the UK



## Income Tax

- If an individual is resident and domiciled in the United Kingdom, they will be taxed on their worldwide income and capital gains.
- If an individual is not UK resident, they will usually be taxed on their UK-source income, but will not generally be taxed on capital gains, other than UK residential property or carried interest, even if the asset is located in the United Kingdom.
- An employee is prima facie taxed on all remuneration and benefits from employment received during a tax year. The UK tax year ends on 5 April. An employee is taxable not only on basic salary but also on most perquisites or benefits in kind, including company cars, meals, accommodation, tuition for dependent children, medical insurance premiums and imputed interest on loans below market rates
- Gains in respect of UK residential property owned by non-residents are subject to UK CGT at 28%. The tax charge has been extended to all UK property disposed of by non-UK residents and also shares in 'property-rich' non-UK companies from April 2019.
- In addition, where the asset is used for business purposes in the United Kingdom through a UK branch or agency, any gains are also subject to UK CGT.
- There are also special rules for income and capital gains tax where a person has become non-UK resident but returns to the United Kingdom within, broadly, five years.
- If an individual is resident but not domiciled (and not deemed domiciled) in the United Kingdom, they can elect for the remittance basis of taxation, in which case their non-UK investment income and capital gains are only taxed if they are remitted to the United Kingdom.
- Income tax is charged at graduated rates, with higher rates of income tax applying to higher bands of income.

Band	Taxable Income	Tax Rate
<b>Personal Allowance</b>	Up to £12,500	0%
<b>Basic Rate</b>	£12,501 to £50,000	20%
<b>Higher Rate</b>	£50,001 to £150,000	40%
<b>Additional Rate</b>	over £150,000	45%



## Social Security

- Social Security benefits cover pension, employment and support allowance, disability living allowance, personal independent payment, attendance allowance, carer's allowance, Bereavement Support Payment etc.
- Unless exempted by a reciprocal agreement or under the EEA rules, Class 1 National Insurance Contributions (NICs) are payable by both the employer and employee in respect of an employee working in the United Kingdom.
- The contributions are not deductible from compensation for income tax purposes.
- There is no ceiling in respect of employee or employer contributions.
- Class 1 Primary NIC is payable by the employee at 12 percent for earnings between the Primary and Upper thresholds (GBP166 per week and GBP962 per week respectively) and at 2 percent thereafter.
- Class 1 Secondary NIC is payable by employers at 13.8 percent on total compensation over the earnings threshold (GBP166 per week for the 2019/20 tax year).
- Class 1A NIC (at the same rate) is paid by the employer only on most payments/benefits in-kind, such as rent, car, school fees, and so on.
- The benefit subject to Class 1A National Insurance is the same as computed for tax purposes.

- The United Kingdom has concluded a number of social security treaties, which usually provide for limited periods of exemption from NIC (the U.S. treaty provides for a 5-year exemption period if certain conditions are met) on the basis that contributions continue to be paid in the home country/territory.
- A secondee working in the United Kingdom from another EEA Member State might be covered by European Council regulations which, in prescribed circumstances, will exempt them from NIC, provided contributions continue to be paid in the home country/territory.
- If no treaty or EEA arrangements apply, a foreign national employed by an overseas employer and sent to the United Kingdom on a secondment will usually be entitled to a 1-year exemption from NIC. The employer will also be exempt from NIC during this period.
- For a UK national employed in the UK and assigned to work overseas will usually continue to be liable for NIC for 52 weeks after departure. The employer will have a corresponding liability.
- The social security rules in respect of individuals currently covered by the European Social Security regulations may change due to Brexit.

### Social Security Contributions Rates

#### Employee

- 12 % for earnings between the Primary and Upper thresholds (GBP166 per week and GBP 962 per week respectively)
- 2 % thereafter.

#### Employer

- Class 1 Secondary NIC is payable by employers at 13.8 percent
- Class 1A NIC is payable by employers at 13.8 percent



# Deductible Expenses

## Employment Deductions

- Under general rules, a deduction in determining taxable earnings is allowed for any amount if it is incurred wholly, exclusively and necessarily in the performance of the duties of the employment.
- Travel and subsistence costs incurred when an employee works at a temporary workplace (that is, a workplace where an employee expects to work for no longer than 24 months and such period does not form all or nearly all the employment period)
- The cost of employee and family return trips home (subject to certain limitations with respect to the duration of claim and family trips; a non-UK-domiciled individual who performs employment duties in the UK is eligible to claim home-leave expenses with respect to his or her family for qualifying journeys that are completed within five years of the date of his or her arrival in the UK)
- Qualifying relocation expenses of up to GBP8,000
- Work-related training (for employees only)
- Professional subscriptions
- Business mileage allowance for using an employee's private car to travel in the performance of employment duties
- Overseas medical costs (for UK employees on foreign assignment)

## Business Deductions

- Entertainment and gifts (except for certain inexpensive gifts bearing conspicuous advertising)
- Depreciation, other than capital allowances
- Nonbusiness expenses or the private-use proportion of expenses
- Costs of a capital nature
- Profits or capital withdrawn from the business

## Personal Deductions

- UK-resident taxpayers are normally entitled to an annual tax-free personal allowance. The amount is GBP12,500 for the 2019-20 tax year
- Individuals aged 65 or older in the tax year may be entitled to a higher rate of the personal allowance.
- Married couples also qualify for the married couple's allowance if one or both of the spouses were born before 6 April 1935.
  - The maximum amount of this allowance is GBP 8,915, depending on the taxpayers' age and income. This relief may be taken only at a rate of 10%.
  - In some circumstances, married couples who pay tax at no more than the basic rate may also be able to transfer the unused personal allowance to their spouse or civil partner.
- Relief for alimony and maintenance payments may be available if an individual or his or her ex-spouse was born before 6 April 1935 and if certain other conditions are met.



## Deductible Expenses

### Employment Deductions

- Travel and subsistence costs incurred when an employee works at a temporary workplace
- The cost of employee and family return trips home
- Qualifying relocation expenses of up to GBP8,000
- Work-related training (for employees only)
- Professional subscriptions
- Business mileage allowance for using an employee's private car to travel in the performance of employment duties
- Overseas medical costs (for UK employees on foreign assignment)

### Business Deductions

- Entertainment and gifts
- Depreciation, other than capital allowances
- Nonbusiness expenses or the private-use proportion of expenses
- Costs of a capital nature
- Profits or capital withdrawn from the business

### Personal Deductions

- Personal allowance of GBP 12,500
- Married couples allowance (maximum GBP 8,915)
- Relief for alimony and maintenance payments may be available if an individual or his or her ex-spouse was born before 6 April 1935 and if certain other conditions are met



# Immigration

## EU Nationals

- If you are from the EU, EEA, or Switzerland, you will not need a visa or work permit to work in the UK.
- Although the UK has left the EU, a transition period has been set until the end of 2020—for now, the rules will remain the same.

## Non-EEA nationals

- In general, non-EEA nationals, and persons without settled status or a right of abode who wish to come to the UK for the purpose of employment must obtain the requisite entry clearance for that purpose before traveling to the UK.
- The UK's Points Based System (PBS) is a points-scoring system under which applicants are awarded points to reflect earnings, experience and the demand for skills in certain sectors.
- The PBS consists of five tiers. Some of the main employment categories under the Points Based System (PBS) are as follows:

### Tier 1.

- Tier 1 has several subcategories:
  - *The Tier 1 (Exceptional Talent) category*
    - It is intended for individuals who are internationally recognized in their field as a leading global talent.
    - The UK government has limited the number of applications that can be made, with 1,000 places released on both 6 April and 1 October each year.
    - Every initial application must be endorsed by a “designated competent body” before a visa application can be made.
  - *The Tier 1 (Entrepreneur) category*
    - This was closed to applications to enter the scheme on 28 March 2019.
    - However, the category, which applies to individuals who intend to invest in the UK by setting up or taking over the running of a UK business, is still open to those eligible to extend their visa or who are eligible to switch from the Tier 1 (Graduate Entrepreneur) category.
  - *The Tier 1 (Start-up) and Tier 1 (Innovator) categories*
    - Applications under these categories require an endorsement by an approved body, which will assess whether an individual's business idea is new and viable and has potential for growth.
    - The Tier 1 (Start-up) category is available for those looking to set up a business in the UK and permits a stay for up to two years without the option of extension. The Tier 1 (Innovator) category is available for those wishing to set up and invest at least EUR50,000 of funds into a business and initially permits a stay for three years with the option to extend for further three-year periods with the potential to apply for settlement after five years.
    - Business organizations with a history of supporting UK entrepreneurs may be eligible to apply to become endorsing bodies.

o *The Tier 1 (Investor) category*

- Applies to individuals who intend to make a large investment in the UK.
- Such individuals need access to a minimum of GBP2 million that is disposable and held in a regulated financial institution and must have a UK bank account for investment purposes.
- Accelerated routes to settlement are available to individuals who can invest GBP5 million in three years or GBP10 million in two years.

**Tier 2.**

o *The Tier 2 (General) category*

- Applies to skilled workers with a licensed sponsor that has offered them a job in the UK.
- A key feature is that employers must obtain a sponsor license in order to sponsor non-EEA nationals coming to the UK.
- Sponsors are required to estimate their use of Certificates of Sponsorship (CoS) in different categories on an annual basis.
- They are also subject to reporting and compliance requirements to maintain their status as licensed sponsors.
- Applications can be submitted from within the UK if permissible (for example, extensions' applications for existing Tier 2 migrants, students or individuals seeking to change employment) or from outside the UK.

- The employer must usually satisfy the Resident Labor Market Test (unless an exemption applies) to demonstrate that it has been unable to fill the post with a settled worker and is therefore employing a non-visa national.
- Except for nationals from a handful of Majority-English-speaking countries, individuals who wish to work in the UK under Tier 2 (General) must provide specified documents to show that they have a good knowledge of English at Level B1.
- The minimum salary requirement for roles in this category is currently GBP30,000 per year for experienced workers and GBP20,800 for new entrants.
- Salaries must also meet the minimum set out in the relevant Standard Occupation Classification (SOC) Code published by UK Visas and Immigration.
- There is also a maintenance requirement to be met if the individual's sponsor does not certify the maintenance associated with the individual's application.
- This category is subject to an annual limit of 20,700 places, from 6 April of each year to 5 April of the following year, with the exception of individuals who will receive an annual salary of at least GBP159,600 per year.



- Licensed sponsors must apply for a “restricted” certificate of sponsorship (if applicable) through the monthly allocation.
- The sponsor must already have carried out the Resident Labor Market Test (if applicable) before applying for a “restricted” certificate of sponsorship.
- Individuals who receive a guaranteed salary of at least GBP159,600 are exempt from the Resident Labor Market Test requirement as well as the “cooling off period”
- When a Tier 2 visa holder leaves the UK at the end of his or her stay or moves to another immigration category, he or she may not apply for a new Tier 2 visa until 12 months have passed.
- This is known as the “cooling off period.” Several exceptions exist, most notably if the guaranteed salary will be at least GBP159,600.
- Once a migrant has spent a continuous period of five years in the UK as a Tier 2 migrant, he or she is eligible to apply for indefinite leave to remain provided that he she also meets the other criteria as well.

### **Tier 2 (Intra-Company Transfer) or ICT category**

- It has two subcategories, which are Tier 2 (ICT: Long Term) and Tier 2 (ICT: Graduate Trainee).
  - *The Tier 2 (ICT: Long Term) category*
    - Applies to overseas employees of multinational companies who are being transferred to a UK-based branch of the organization.

- These employees must have normally worked abroad with the company for at least 12 months unless their salary is at least GBP73,900 in which case this requirement is waived. Individuals who enter the UK under this category must fill roles at graduate level or above.
- The minimum annual salary threshold for this category is GBP41,500.
- Individuals must also receive at least the minimum salary specified in the relevant SOC Code for their particular occupation. Individuals are not required to demonstrate English-language ability for the Tier 2 ICT category.
- It is possible to apply for an initial grant of entry clearance for a period of five years (or to apply for an initial period three years, with the option of a further extension in-country to bring the total grant of leave to five years.
- Typically, it is not possible to extend leave beyond 5 years and individuals are then subject to the 12-month cooling off period.
  - *The Tier 2 (ICT: Graduate Trainee) category*
    - This applies to recent graduate employees of multinational companies with at least three months overseas’ service who are being transferred to the UK-based branch of the organization for no more than 12 months.
    - Individuals may only come to the UK in this category if they are part of a structured graduate training program with clearly defined progression toward a managerial or specialist role within the organization.



- Only certain roles are eligible to qualify for this visa.
- Only 20 graduate trainee visas may be issued per sponsor per financial year. Graduate Trainees must be paid a minimum salary of GBP23,000 per year, or the minimum salary threshold as specified in the relevant SOC Code, whichever is higher.

- *The Tier 2 (Minister of Religion) category*

- Applies to individuals coming to the UK as religious workers for religious organizations. Individuals coming to the UK under this category are required to meet the English language requirement at Level B2.

#### **Tier 5**

- Tier 5 covers the following temporary workers:
- Individuals coming to the UK to work or perform as sportspersons, entertainers or creative artists
- Individuals coming to the UK to do voluntary work for charity
- Individuals coming to the UK to work temporarily as religious workers
- Individuals coming to the UK through Government Approved Exchange Programs for the purposes of internships or work experience
- Individuals coming to the UK under contract to do work that is covered under international law Tier 5 also covers young people (aged from 18 years to 30 years) from participating jurisdictions who would like to experience life in the UK under the Youth Mobility scheme for up to two years.

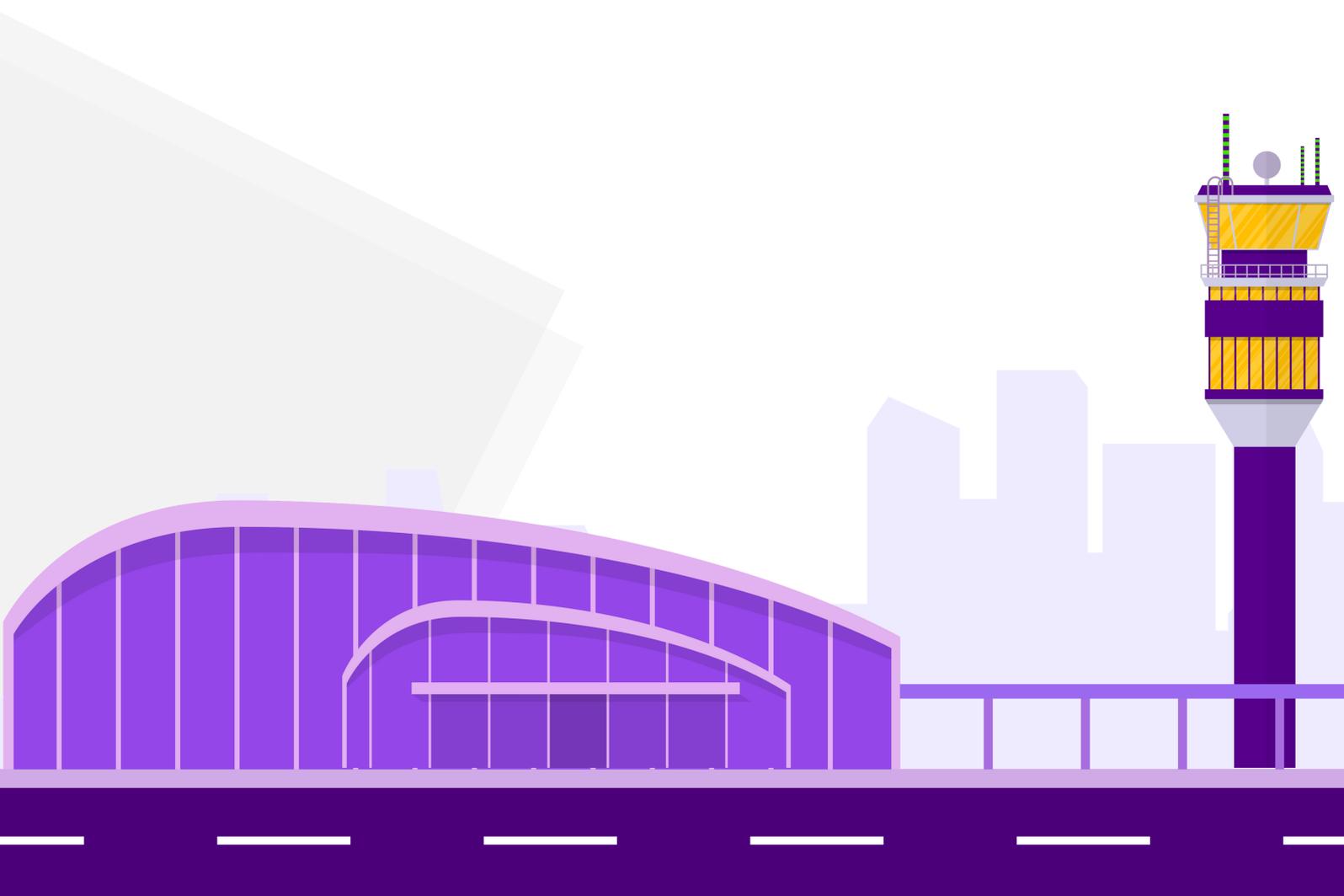
Type of Visa/ Permits	Documentation	Validity	Eligibility
<b>Tier 1 (Innovator Visa)</b>	<ul style="list-style-type: none"> <li>• A current passport or other valid travel identification</li> <li>• Bank statements showing you've had at least £945 in savings in your bank account for 90 consecutive days before you apply</li> <li>• Proof that you meet the English language requirement</li> <li>• Evidence of your investment funds (if you're setting up a new business)</li> <li>• Your tuberculosis test results if you're from a country where you have to take the test</li> </ul>	3 Years	<ul style="list-style-type: none"> <li>• Before you apply you need to have your business or business idea assessed by an approved body.</li> <li>• They will provide you with an endorsement letter if your business is viable.</li> <li>• Must meet the English language requirement</li> <li>• Be at least 18 years' old</li> <li>• Be able to prove that you have enough personal savings to support yourself while you're in the UK</li> <li>• You must have at least £50,000 in investment funds to apply for an Innovator visa if you want to set up a new business.</li> </ul>
<b>Tier 1 (Startup Visa)</b>	<ul style="list-style-type: none"> <li>• An endorsement letter' from an authorized body.</li> <li>• A current passport or other valid travel identification</li> <li>• Bank statements showing you've had at least £945 in savings in your bank account for 90 consecutive days before you apply</li> <li>• your tuberculosis test results if you're from a country where you have to take the test</li> <li>• Proof that you have knowledge of the English language</li> </ul>	2 years	<ul style="list-style-type: none"> <li>• Before you apply you need to have your business or business idea assessed by an approved body.</li> <li>• They will provide you with an endorsement letter if your business is viable.</li> <li>• Must be at least 18 years' old</li> <li>• meet the English language requirement</li> <li>• Be able to prove that you have enough personal savings to support yourself while you're in the UK</li> </ul>



Type of Visa/ Permits	Documentation	Validity	Eligibility
<b>Tier 2 (General Category)</b>	<ul style="list-style-type: none"> <li>Your certificate of sponsorship reference number</li> <li>Proof of your knowledge of English</li> <li>A bank or building society statement or letter that shows you have enough personal savings (unless your certificate of sponsorship shows your sponsor can support you)</li> <li>A current passport or travel document to prove you can travel</li> <li>Expired passports or travel documents if you need them to show your travel history</li> <li>Your tuberculosis test results if you're from a listed country</li> <li>A criminal record certificate - if you're working with vulnerable people</li> </ul>	Maximum 5 years	<ul style="list-style-type: none"> <li>Have a valid certificate of sponsorship for your job</li> <li>Prove your knowledge of English</li> <li>Have personal savings of £945 so you can support yourself when you arrive in the UK</li> <li>Show you can travel and your travel history over the last 5 years</li> <li>You'll usually need to be paid at least £30,000 per year or the 'appropriate rate' for the job you're offered - whichever is higher.</li> </ul>
<b>Tier 2 (ICT Category)</b>	<ul style="list-style-type: none"> <li>your certificate of sponsorship reference number</li> <li>A bank or building society statement or letter that shows you have enough personal savings (unless your certificate of sponsorship shows your sponsor can support you)</li> <li>A current passport or travel document to prove you can travel -</li> <li>Expired passports or travel documents if you need them to show your travel history</li> <li>Your tuberculosis test results if you're from a listed country</li> </ul>	Maximum	<ul style="list-style-type: none"> <li>Be able to show you have worked for your employer outside the UK</li> <li>The minimum salary is: <ul style="list-style-type: none"> <li>£41,500 for Long-term Staff</li> <li>£23,000 for Graduate Trainee</li> </ul> </li> </ul>



Type of Visa/ Permits	Documentation	Validity	Eligibility
<p><b>Tier 5</b></p>	<ul style="list-style-type: none"> <li>• A current passport or other valid travel identification</li> <li>• Bank statements showing you've had at least £945 in savings continuously for 90 days before you apply -</li> <li>• Your tuberculosis test results if you're from a country where you have to take the test</li> <li>• You need a blank page in your passport for your visa.</li> </ul>	<p>12 to 24 months</p>	<ul style="list-style-type: none"> <li>• A certificate of sponsorship reference number from your UK sponsor</li> <li>• £945 in savings - this is to prove you can support yourself and you must have had this in your bank account for 90 days before you apply</li> <li>• You will not need £945 in savings if your fully approved ('A-rated') sponsor has stated on your certificate of sponsorship that they'll certify your maintenance and that you will not claim benefits during your stay.</li> </ul>



## Value Added Tax (VAT)

- The standard rate of VAT increased to 20% on 4 January 2011 (from 17.5%).
- Some things are exempt from VAT, such as postage stamps, financial and property transactions.

VAT	
Type	Rate
Standard Rate	20%
Reduced Rate	5%
Zero Rate	0%

## Withholding Tax

### Dividends

- There typically is no withholding tax on dividends paid by UK companies under domestic law, although 20% withholding tax generally applies to distributions paid by a REIT from its tax exempt rental profits (subject to relief under a tax treaty)

### Interest

- There is no withholding tax requirement in respect of certain interest payment, including, for example, generally interest paid to UK resident individuals from bank deposits, unit trust, open-ended investment companies, or peer to peer lending.
- A 20% withholding tax may apply to other sources of interest. Interest paid to a non-resident is subject to 20% withholding tax, unless the rate is reduced under a tax treaty, or the interest is exempt under the EU interest and royalties' directive.

- The continuing application of the directive following the UK's departure from the EU on 31 January 2020 is dependent upon the outcome of ongoing negotiations, but interest payments made to qualifying EU companies that satisfy the conditions for application of the directive continue to be exempt throughout the transition period until 31st December 2020

### Royalties

- Royalties paid to nonresident generally are subject to a 20% withholding tax, unless the rate is reduced under a tax treaty or the royalties are exempt under the EU interest and royalties' directive.
- The continuing application of the directive following the UK's departure from the EU on 31 January 2020 is dependent upon the outcome of ongoing negotiations, but royalties made to qualifying EU companies that satisfy the conditions for application of the directive continue to be exempt throughout the transition period until 31st December 2020

WHT				
Type of Payment	Residents		Non-residents	
	Company	Individual	Company	Individual
Dividends	0%	0%	0%	0%
Interest	0%	0%/20%	20%	20%
Royalties	0%	0%/20%	20%	20%

## Termination

- Dismissal is when an employer ends your employment - they do not always have to give employees notice.
- If employees are dismissed, the employer must show they've:
  - a valid reason that they can justify
  - acted reasonably in the circumstances
- Employees must be given at least the notice stated in their contract or the statutory minimum notice period, whichever is longer.
- There are some situations where employees can be dismissed immediately - for example, for violence.
- Employees can be dismissed due to
  - Not being able to do their job properly
  - Illness
  - Redundancy
  - Summary dismissal
    - Gross Misconduct
  - A statutory restriction
  - It is impossible for an employer to continue the employee's employment contract
  - A substantial reason

## Statutory Benefits

- These refer to benefits as postulated by law
- These include probationary period, annual leave, public holidays, sick leave, maternity leave, paternity leave, parental leave, adoption pay, notice period, severance pay
- Statutory benefits also include social security benefits

## Statutory Benefits

Probationary Period

Annual Leave

Public Holidays

Sick Leave

Maternity Leave

Paternity Leave

Parental Leave

Adoption Pay

Notice Period

Severance Pay

Social Security Benefits

## Payments and Invoicing

- The tax year for individuals in the UK runs from 6 April to 5 April of the following year.
- Married persons are taxed as separate individuals.
- The UK has a self-assessment tax system.
- Under the self-assessment system, individuals who receive a notice to file a tax return from HMRC may choose to have HMRC calculate and assess their tax liability or to calculate and assess the tax due themselves.
- Individuals who choose to have HMRC calculate and assess tax must complete and submit their tax returns by 31 October following the end of the tax year.
- Individuals who choose to calculate and assess tax themselves must complete and submit tax returns by 31 October following the end of the tax year if they want to file paper returns.

- Returns can be filed electronically, together with a calculation of the tax due, up to 31 January following the end of the tax year.
- If tax is due as calculated on the return, it must be paid by 31 January following the end of the tax year.
- Provisional on account payments of tax on income not subject to withholding are usually payable in two installments, on 31 January in the tax year and on the following 31 July.
- Each installment must equal 50% of the previous year's income tax liability not withheld at source.

## Ease of Doing Business

- The ease of doing business index is an index created by Simeon Djankov, an economist at the Central and Eastern Europe sector of the World Bank Group.
- Higher rankings (a low numerical value) indicate better, usually simpler, regulations for businesses and stronger protections of property rights.
- According to the World Bank, UK was ranked 8th in the World in 2019 in terms of ease of doing business.



GLOBAL  
EMPLOYER  
GUIDE

**UNITED KINGDOM**



An Equus Software Company