



2-4 York Buildings, Cornhill, Bridgwater, Somerset TA6 3BS

Some Important Tax Rates for 2021/22

<h3>Tax-free Savings for Individuals</h3> <ul style="list-style-type: none"> ISA ALLOWANCE → £20,000 JUNIOR ISA ALLOWANCE → £9,000 LIFETIME ISA → £4,000 	<h3>Dividend Taxation</h3> <p>£2,000 tax-free Dividend Allowance</p> <p>Dividends above this level will be taxed at;</p> <ul style="list-style-type: none"> 7.5% (basic rate) 32.5% (higher rate) 38.1% (additional rate) 	<h3>Income Tax Allowances</h3> <p>Income Tax Personal Allowance £12,570 </p> <p>There is one Income Tax Personal Allowance, regardless of an individual's date of birth</p> <p>Where your adjusted net income exceeds £100,000, the Personal Allowance reduces by £1 for every £2 of adjusted net income above £100,000</p>				
<h3>Personal Savings Allowance</h3> <p>Up to £1,000 of savings interest tax free to basic rate tax payers</p> <p>+ and £500 for those who pay higher rate tax</p> <p><small>For additional rate tax payers the allowance is nil</small></p>	<h3>Pension Annual Allowance</h3> <p>The Annual Allowance is £40,000 for 2021/22</p> <p>£1 of Annual Allowance is lost for every £2 of adjusted income over £240,000. The minimum tapered Annual Allowance is £4,000</p>	<h3>Lifetime Allowance</h3> <p>The standard Lifetime Allowance remains at £1,073,100</p> <p>This is the amount of pension benefit that can be drawn from pension schemes without triggering an additional tax charge</p>				
<h3>State Pension</h3> <p>Flat rate State Pension increased to £179.60pw from 6/4/21 applicable if you reach State Pension age after 6/4/16 (35 qualifying National Insurance years needed)</p> <p>Old State Pension increased to £137.60pw from 6/4/21</p>	<h3>Inheritance Tax (IHT)</h3> <table border="1"> <tr> <td>Nil-Rate IHT band £325,000</td> <td>40% IHT payable above this threshold</td> <td>or 36% if you leave at least 10% of your assets to charity</td> </tr> </table> <p>Additional main Residence Nil-Rate band (RNRB): Allowance introduced from April 2017 when a residence is passed on death to a direct descendant.</p> <p>For the 2021/22 tax year the allowance is £175,000</p> <p><small>This will be subject to a maximum estate value of £2m</small></p>		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	
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<h3>Capital Gains Tax</h3> <p>Annual personal CGT exemption → £12,300 (Higher rates of 18% and 28% apply to sales of second homes)</p> <p>levied at 10% for basic rate taxpayers</p> <p>or 20% for higher rate taxpayers *</p> <p><small>*On gains in excess of the personal exemption, exclusions apply</small></p>	<h3>Other IHT-free gifts, include;</h3> <table border="1"> <tr> <td>Gifts between UK domiciled husband or wife or between civil partners;</td> <td>Small gifts to other recipients up to £250 each in a year</td> </tr> <tr> <td>Total gifts up to £3,000 in a year (can be carried forward one tax year)</td> <td>Gifts in consideration of marriage or civil partnership ranging from £5,000 from each parent of the couple, to £1,000 from anyone else</td> </tr> </table> <p><small>Failed chargeable lifetime transfers and potentially exempt transfers may receive taper relief on the IHT payable.</small></p>		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
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