



TAX GUIDE • 2009/10

Income Tax: taxable bands

2007 - 08	£ per year	2008 - 09	£ per year
Starting rate: -	-	-	-
Basic rate: 20%*	£0 - £36,000	Basic rate: 20%	£0 - £37,400
Higher rate: 40%*	Over £36,000	Higher rate: 40%	Over £37,400

* There will be a new 10% starting rate for savings income only, with a limit of £2,320. If an individual's taxable non-savings income is above this limit then the 10% savings rate will not be applicable. There are no changes to the 10% dividend ordinary rate or the 32.5% dividend upper rate.

National Insurance contributions

£ per week (unless stated)	2008 - 09	2009 - 10
Lower earnings limit, primary Class 1	£90	£95
Upper earnings limit, primary Class 1	£770	£844
Employees' primary Class 1 rate between primary threshold and upper earnings limit	11%	11%
Employees' primary Class 1 rate above upper earnings limit	1%	1%
Employees' contracted-out rebate - salary-related schemes	1.60%	1.60%
Employees' contracted-out rebate - money-purchase schemes	1.60%	1.60%
Married women's reduced rate between primary threshold and upper earnings limit	4.85%	4.85%
Married women's rate above upper earnings limit	1%	1%
Employers' secondary Class 1 rate above secondary threshold	12.80%	12.80%
Employers' contracted-out rebate, salary-related schemes	3.70%	3.70%
Employers' contracted-out rebate, money-purchase schemes	1.40%	1.40%
Class 2 rate	£2.30	£2.40
Class 2 small earnings exception (per year)	£4,825	£5,075
Class 3 rate (per week)	£8.10	£12.05
Class 4 lower profits limit (per year)	£5,435	£5,715
Class 4 upper profits limit (per year)	£40,040	£43,875
Class 4 rate between lower profits limit and upper profits limit	8%	8%
Class 4 rate above upper profits limit	1%	1%

Allowances

£ per year (unless stated)	2008 - 09	2009 - 10
Income tax personal and age-related allowances		
Personal allowance (age under 65)	£6,035	£6,475
Personal allowance (age 65-74)	£9,030	£9,490
Personal allowance (age 75 and over)	£9,180	£9,640
Capital gains tax annual exempt amount		
Individuals etc.	£9,600	£10,100
Most trustees	£4,800	£5,050
Individual inheritance tax allowance	£312,000	£325,000
Pension schemes allowances		
Annual Allowance	£235,000	£245,000
Lifetime Allowance	£1,650,000	£1,750,000

