

# Tax rates and allowances 2010/11

## Allowances 2010/11

	2010/11 £	Change £	2009/10 £
Personal allowance (age under 65)	6,475	-	6,475
Personal allowance (age 65-74)	9,490	-	9,490
Personal allowance (age 75 and over)	9,640	-	9,640
Married Couple's allowance* (age 75 and over)	6,965	-	6,965
Married Couple's allowance* - minimum amount	2,670	-	2,670
Income limit for age-related allowances	22,900	-	22,900

\* Married Couple's allowance is given at rate of 10%

The basic and higher income tax rates remain at 20% and 40% for 2009/10 and 2010/2011. From 2010 the personal allowance will be tapered to zero for those with incomes over £100,000. From 2010 incomes above £150,000 will be subject to a new 50% income tax rate.

## Pensions

	2010/11 £	Change £	2009/10 £
Annual allowance	255,000	10,000	245,000
Lifetime allowance	1,800,000	50,000	1,750,000

## National Insurance Contributions

	2010/11 £	Change £	2009/10 £
Primary Class 1 contributions			
Lower earnings limit (per week)	97	2	95
Upper earnings limit (per week)	844	-	844
Primary threshold (per week)	110	-	110
Secondary threshold (per week)	110	-	110
Class 2 annual small earnings exception	5,075	-	5,075
Class 2 rate (per week)	2.40	-	2.40
Class 3 voluntary contribution rate (per week)	12.05	-	12.05
Class 4 contributions			
Lower annual earnings limit	5,715	-	5,715
Upper annual earnings limit	43,875	-	43,875

From 6 April 2011 a 1% increase in employer, employee and self-employed rates of National Insurance Contributions (both main and additional rates) will be introduced. At the same time, the primary threshold and lower profits limit will be increased by £570 for 2011-12 above plans announced in the 2008 PBR to compensate the lowest earners for the increase in the Class 1 and 4 rates.

## Corporation tax

No changes were announced to the main rate of corporation tax which remains at 28%. The rise of 1% in the small companies rate of corporation tax has been delayed for a further year, meaning that the small companies corporation tax rate remains at 21% until 1 April 2011.