

# INVEST SOUTHWEST

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## Some Important Tax Rates for 2024/25

### Tax-free Savings for Individuals

	<b>ISA ALLOWANCE</b>	<b>£20,000</b>
	<b>JUNIOR ISA ALLOWANCE</b>	<b>£9,000</b>
	<b>LIFETIME ISA</b>	<b>£4,000</b>

The government has published a consultation on a new UK ISA (£5,000 allowance, invested in UK equities)

### Dividend Taxation

**£500** tax-free Dividend Allowance

Dividends above this level will be taxed at;	<b>8.75%</b> (basic rate)
	<b>33.75%</b> (higher rate)
	<b>39.35%</b> (additional rate)

### Income Tax Allowances

Income Tax Personal Allowance **£12,570**  
There is one Income Tax Personal Allowance regardless of an individual's date of birth

The following Income Tax rates apply for 2024/25 for the UK (excl. Scotland):

Basic Rate	<b>20%</b>	<b>£0-£37,700</b>
Higher rate	<b>40%</b>	<b>£37,701-£125,140</b>
Additional rate	<b>45%</b>	<b>£125,140+</b>

Where your adjusted net income exceeds £100,000, the Personal Allowance reduces by £1 for every £2 of adjusted net income above **£100,000**

### Personal Savings Allowance

Up to **£1,000** of savings interest tax free to basic rate tax payers

and **£500** for those who pay higher rate tax

For additional rate tax payers the allowance is nil



### Pension Annual Allowance

The Annual Allowance is **£60,000** for 2024/25

£1 of Annual Allowance is lost for every £2 of adjusted income over £260,000. The minimum tapered Annual Allowance is £10,000



### Other Pension Allowances

The Lifetime Allowance and charge have been abolished, replaced by the Lump Sum and Death Benefit Allowance (LSDBA) of **£1,073,100** and the Lump Sum Allowance (LSA) of **£268,275**



### State Pension

Flat rate State Pension increased to **£221.20pw** from 6/4/24

(35 qualifying National Insurance years needed)

Old State Pension increased to **£169.50pw** from 6/4/24

### Inheritance Tax (IHT)

Nil-Rate IHT band **£325,000**

**40%** IHT payable above this threshold

or **36%** if you leave at least 10% of your assets to charity

Additional main Residence Nil-Rate band (RNRB) when a residence is passed on death to a direct descendant.

For the 2024/25 tax year the allowance is **£175,000**

This will be subject to a maximum estate value of £2m

### Other IHT-free gifts, include;

**Gifts** between UK domiciled husband or wife or between civil partners;

Small gifts to other recipients up to **£250** each in a year



Total gifts up to **£3,000** in a year (can be carried forward one tax year)

Gifts in consideration of marriage or civil partnership ranging from **£5,000** from each parent of the couple, to **£1,000** from anyone else



Failed chargeable lifetime transfers and potentially exempt transfers may receive taper relief on the IHT payable.

### Capital Gains Tax

Annual personal CGT exemption → **£3,000**

levied at **10%** on gains within the basic rate Income Tax band, or **20%** for gains in the higher rate Income Tax bands



Residential property gains at **18%** within the basic rate Income Tax band, or **24%** for gains in the higher rate Income Tax bands

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