

INCOME TAX

RATES OF TAX

2024/2025

Starting rate of 0% on savings income up to*	£5,000
Personal Savings Allowance	
Basic rate	£1,000
Higher rate	£500
Additional rate	Nil
Basic rate of 20%	£0 to £37,700
Higher rate of 40%	£37,701 to £125,140
Additional rate of 45%	£125,141 and over

*For non-savings income less than £17,570 only. The starting rate for savings applies for up to a maximum of £5,000 of savings income.

Dividend Allowance	£500
Dividend tax rates	
Basic rate	8.75%
Higher rate	33.75%
Additional rate	39.35%

Trusts

Income exemption up to**	£500
Rate applicable to trusts	
- Dividends	39.35%
- other income	45%

** Where net income exceeds £500, the full amount is subject to Income Tax

MAIN PERSONAL ALLOWANCES AND RELIEFS

Income limit for Personal Allowance §	£100,000
Personal Allowance (basic) §	£12,570
Marriage Allowance	£1,260
Rent-a-room scheme - tax-free income allowance	£7,500

§ Reduced allowance of £1 for every £2 of adjusted net income over and above £100,000

NATIONAL INSURANCE CONTRIBUTIONS

Class 1 Employee	per week
Lower Earnings Limit (LEL)	£123
Primary threshold	£242
Upper Earnings Limit (UEL)	£967

Class 1	Employee	Employer
NICs rate	8%	13.8%
No NICs on the first (per week)*	£242	£175**
NICs rate charged up to (per week)	£967	No limit
NICs rate on earnings over UEL	2%	n/a

* This is the primary threshold below which no NI contributions are payable. However, the lower earnings limit is £123 per week. This £123 to £242 band is a zero-rate band introduced in order to protect lower earners' rights to contributory State benefits e.g. the new State Pension.

** Secondary threshold.

Class 2 (self-employed)

Flat rate per week £3.45

Small profits threshold per year £6,725

Class 2 contributions are credited automatically where profits equal or exceed £6,725 per annum.

Class 2 contributions can be made voluntarily where profits are below £6,725 per annum.

Class 3 (voluntary)

Flat rate per week £17.45.

Class 4 (self-employed)

6% on profits between £12,570 and £50,270.

2% on profits above £50,270.

PENSIONS

2024/2025

Annual Allowance* £60,000

Lump sum and death benefit allowance (LSDBA) £1,073, 100

Lump sum allowance (LSA) £268,275

LSA and LSDBA may be higher if transitional protections are available.

Where pension benefits were crystallised prior to 6 April 2024 the LSA and LSDBA may be reduced.

Money Purchase Annual Allowance £10,000

* Reduced by £1 for every £2 of 'adjusted income' over £260,000 to a minimum of £10,000 if 'threshold income' is also over £200,000.

CAPITAL GAINS TAX

TAX RATES

2024/2025

Individuals:

Up to basic rate limit	10%
Above basic rate limit	20%
Surcharge for residential property and carried interest gains up to basic rate limit	8%
Surcharge for residential property above basic rate limit	4%
Surcharge for carried interest gains above basic rate limit	8%

Trustees and Personal Representatives:

Residential property	24%
Other chargeable assets	20%

Business Asset Disposal Relief*

10%

Lifetime limit £1,000,000

**For trading businesses and companies (minimum 5% employee or director shareholding) held for at least two years.*

ANNUAL EXEMPTIONS

Individuals, estates etc	£3,000
Trusts generally	£1,500
Chattels proceeds (restricted to five thirds of proceeds exceeding limit)	£6,000

STAMP DUTY LAND TAX

Residential

Value up to £250,000	0%
£250,001 - £925,000	5%
£925,001 - £1,500,000	10%
£1,500,001 and over	12%

Additional Stamp Duty Land Tax (SDLT) rules still apply as below.

- *First-time buyers benefit from SDLT relief on purchases up to £625,000 when purchasing their main residence. On purchases up to £425,000, no SDLT is payable. On purchases between £425,001 and £625,000, a flat rate of 5% is charged on the balance above £425,000.*
- *Additional SDLT of 3% may apply to the purchase of additional residential properties purchased for £40,000 or greater.*
- *SDLT may be charged at 15% on interests in residential dwellings costing more than £500,000 purchased by certain corporate bodies or non-natural persons in some circumstances.*
- *SDLT is payable in England and Northern Ireland only. Land Transaction Tax (LTT) is payable in Wales and Land and Buildings Transaction Tax (LBTT) is payable in Scotland. The rates for LTT and LBTT are different to the rates shown above.*
- *Additional rates of LBTT and LTT apply in Scotland and Wales respectively for the purchase of additional residential properties. First-time buyers benefit from LBTT relief in Scotland. There is no LTT relief for first-time buyers in Wales.*

INHERITANCE TAX

RATES OF TAX ON TRANSFERS

2024/2025

Transfers made on death

- Up to £325,000 Nil
- Excess over £325,000 40%
- Reduced rate (where appropriate charitable contributions are made) 36%

Chargeable lifetime transfers to trusts 20%

MAIN EXEMPTIONS

Transfers to

- UK-domiciled spouse/civil partner No limit
- non-UK-domiciled spouse/civil partner (from UK-domiciled spouse) £325,000
- main residence nil-rate band* £175,000
- UK-registered charities No limit

* Available for estates up to £2,000,000 and then tapered at the rate of £1 for every £2 in excess until fully extinguished.

Lifetime transfers

- Annual exemption per donor £3,000
- Annual small gifts exemption per donor £250

Wedding/civil partnership gifts by

- Parent £5,000
- Grandparent/bride or groom £2,500
- other person £1,000

100% relief: businesses, unlisted/AIM companies, certain farmland/building

50% relief: certain other business assets

Reduced tax charge on gifts made in excess of the nil rate band within 7 years of death:

- | | | | | | |
|---------------------------|------|-----|-----|-----|-----|
| - Years before death | 0-3 | 3-4 | 4-5 | 5-6 | 6-7 |
| - Inheritance Tax payable | 100% | 80% | 60% | 40% | 20% |

Quick succession relief:

- | | | | | | |
|--------------------------|------|-----|-----|-----|-----|
| - Years since IHT paid | 0-1 | 1-2 | 2-3 | 3-4 | 4-5 |
| - Inheritance Tax relief | 100% | 80% | 60% | 40% | 20% |

CORPORATION TAX

2024/2025

Small profit rate - for taxable profits below £50,000	19%
Main rate - for taxable profits above £250,000	25%
Companies with profits between £50,000 and £250,000 will pay tax at the main rate, reduced by a marginal relief. This provides a gradual increase in the effective Corporation Tax rate.	

VALUE ADDED TAX

2024/2025

Standard rate	20%
Annual registration threshold	£90,000
Deregistration threshold	£88,000

MAIN SOCIAL SECURITY BENEFITS

2024/2025

Child Benefit	First child	£25.60
	Subsequent children	£16.95
	Guardian's Allowance	£21.75
Basic State Pension	Category A & B full rate	£169.50
	Category B (lower) full rate	£101.55
New State Pension	Full rate	£221.20
Pension Credit	Standard minimum guarantee - single	£218.15
	Standard minimum guarantee - couple	£332.95
Bereavement Support Payment	Higher rate - lump sum	£3,500
	Higher rate - monthly payment	£350
	Standard rate – lump sum	£2,500
	Standard rate – monthly payment	£100