



2023/2024 TAX RATES AND ALLOWANCES

INCOME TAX RATES (Excluding Scotland)

2023/24		2022/23	
Rate (%)	Band (£)	Rate (%)	Band (£)
0	To 12,570	0	To 12,570
0	1 – 5,000 ^{1/2/3}	0	1 – 5,000 ^{1/2/3}
20	12,570 – 50,270 ^{2/3}	20	12,570 – 50,270 ^{2/3}
40	50,270 – 125,140 ^{2/3}	40	50,270 - 150,000 ^{2/3}
45	Above 125,140	45	Above 150,000

¹ Only applicable to savings income where savings income falls within the first £5,000 of taxable income after deduction of reliefs and allowances

² Personal savings allowance (PSA) of £1,000 for basic rate taxpayers or £500 for higher rate taxpayers, 0% rate of income tax on savings income within PSA

³ Dividend allowance of £1,000, to be set against dividend income; on dividend income in excess of the dividend allowance, rates of 8.75%, 33.75% and 39.35% on dividend income falling in basic, higher and additional rate income tax bands

INCOME TAX RATES (Scotland – non-savings and non-dividend income)

2023/24		2022/23	
Rate (%)	Band (£)	Rate (%)	Band (£)
0	To 12,570	0	To 12,570
19	12,570 - 14,732	19	12,571 – 14,732
20	14,733 – 25,688	20	14,733 – 25,688
21	25,689 – 43,662	21	25,689 – 43,662
42	43,663 – 125,140	41	43,663 – 150,000
47	Above 125.140	46	Above 150,000

INCOME TAX ALLOWANCES 2023/24 2022/23

	2023/24	2022/23
Personal Allowance	£12,570 ¹	£12,570 ¹
Married couple's allowance (minimum)	£4,010 ²	£3,640 ²
Married couple's allowance (maximum)	£10,375 ^{2/3}	£9,415 ²
Blind person's allowance	£2,870	£2,600

¹Progressively withdrawn for income over £100,000
²At 10%, only available where at least one spouse / civil partner born before 6/4/1935
³Withdrawn at a rate of £1 of allowance lost for every £2 of income above £34,600 (2023/24)

NATIONAL INSURANCE CONTRIBUTIONS

Class 1 (Earnings Related)	2023/24	2022/23
Lower Earnings Limit (LEL) (per week)	£123	£123
Upper Earnings Limit (UEL) (per week) (Employees only)	£967	£967
Primary Threshold (per week) for employees	£242	£242/£190 ²
Secondary Threshold (per week) for employers	£175	£175
Upper Secondary Threshold (per week) for employers ¹	£967	£967
Employee Rate		
- between PT & UEL	12%	13.25%/12% ²
- earnings above UEL	2.0%	3.25%/2% ²
Employer Rate		
- above secondary threshold	13.8%	15.05%/13.8% ²

¹ Employers pay NICs at 0% in respect of the earnings of employees aged under 21 between the secondary earnings threshold and upper secondary earnings thresholds
²Note that in 2022/23 employee and employer rates of NICs were reduced by 1.25% wef 6th November 2022 following repeal of the Health and Social Care Levy. Additionally, the primary threshold was increased from £190 to £242 per week in July 2022

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Class 2 (Self Employed – Flat Rate)	2023/24	2022/23
Per Week	£3.45	£3.15
Small profits threshold (per year)	£6,725	£6,725

Class 3 – Voluntary	2023/24	2022/23
Per Week	£17.45	£15.85

Class 4 (Self Employed)	2023/24	2022/23
Lower profits limit (LPL) (per year)	£12,570	£11,908
Upper profits limit (UPL) (per year)	£50,270	£50,270
Rate		
- between LPL and UPL	9.0%	9.73%
- above UPL	2.0%	2.73%

OTHER TAXES

Inheritance Tax	2023/24	2022/23
Nil	Up to £325,000	Up to £325,000
40%	Above £325,000	Above £325,000

In addition a residence nil-rate band of £175,000 in 2023/24 may be available

On death, a non-exempt gift made within the previous seven years will become taxable, but inheritance tax will be reduced by taper relief if the donor has survived at least 3 years.

Reduced Tax charge on gifts within 7 years of death

Years before death	0 - 3	3 - 4	4 - 5	5 - 6	6 - 7
% of death charge	100%	80%	60%	40%	20%



FUTURE PLANNING

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Capital Gains Tax	2023/24	2022/23
Annual exempt amount		
Individuals and estates	£6,000	£12,300
Most trusts	£3,000	£6,150
Rates		
Individuals	10% / 20% ¹	10% / 20% ¹
Trusts	20% ²	20% ²
¹ 18% /28% on gains arising on disposal of residential property not subject to private residence relief		
² 28% for gains on arising on disposal of residential property not subject to private residence relief		

Corporation Tax	from 1/4/23	from 1/4/22
Single Rate	25%*	19%
*25% rate applies to companies with profits of £250,000 and over		
From 1 st April 2023 the rate remains at 19% for companies with annual profits of up to £50,000		
Marginal relief applies to companies with profits between £50,000 and £250,000, such companies pay corporation tax at 25% reduced by marginal relief		

Value Added Tax (VAT)	2023/24	2022/23
Standard Rate	20%	20%
Lower Rate	5%	5%
Registration limit – annual turnover	Above £85,000	Above £85,000
De-registration limit – annual turnover	£83,000	£83,000

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PENSIONS

Lifetime Allowance		Annual Allowance	
2023/24	N/A	2023/24	£60,000 ^{1/2}
2022/23	£1,073,100	2022/23	£40,000
		2023/24	2022/23
Permitted Pension Contribution (irrespective of earnings)		£3,600	£3,600
<p>¹ Tapered away to a minimum of £10,000 if threshold income exceeds £200,000 and adjusted income exceeds £260,000</p> <p>² Money purchase annual allowance of £10,000 (£4,000 in 2022/23)</p>			

INDIVIDUAL SAVINGS ACCOUNTS (ISA)

Rates	2023/24	2022/23
Annual Investment Limit	£20,000	£20,000
Maximum cash investment	£20,000	£20,000
Junior ISA / Child trust fund	£9,000	£9,000

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COMPANY CAR BENEFIT

Cars

The taxable benefit in respect of a car provided by an employer is calculated by reference to the car's carbon dioxide emission rating.

The appropriate percentage applied to the vehicle's list price varies between 3% (zero and low emission vehicles) and 37%.

Diesel cars

There is a supplementary charge of 4% for cars that are solely powered by diesel but not so as to take the total percentage beyond the maximum of 37%. Cars that meet the Real Driving Emissions Step 2 (RDE2) standard are exempt from the diesel supplement.

Car fuel

The car fuel benefit multiplier increases from £25,300 to £27,800 from 6 April 2023.

The van benefit charge is increase from £3,600 to £3,960 from 6th April 2023.