

Rates and allowances - Income Tax

Income Tax allowances

	2008-09	2009-10	2010-11
Personal Allowance	£6,035	£6,475	£6,475
Income limit for Personal Allowance	Not applicable	Not applicable	£100,000
Personal Allowance for people aged 65-74	£9,030	£9,490	£9,490
Personal Allowance for people aged 75 and over	£9,180	£9,640	£9,640
Married Couple's Allowance (born before 6th April 1935 but aged under 75)	£6,535	Not applicable	Not applicable
Married Couple's Allowance - aged 75 and over	£6,625	£6,965	£6,965
Income limit for age-related allowances	£21,800	£22,900	£22,900
Minimum amount of Married Couple's Allowance	£2,540	£2,670	£2,670
Blind Person's Allowance	£1,800	£1,890	£1,890

Income Tax rates and taxable bands

	2008-09	2009-10	2010-11
Starting rate for savings: 10%*	£0-£2,320	£0-£2,440	£0-£2,440
Basic rate: 20%	£0-£34,800	£0-£37,400	£0-£37,400
Higher rate: 40%	Over £34,800	Over £37,400	£37,401-£150,000
Additional rate: 50%	Not applicable	Not applicable	Over £150,000

* From 2008-09 there is a 10 per cent starting rate for savings income only. If your non-savings income is above this limit then the 10 per cent starting rate for savings will not apply.

The rates available for dividends for the 2008-09 and 2009-10 tax years are the 10 per cent ordinary rate and the 32.5 per cent dividend upper rate. For the 2010-11 tax year, as well as these rates there is a new dividend additional rate of 42.5 per cent.