



DUNN FINANCIAL MANAGEMENT

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Some Important Tax Rates for 2024/25

Tax-free Savings for Individuals

| | | |
|--|-----------------------------|----------------|
| | ISA ALLOWANCE | £20,000 |
| | JUNIOR ISA ALLOWANCE | £9,000 |
| | LIFETIME ISA | £4,000 |

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; | 8.75% (basic rate) |
| | 33.75% (higher rate) |
| | 39.35% (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 | 20% | £0-£37,700 |
| Higher rate | 40% | £37,701-£125,140 |
| Additional rate | 45% | £125,140+ |

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% or more of your net estate 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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