

Tables confirming tax and tax credit rates and thresholds for 2011-12

Table 1.A: Bands of taxable income

2010-11	£ a year	2011-12	£ a year
Basic ^{1,2} rate (20 per cent)	0 - 37,400	Basic ^{1,2} rate (20 per cent)	0 - 35,000
Higher ² rate (40 per cent)	37,401 - 150,000	Higher ² rate (40 per cent)	35,001 - 150,000
Additional rate (50 per cent)	over 150,000	Additional rate (50 per cent)	over 150,000

¹ From 2008-09 there is a 10% starting rate for savings income only. The starting rate limit for savings is £2,440 for 2010-11 and will increase in line with RPI to £2,560 for 2011-12. If an individual's taxable non-savings income exceeds the starting rate limit, then the 10% starting rate for savings will not be available for savings income.

² The rates available for dividends for the 2010-11 tax year are the 10 per cent dividend ordinary rate, 32.5 per cent dividend upper rate and the 42.5 per cent dividend additional rate. These rates will stay the same for the 2011-12 tax year.

Table 1.B: Income tax allowances

	£ per year		
	2010-11	2011-12	Change
Personal allowance			
age under 65	6,475	7,475	1,000
age 65-74	9,490	9,940	450
age 75 and over	9,640	10,090	450
Married couple's allowance ¹			
maximum amount	6,965	7,295	330
minimum amount ²	2,670	2,800	130
Income limit for under 65 personal allowance	100,000	100,000	0
Income limit for age-related allowances	22,900	24,000	1,100
Blind person's allowance	1,890	1,980	90

¹ Available to people born before April 6 1935. Tax relief for this allowance is restricted to 10 per cent.

² This is also the maximum relief for maintenance payments where at least one of the parties is born before 6 April 1935.

Table 1.C: Class 1 National Insurance Contribution rates 2011-12

Employee (primary)		Employer (secondary)	
Earnings ¹ £ per week	NIC rate ² per cent	Earnings ¹ £ per week	NIC rate ³ per cent
Below £102 (LEL)	0	Below £136 (ST)	0
£102 to £139 (PT) ⁴	0	Above £136	13.8
£139 to £817 (UEL)	12		
Above £817	2		

¹The limits are defined as LEL - lower earnings limit; PT - primary threshold; ST - secondary threshold; and UEL - upper earnings limit.

²The contracted-out rebate for primary contributions in 2010-11 is 1.6 per cent of earnings between the LEL and the upper accrual point (UAP) of £770 for contracted-out salary-related schemes (COSRS) and contracted-out money purchase schemes (COMPS).

³The contracted-out rebate for secondary contributions is 3.7 per cent of earnings between the LEL and UAP for COSRS and 1.4 per cent for COMPS. For COMPS, an additional age-related rebate is paid direct to the scheme following the end of the tax year.

⁴No NICs are actually payable but a notional Class 1 NIC will be deemed to have been paid in respect of earnings between LEL and PT to protect contributory benefit entitlement.

Table 1.D: Self-employed National Insurance Contribution rates 2011-12

Annual profits ¹ £ per year	Self-employed NICs	
	Class 2 ² £ per week	Class 4 per cent
Below £5,315 (SEE) ³	0.00	0
£5,315 to £7,225 (LPL)	2.50	0
£7,225 to £42,475 (UPL)	2.50	9
Above £42,475	2.50	2

¹The limits are defined as SEE - small earnings exception; LPL - lower profits limit and UPL - upper profits limit.

²Class 2 NICs are paid at a weekly flat rate of £2.50 by all self employed persons unless they have applied for a small earnings exception.

³The self-employed may apply for exception from paying Class 2 contributions if their earnings are less than, or expected to be less than, the level of the small earnings exception.

Table 1.E: Other NICs rates

	2010-11	2011-12
Married Women's Reduced Rate (per cent)	4.85	5.85
Special Class 2 rate for share fishermen	£3.05 per week	£3.15 per week
Special Class 2 rate for volunteer development workers	£4.85 per week	£5.10 per week
Class 3 rate	£12.05 per week	£12.60 per week

¹Married Women's Reduced Rate is paid only by married women with valid reduced rate elections.

²Class 3 NICs are paid by contributors to make the year a qualifying year for basic State Pension and Bereavement Benefit purposes.

Table 1.F: Working and Child Tax Credit rates and thresholds

	£ per year		
	2010-11	2011-12	Change
Working Tax Credit			
Basic Element	1,920	1,920	-
Couple and lone parent element	1,890	1,950	60
30 hour element	790	790	-
Disabled worker element	2,570	2,650	80
Severe disability element	1,095	1,130	35
50 plus element, 16 - 29 hours	1,320	1,365	45
50 plus element, 30+ hours	1,965	2,030	65
Childcare element			
maximum eligible cost for one child	£175 per week	£175 per week	-
maximum eligible cost for two or more children	£300 per week	£300 per week	-
<i>per cent of eligible costs covered</i>	80%	70%	-10
Child Tax Credit¹			
Family element	545	545	-
Child element	2,300	2,555	255
Disabled child element	2,715	2,800	85
Severely disabled child element	1,095	1,130	35
Income thresholds and withdrawal rates			
First income threshold	6,420	6,420	-
<i>First withdrawal rate (per cent)</i>	39%	41%	2
Second income threshold	50,000	40,000	-10,000
<i>Second withdrawal rates (per cent)</i>	6.67%	41%	34.33
First threshold for those entitled to Child Tax Credit only	16,190	15,860	-330
Income disregard	25,000	10,000	-15,000

¹ As announced in Budget 2010, the baby element of the Child Tax Credit will be removed from April 2011.

Table 1.G: Individual Savings Account (ISA)

	£ per year	
	2010-11	2011-12
Annual ISA subscription limit		
Overall limit	10,200	10,680
of which cash	5,100	5,340
of which stocks & shares	10,200	10,680