



## Income tax, Personal allowances and Tax credits

<b>Income tax rates</b>		
	<b>2014/15</b>	<b>2015/16</b>
<b>Starting rate band</b>	<b>£0 - £2,880</b>	<b>£0 - £5,000</b>
Savings rate	10%	10%
<b>Basic rate band</b>	<b>£0 - £31,865</b>	<b>£0 - £31,785</b>
Non-savings rate	20%	20%
Dividend ordinary rate	10%	10%
<b>Higher rate</b>	<b>£31,865 - £150,000</b>	<b>£31,786 – £150,000</b>
Tax rate excluding dividends	40%	40%
Dividend ordinary rate	32.5%	32.5%
<b>Additional rate</b>	<b>Over £150,000</b>	<b>Over £150,000</b>
Tax rate excluding dividends	45%	45%
Dividend additional rate	37.5%	37.5%
<b>Personal allowances</b>		
	<b>2013/14</b>	<b>2015/16</b>
<b>Personal allowances</b>		
- under 65	£10,000	£10,600
Income limit for Personal allowance	£100,000	£100,000
- 65 to 74*	£10,500	£10,600
- 75 and over*	£10,660	£10,660
<b>Married couple's allowances (relief at 10% when either partner born before 6 April 1935)</b>		
- maximum amount	£8,165	£8,355
- minimum amount	£3,140	£3,220
* - Age allowance income limit	£27,000	£27,700
Blind person's allowance	£2,230	£2,290



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CHARTERED ACCOUNTANTS

<b>Tax credits</b>	<b>2014/15</b>	<b>2015/16</b>
<b>Working tax credit (WTC)</b>		
Basic element	£1,940	£1,960
Childcare element		
70% of eligible costs up to £175 per week (£300 if two or more children)		
<b>Child tax credit (CTC)</b>		
Child element per child – max	£2,750	£2,780
Family element	£545	£545
<b>Reductions in maximum rates</b> 41% (41%) of income above £6,420*p.a.		
*If only CTC is claimed, the threshold is £16,105 p.a. (£16,010).		
<b>Child Benefit rates</b>		
Eldest/only child	£20.50pw	£20.70pw
Childcare element	£13.55pw	£13.70pw

For more information, contact Ian, Hugh, Catherine or Michael at Hugh Davies & Co on 01722 336647.