

Rates and allowances

Budget Report April 2009

Income tax personal allowances

£ per year	2008/09	Change	2009/10
Personal allowance (age under 65)	£6,035	+£440	£6,475
Personal allowance (age 65-74)	£9,030	+£460	£9,490
Personal allowance (age 75 and over)	£9,180	+£460	£9,640
Blind person's allowance	£1,800	+£90	£1,890
Married couple's allowance (aged less than 75 and born before 6 April 1935)*	£6,535	–	n/a
Married couple's allowance (over 75)*	£6,625	+£340	£6,965
Married couple's allowance – minimum amount*	£2,540	+£130	£2,670
Income limit for age related allowances	£21,800	+£1,100	£22,900

* Tax relief for married couples is given at a rate of 10 per cent.

Income tax bands

£ per year	2008/09	Change	2009/10
Savings rate band (10%)	£2,320	+£120	£2,440
Basic rate (20%)	£0 – £34,800	+£2,600	£37,400
Higher rate (40%)	Over £34,800	+£2,600	Over £37,400

National Insurance Contributions

	2008/09	Change	2009/10
Lower earnings limit, employees, per week	£90	+£5	£95
Upper earnings limit, employees, per week	£770	+£74	£844
Employee threshold, per week	£105	+£5	£110
Employer threshold, per week	£105	+£5	£110
Employees' rate between threshold and upper earnings limit	11%	–	11%
Employees' rate above upper earnings limit	1%	–	1%
Employees' contracted-out rebate	1.6%	–	1.6%
Employers' rate above threshold	12.8%	–	12.8%
Employers' contracted-out rebate, salary related schemes	3.7%	–	3.7%
Employers' contracted-out rebate, money-purchase schemes	1.4%	–	1.4%
Class 2 rate, per week	£2.30	+£0.10	£2.40
Class 2 small earnings exception, per year	£4,825	+£250	£5,075
Class 3 rate, per week	£8.10	+£3.95	£12.05
Class 4, lower profits limit, per year	£5,435	+£280	£5,715
Class 4, upper profits limit, per year	£40,040	+£3,835	£43,875
Class 4 rate between lower profits limit and upper profits limit	8%	–	8%
Class 4 rate above upper profits limit	1%	–	1%

Fuel duties

Pence per litre/kilogram	From 1 December 2008	From 1 April 2009	From 1 September 2009
Unleaded petrol	52.35p	54.19p	56.19p
Diesel	52.35p	54.19p	56.19p
Biodiesel	32.35p	34.19p	36.19p
Liquified petroleum gas (LPG)	20.77p	24.82p	27.67p

Working Tax Credit and Child Tax Credits

Working Tax Credit

£ per year	2008/09	Change	2009/10
Basic element	£1,800	+£90	£1,890
Couple and lone parent element	£1,770	+£90	£1,860
30 hour element	£735	+£40	£775
Disabled worker element	£2,405	+£125	£2,530
Severe disability element	£1,020	+£55	£1,075
50+ Return to work payment (16-29 hours)	£1,235	+£65	£1,300
50+ Return to work payment (30+ hours)	£1,840	+£95	£1,935

Childcare element of the Working Tax Credit

£ per week	2008/09	Change	2009/10
Maximum eligible cost for one child	£175	–	£175
Maximum eligible cost for two or more children	£300	–	£300
Percentage of eligible costs covered	80%	–	80%

Child Tax Credit

£ per year	2008/09	Change	2009/10
Family element	£545	–	£545
Family element, baby addition	£545	–	£545
Child element	£2,085	+£150	£2,235
Disabled child element	£2,540	+£130	£2,670
Severe disabled child element	£3,560	+£185	£3,745

Income thresholds and withdrawal rates

£ per year	2008/09	Change	2009/10
First income threshold	£6,420	–	£6,420
First withdrawal rate (per cent)	39%	–	39%
Second income threshold	£50,000	–	£50,000
Second withdrawal rate (per cent)	6.67%	–	6.67%
First threshold for those entitled to Child Tax Credit only	£15,575	+£465	£16,040
Income disregard	£25,000	–	£25,000

Child benefit

£ per week	2008/09	Change	From 1 January 2009
Eldest child	£18.80	+£1.20	£20.00
Other children	£12.55	+£0.65	£13.20

Capital gains tax

£ per year	2008/09	Change	2009/10
Annual exemption for individuals	£9,600	+£500	£10,100

Inheritance tax

Individual inheritance tax allowance	2008/09	Change	2009/10
Individual allowance	£312,000	+£13,000	£325,000