

Personal Allowances & Tax Rates

INCOME TAX

	<u>2011/2012</u>	<u>2010/2011</u>
Rates	<u>%</u>	<u>%</u>
<u>Individuals</u>		
- Starting rate for savings income only	10	10
- Basic rate for non-savings and savings income	20	20
- Basic rate for dividend income	10	10
- Higher rate for non-savings and savings income	40	40
- Higher rate for dividend income	32.5	32.5
- Additional rate for non-savings and savings income	50	50
- Additional rate for dividend income	42.5	42.5
<u>Trustees</u>		
- Trust rate	50	50
- Dividend trust rate	42.5	42.5
Thresholds	<u>£</u>	<u>£</u>
<u>Individuals</u>		
- Savings income starting rate band	0-2,560	0-2,440
- Basic rate band	0-35,000	0-37,400
- Higher rate band	35,001-150,000	37,401-150,000
- Additional rate band	Over 150,000	Over 150,000
<u>Trustees</u>		
- Standard rate band	1,000	1,000
Allowances	<u>£</u>	<u>£</u>
Basic Personal allowance*	7,475	6,475
Personal age allowance*		
- aged 65-74	9,940	9,490
- aged 75 and over	10,090	9,640
Married couple's allowance**	7,295	6,965
- Minimum allowance	2,800	2,670
Maximum income before abatement of age related allowances	24,000	22,900
Blind person's allowance	1,980	1,890

Notes: * From 2010-11, the personal allowance is reduced by £1 for every £2 of income over £100,000. The personal age allowance is reduced at the same rate when income exceeds the maximum limit. However, this restriction cannot go beyond the personal allowance. Any excess restriction is applied to reduce the married couple's allowance to the minimum amount.

** Only available where at least one partner was born before 6 April 1935. Relief is given as a tax reducer at 10%.

CAPITAL GAINS TAX

	<u>2011/2012</u>	<u>2010/2011</u>
Annual exempt amount	<u>£</u>	<u>£</u>
Individuals	10,600	10,100
Most trustees	5,300	5,050
Rates	<u>%</u>	<u>%</u>
<u>Individuals***</u>		
- Up to £35,000	18	18
- From £35,001	28	18
<u>Individuals & trustees</u>		
- Gains qualifying for entrepreneurs' relief	10	10
Entrepreneurs' relief	<u>£</u>	<u>£</u>
Maximum lifetime gains	5 million	2 million

Notes: *** An individual's gains are taxed as the top-slice of their income.

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