



# Income Tax & NI Rates

Allowances, rates and thresholds 2011-12

Mandatory Income Tax and National Insurance rates change periodically, this rate card is designed to help you better understand these changes and how they may affect your earnings.

## Income Tax: Personal Allowances

All income tax allowances have increased in line with inflation. The personal allowance increases to £7,475. As do the age-related personal allowances which are outlined below.

Personal Tax Allowance Benefits	2010 - 11	Change	2011 - 12
Personal allowance (age under 65)	6,475	+1,000	7,475
Personal allowance (age 65 - 74)	9,490	+450	9,940
Personal allowance (age 75 and over)	9,640	+450	10,090
Married couple's allowance <sup>△</sup> (born pre 6/4/35 & aged 75 or over)	6,965	+330	7,295
Married couple's allowance <sup>△</sup> - minimum amount	2,670	+130	2,800
Income limit for age related allowances	22,900	+1,100	24,000
Blind person's allowance	1,890	+90	1,980

<sup>△</sup> Married couples allowance is given at the rate of 10 percentile

## Income Tax: Taxable Bands

Taxable Band & Rate	2010 - 11 Thresholds	2011 - 12 Thresholds
Starting savings rate: 10%	0 - 2,440	0 - 2,560
Basic rate: 20%	1 - 37,400	1 - 35,000
Higher rate: 40%	37,400 - 150,000	35,000 - 150,000
Additional rate: 50%	Over 150,000	Over 150,000

<sup>△</sup> There is a 10p starting rate for savings only. If an individual's non savings taxable income exceeds the starting rate limit, the 10p starting rate for savings will not be available for savings income.

## National Insurance Contributions (NICs): Rates & Allowances

£ per week (unless stated)	2010 - 11	Change	2011 - 12
Lower earnings limit, primary Class 1	97	+5	102
Upper earnings limit, primary Class 1	844	-27	817
Primary threshold	110	+29	139
Secondary threshold	110	+26	136
Class 2 rate (per week)	2.40	+0.10	2.50
Class 2 small earnings exception (per year)	5,075	+240	5,315
Class 3 rate (per week)	12.05	+0.55	12.60
Class 4 lower profits limit (per year)	5,715	+1,510	7,225
Class 4 upper profits limit (per year)	43,875	-1,400	42,475

For a full explanation of the changes please see: <http://www.hmrc.gov.uk/rates/taxes-ni.htm> or contact our experienced Account Managers on 0800 848 8888.

All rates are correct at the time of printing 29/10/2011