

Income tax

Personal allowances and reliefs

	2017/18	2016/17	2015/16	2014/15	2013/14	2012/13	2011/12	2010/11	2009/10
Personal allowance	£	£	£	£	£	£	£	£	£
Aged under 65*	11,500	11,000	10,600	10,000	9,440	8,105	7,475	6,475	6,475
Born between 6 April 1938 and 5 April 1948	-	-	-	10,500	10,500	-	-	-	-
Aged 65–74	-	-	-	-	-	10,500	9,940	9,490	9,490
Aged 75 & over	-	-	-	-	-	10,660	10,090	9,640	9,640
Born before 6 April 1938	-	-	10,660	10,660	10,660				
Blind person's allowance	2,320	2,290	2,290	2,230	2,160	2,100	1,980	1,890	1,890
Transferable tax allowance (for married couples and civil partners)**	1,150	1,100	1,060	-	-	-	-	-	-
Married couples allowance (MCA)									
Born before 6 April 1935					7,915	7,705	7,295	6,965	6,965
Max	8,445	8,355	8,355	8,165					
Min	3,260	3,220	3,220	3,140					
Age allowance limit									
MCA reduced by £1 for every £2 exceeding limit	28,000	27,700	27,700	27,000	26,100	25,400	24,000	22,900	22,900
Rent a room relief		7,500	4,250	4,250	4,250	4,250	4,250	4,250	4,250

*Personal allowance restriction from 2010/11 on

The personal allowance is restricted by £1 for every £2 of an individual's adjusted net income above £100,000.

** Transferable allowance: in 2016/17 a spouse or civil partner who is not liable to income tax above the basic rate may transfer £1,100 (2015/16 £1,060) of their unused personal allowance to their spouse/civil partner, provided that the recipient of the transfer is not liable to income tax above the basic rate. Taxpayers have 4 years in which to make the election.

Income tax rates

Rate	%	2017/18	2016/17	2015/16	2014/15	2013/14	2012/13	2011/12	2010/11	2009/10	2008/09
Basic*	20%	£0 - £33,500	£0 - £32,000	£0 - £31,785	£0 to £31,865	£0 to £32,010	£0 to £34,370	£0 to £35,000	£0 to £37,400	£0 to £37,400	£0 to £34,600
Higher**	40%	£33,501 to £150,000	£32,001 to £150,000	£31,786 to £150,000	£31,866 to £150,000	£32,011 to £150,000	£34,370 to £150,000	£35,001 to £150,000	£37,401 to £150,000	£37,401 and above	£34,601 and above
Top	45%	£150,001 +	£150,001 +	£150,001 +	£150,001 +	£150,001 +	-	-	-	n/a	n/a
Top	50%			-	-	-	£150,000 +	£150,000 +	£150,000 +	n/a	n/a

*Starting rate band

a starting rate applies to savings income up to:

- £5,000 2017/18 - rate 0%
- £5,000 2016/17 " "

- £5,000 2015/16 " "
- £2,880 2014/15 - rate 10%
- £2,790 2013/14 " "
- £2,710 2012/13 " "
- £2,560 2011/12 " "
- £2,440 2010/11 " "
- £2,320 2008/09 to 2009/10 " "

This band is not available if taxable non-savings income also exceeds this band.

Note the restriction on personal allowances when income is in excess of £100,000 from 2010/11 on.

** Scottish income tax

The higher rate threshold in Scotland will remain frozen at £43,000 in 2017/18, instead of increasing in line with the rest of the UK.

All other income tax rates, thresholds and allowance will be the same as for the rest of the UK.

As a result the higher rate will apply for Scottish taxpayers from £31,501 to £150,000.

Personal Savings Allowance

- From 2016/17 basic rate taxpayers do not have to pay tax on the first £1,000 of their savings income.
- From 2016/17 higher rate taxpayers do not have to pay tax on the first £500 of their savings income.
- There is no personal savings allowance for upper rate taxpayers.
- There are no changes to these allowances in 2017/18.

From April 2016 banks and building societies no longer deduct basic rate tax from interest.

Child benefit claimants

From 7 January 2013 the High Income Child Benefit Tax Charge provisions claw back Child Benefit payments when a claimant or their partner's income exceeds £50,000.

Dividend tax 2016/17 & 2017/18

- The dividend tax credit is abolished
- The first £5,000 of dividend received is tax free
- Basic rate dividends taxed at 7.5%
- Higher rate dividends taxed at 32.5%
- Upper rate dividends taxed at 38.1%

Tax rate & effective tax rate on dividends up to 2015/16

Rate	2013/14 to 2015/16	2012/13	2011/12	2010/11	2009/10	2008/09
Top tax rate	45%	50%	50%	50%	40%	40%
Dividend rate	37.5%	42.50%	42.50%	42.5%	32.5%	32.5%
Effective rate*	30.55%	36.11%	36.11%	36.11%	25%	25%
Higher tax rate	40%	40%	40%	40%	-	-
Dividend rate	32.5%	32.5%	32.5%	32.5%		
Effective rate*	25%	25%	25%	25%		

* **For example:** if an individual who is a top rate tax payer receives a dividend of £20,000 in 2013/14 (dividends are paid net of 10% tax), he will face a tax liability of £6,111 on the net dividend.

Special rates for trustees income

Rate	2016/17 & 2017/18	2013/14 to 2015/16	2012/13
Standard rate on first £1,000 of income which would otherwise be taxed at the special rate for trustees	Up to 20% depending on type of income		
Trust rate	45%	45%	50%
Dividend trust rate	38.1%	37.5%	42.5%

Pensions - higher rate restrictions

Contribution limits	From 2016/17	2014/15 to 2015/16	2011/12 to 2013/14	To 2010/11
Annual allowance	£40,000	£40,000	£50,000	£215,000
Tapered Annual Allowance with income over	£150,000	n/a	n/a	n/a
Minimum tapered allowance	£10,000	n/a	n/a	n/a
Lifetime allowance	£1 million	£1.25 million	£1.5 million	£1.8 million

National Insurance rates

(employers & employees) not contracted out

Rates 2017-18

Employee rate	Band	Weekly earnings	Employer rate	Weekly earnings
0%	LEL	Up to £113		
0%		£113 to £157	0%	£1 to £157
12%	ST	£157.01 to £866	13.8%	Above £157
2%	UEL	Over £866		

From 2016/17 Employers' NIC is abolished for apprentices under 25
From 2015/16 Employers' NIC is abolished for individuals aged under 21

LEL= Lower earnings limit

ST= Secondary Threshold

UEL = Upper earnings limit

Rates 2016-17

Employee rate	Band	Weekly earnings	Employer rate	Weekly earnings
0%	LEL	Up to £112		
0%		£112 to £155	0%	£1 to £156
12%	ST	£155.01 to £827	13.8%	Above £156
2%	UEL	Over £827		

From 2016/17 Employers' NIC is abolished for apprentices under 25
From 2015/16 Employers' NIC is abolished for individuals aged under 21

LEL= Lower earnings limit
 ST= Secondary Threshold
 UEL = Upper earnings limit

Rates 2015-16

Employee rate	Band	Weekly earnings	Employer rate	Weekly earnings
0%	LEL	Up to £112		
0%		£112 to £155	0%	£1 to £156
12%		£156 to £815	13.8%	Above £156
2%	UEL	Over £815		

From 2015/16 Employers NIC is abolished for individuals aged under 21

Rates: 2014-15

Employee rate	Band	2014/15 Weekly earnings	Employer rate	2014/15 Weekly earnings
0%	LEL	Up to £111		
0%		£111 to £153	0%	£1 to £153
12%		£153 to £805	13.8%	Above £153
2%	UEL	Over £805		

Rates: 2013-14

Employee rate	Band	2013/14 Weekly earnings	Employer rate	2013/14 Weekly earnings
0%	LEL	Up to £109		
0%		£109 to £149	0%	£1 to £148
12%		£149 to £797	13.8%	Above £148
2%	UEL	Over £797		

National Insurance rates 2011/12 to 2012/13

Employee rate	Band	2012/13 Weekly earnings	2011/12 Weekly earnings	Employer rate	2012/13 Weekly earnings	2011/12 Weekly earnings
0%	LEL	Up to £107	Up to £102			
0%		£107 to £146	£102 to £139	0%	£1 to £144	£1 to £135.99
12%		£146 to £817	£139 to £817	13.8%	Above £144	Above £136
2%	UEL	Over £817	Over £817			

National Insurance rates 2008/09 to 2010/11

Employee rate	Employer rate	Band	2010/11 Weekly earnings	2009/10 Weekly earnings	2008/09 Weekly earnings
-	-	LEL	Up to £97	Up to £95	Up to £90
0%	0%		£97.01 to £110	£95.01 to £110	£90.01 to £105
11%	12.8%		£110.01 to £844	£110.01 to £844	£105.01 to £770
1%	12.8%	UEL	£844 +	£844 +	£770 +

National Insurance rates: other & contracted out rates

	2012/13 to 2017/18	2011/12	2010/11
Employers Class 1A on taxable benefits in kind	13.8%	13.8%	12.8%
Employees' contracted-out rebate *	1.4%	1.6%	1.6%
Married women's reduced rate between primary threshold and upper earnings limit	5.85%	5.85%	4.85%
Married women's rate above upper earnings limit	2%	2%	1%
Employers' contracted-out rebate, salary-related schemes*	3.4%	3.7%	3.7%
Employers' contracted-out rebate, money-purchase schemes	N/a	1.4%	1.4%

*Abolished from April 2016

National Insurance rates (self-employed)

What's new?

Class 2 NIC is abolished from April 2018.

A proposed rise in the rate of Class 4 NICs for the self employed from April 2018, as previously announced in Spring Budget has been abandoned by the chancellor.

Current and past rates

Type	2017/18		2016/17		2015/16		2014/15	
	Profits £	Rate	Profits £	Rate	Profits £	Rate	Profits £	Rate
Class 2 Flat rate	£6,025 +	£2.85 per week	5,965 +	£2.80 per week	5,965 +	£2.80 per week	5,885 +	£2.75 per week
Class 4	Up to £8,164	0%	Up to £8,060	0%	Up to £8,060	0%	Up to 7,956	0%
Class 4	8,164 to 45,000	9%	8,060 to 43,000	9%	8060 to 42,385	9%	7,956 to 41,865	9%
Class 4	Above 45,000	2%	Above 43,000	2%	Above 42,385	2%	Above 41,865	2%

National Insurance rates (self-employed) - continued

Type	2013/14		2012/13		2011/12		2010/11 & 2009/10	
	Profits £	Rate*	Profits £	Rate	Profits £	Rate	Profits £	Rate
Class 2 Flat rate	Over 5,725	£2.70 per week	Over 5,595	£2.65 per week	Over 5,315	£2.50 per week	Over 5,075	£2.40 per week
Class 4	Up to 7,755	0%	Up to 7,605	0%	Up to 7,225	0%	Up to 5,715	0%
Class 4	7,755 to 41,450	9%	7,605 to 42,475	9%	7,225 to 42,475	9%	5,716 to 43,875	8%
Class 4	Over 41,450	2%	Over 42,475	2%	Over 42,475	2%	Over 43,875	1%

National Insurance rates (self-employed) - continued

	2008/09	2008/09
Type	Profits £	Rate
Class 2 Flat rate	Over 4,825	£2.30 per week
Class 4	Up to 5,435	0%
Class 4	5,435 to 40,040	8%
Class 4	Over 40,040	1%

* Share fishermen and volunteer workers are subject to a higher rate