



LIFE VIEW

FINANCIAL PLANNING

2B Haddo Street, Greenwich, London, SE10 9RN
07834 238233 | roy.dravid@lifeviewfp.co.uk
www.lifeviewfp.co.uk

Some Important Tax Rates for 2023/24

Tax-free Savings for Individuals



ISA ALLOWANCE → **£20,000**



JUNIOR ISA ALLOWANCE → **£9,000**



LIFETIME ISA → **£4,000**

Dividend Taxation

£1,000 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

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 2023/24



£1 of Annual Allowance is lost for every £2 of adjusted income over £260,000. The minimum tapered Annual Allowance is £10,000

Lifetime Allowance



The standard Lifetime Allowance is **£1,073,100**



From April 2023, the charge for exceeding the Allowance has been removed and the abolition of the Lifetime Allowance will be delivered in a Finance Bill

State Pension

Flat rate State Pension increased to **£203.85pw** from 6/4/23 (35 qualifying National Insurance years needed)

Old State Pension increased to **£156.20pw** from 6/4/23

Inheritance Tax (IHT)

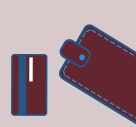
Nil-Rate IHT band **£325,000**



40% IHT payable above this threshold



or **36%** if you leave at least 10% of your assets to charity



Additional main Residence Nil-Rate band (RNRB) when a residence is passed on death to a direct descendant.



For the 2023/24 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.

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