INDEPENDENT FINANCIAL ADVISERS

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Some Important Tax Rates for 2024/25

Tax-free Savings for Individuals



The government has published a consultation on a new UK ISA (£5,000 allowance, invested in UK equities)

Dividend Taxation

£500 tax-free Dividend Allowance

Dividends above this level will be taxed at;

8.75% (basic rate)

33.75% (higher rate)

39.35% (additional rate)

Income Tax Allowances

Income Tax Personal Allowance **£12,570**There is one Income Tax Personal Allowance regardless of an individual's date of birth

The following Income Tax rates apply for 2024/25 for the UK (excl. Scotland):

 Basic Rate
 20%
 £0-£37,700

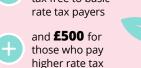
 Higher rate
 40%
 £37,701-£125,140

 Additional rate
 45%
 £125,140+

Where your adjusted net income exceeds £100,000, the Personal Allowance reduces by £1 for every £2 of adjusted net income above **£100,000**

Personal Savings Allowance





For additional rate tax payers the allowance is nil

Pension Annual Allowance

The Annual Allowance is **£60,000** for 2024/25

£1 of Annual Allowance is lost for every £2 of adjusted income over £260,000. The minimum tapered Annual Allowance is £10,000

Other Pension Allowances

The Lifetime Allowance and charge have been abolished, replaced by the Lump Sum and Death Benefit Allowance (LSDBA) of £1,073,100 and the Lump Sum Allowance (LSA) of £268,275



State Pension

Flat rate State Pension increased to **£221.20pw** from 6/4/24

(35 qualifying National Insurance years needed)

Old State Pension increased to £169.50pw from 6/4/24

Inheritance Tax (IHT)



Nil-Rate IHT band **£325.000**



40% IHT payable above this threshold



or **36%** if you leave at least 10% or more of your net estate to charity

Additional main
Residence Nil-Rate
band (RNRB) when
a residence is passed on
death to a direct descendant.

For the 2024/25 tax year the allowance is **£175,000**

This will be subject to a maximum estate value of £2m

Other IHT-free gifts, include;

Gifts between UK domiciled husband or wife or between civil partners;



Total gifts up to **£3,000** in a year (can be carried forward one tax year)



Small gifts to other recipients up to **£250** each in a year



Gifts in consideration of marriage or civil partnership ranging from £5,000 from each parent of the couple, to £1,000 from anyone else



Failed chargeable lifetime transfers and potentially exempt transfers may receive taper relief on the IHT payable.

Capital Gains Tax

Annual personal CGT exemption



£3,000

levied at **10%** on gains within the basic rate Income Tax band, or **20%** for gains in the higher rate Income Tax bands



Residential property gains at **18%** within the basic rate Income Tax band, or **24%** for gains in the higher rate Income Tax bands

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