

Income Tax Rates and Allowances

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**Table 1
Income tax allowances**

	Notes	2009-10	2010-11	2011-12	2012-13	2013-14
Personal Allowance						
Aged under 65	4	£6,475	£6,475	£7,475	£8105	-
Aged 65-74	1	£9,490	£9,490	£9,940	£10,500	
Aged 75 and over	1	£9,640	£9,640	£10,090	£10,660	
Born on or after 6 April 1948	4					£9,440
Born between 6 April 1938 and 5 April 1948	1					£10,500
Born on or before 5 April 1938	1					£10,660
Married Couple's Allowance (given at 10%)	3					
Either spouse born before 6 April 1935	2	£6,965	£6,965	£7,295	£7,705	£7,915
Minimum amount when income exceeds limit		£2,670	£2,670	£2,800	£2,960	£3,040
Income limit for age-related allowances	1	£22,900	£22,900	£24,000	£25,400	£26,100
Blind person's allowance		£1,890	£1,890	£1,980	£2,100	£2,160
Rent-a-room relief		£4,250	£4,250	£4,250	£4,250	£4,250

Notes:

1 These allowances are reduced by £1 for every £2 of extra income over the income limit for age-related allowances, until they are reduced to the level of the basic personal. For tax year 2010/11 onwards, the personal allowance will be further reduced if income exceeds £100,000. For calculation of allowances where income limit applies, see [What tax allowances can I claim?](#)

2 These allowances are given as a reduction in your tax bill. Multiply the amount of the allowance by 10% to find the tax you save.

3 From 2006/07 this is also available to registered civil partners

4 From 2010/11, reduced by £1 for every £2 by which income exceeds £100,000

Table 2	2009-10	2010-11	2011-12	2012-13	2013-14	Note
Income tax rates and bands						
Savings income starting rate						
Tax rate	10%	10%	10%	10%	10%	1, 2
From	0					
To	£2,440	£2,440	£2,560	£2,710	2,790	
Basic rate						
All income except savings	20%	20%	20%	20%	20%	
Savings income (excluding dividends)	20%	20%	20%	20%	20%	
Dividend income	10%	10%	10%	10%	10%	
From	0	0	0	0	0	2
To	£37,400	£37,400	£35,000	£34,370	£32,010	
Higher rate						
All income above / between	£37,400	£37,400 to £150,000	£35,000 to £150,000	£34,370 to £150,000	31,011 to £150,000	
All income except dividends	40%	40%	40%	40%	40%	
Dividend income	32.5%	32.5%	32.5%	32.5%	32.5%	
Additional rate						
All income above		£150,000	£150,000	£150,000	£150,000	
All income except dividends		50%	50%	50%	45%	
Dividends		42.5%	42.5%	42.5%	37.5%	

See notes below:

Notes:

1 The starting rate of 10% is no-longer available for non-savings income. From 6 April 08 it was replaced by a savings income starting rate band.

2 For savings income, the basic rate band starts after the starting rate band for savings - £2,710 in 2012-13 and £2,790 in 2013-14. The 10% starting rate band for savings is only available if non-savings income is less than an individual's personal allowance plus the starting rate band. Savings income is treated as the top slice of income (with dividends as the top slice of savings). This means that the 10% starting rate is not available in 2012-13 for savings income if non-savings income exceeds £2,710 plus the appropriate personal allowance (£2,790 plus the personal allowance for 2013-14). This can be a complex calculation. For examples and guidance on the HMRC website, see <http://www.hmrc.gov.uk/tdsi/ten-per-cent-guidance.htm>