

## 2013 Budget Rates and Allowances

### INCOME TAX RATES

Basic rate	20%
On income up to	£32,010
Higher rate	40%
On income between	£32,011–£150,000
Additional rate	45%
On income over	£150,000
Starting rate for savings income	10%
On income within first	£2,790
Lower dividend rate	10%
Higher dividend rate	32.5%
Additional dividend rate	37.5%
Trust rate	45%
Trust rate on dividends	37.5%

### INCOME TAX ALLOWANCES

	£
Personal allowance (born before 5 April 1948)	9,440
Personal allowance (born between 6 April 1938 and 5 April 1948)	10,500
Personal allowance (born before 6 April 1938)	10,660
Married couple's allowance	7,915
Married couple's allowance minimum	3,040
Income limit for personal allowance	100,000
Income limit for age-related allowances	26,100
Blind person's allowance	2,160

### PENSIONS

Annual allowance	£50,000
Lifetime allowance	£1.5m

### NATIONAL INSURANCE

Rates are per week unless stated

Lower earnings limit, primary Class 1	£109
Upper earnings limit, primary Class 1	£797
Upper Accruals Point	£770
Primary threshold	£149
Secondary threshold	£148
Employees' primary Class 1 rate	
Between PT and UEL	12%
Above UEL	2%
Employee's contracted-out rebate	
Salary-related schemes	1.4%
Married women's reduced rate	5.85%
Employers' secondary Class 1 rate	13.8%
Employers' contracted-out rebate	
Salary-related schemes	3.4%
Class 1A rate on employer-provided benefits	13.8%
Class 2 rate	£2.70
Class 2 small earnings exception (year)	£5,725
Special Class 2 rate for share fishermen	£3.35
Special Class 2 rate for volunteer development workers	£5.45
Class 3 rate	£13.55
Class 4 lower profits limit (year)	£7,755
Class 4 upper profits limit (year)	£41,450
Class 4 rate between lower and upper profits limit	9%
Class 4 rate above upper profits limit	2%

#### Lennards Chartered Accountants

The Vicarage | 31 Great King Street | Macclesfield | SK11 6PL  
Tel: 01625 613979 | Fax: 01625 610062 | email: info@lennards.co

Visit us at [www.lennards.co](http://www.lennards.co) for details of our professional services

Principal: J Mark Lennard FCA

Registered to carry on audit work and regulated for a range of investment business activities in the UK and Ireland by The Institute of Chartered Accountants in England and Wales.

A Member of the ICAEW Assurance Scheme.

A Member of the Society of Professional Accountants



## TAX CREDITS

<b>Working tax credit</b>	<b>£</b>
Basic element	1,920
Couple and lone parent element	1,970
30 hour element	790
Disabled worker element	2,855
Severe disability element	1,220

### Childcare element of the WTC

Maximum eligible cost	
For one child	£175 per week
For two or more children	£300 per week
Eligible costs covered	70%

<b>Child tax credit</b>	<b>£</b>
Family element	545
Child element	2,720
Disabled child element	3,015
Severely disabled child element	1,220

### Income thresholds and withdrawal rates

First income threshold	£6,420
First withdrawal rate	41%
Second withdrawal rate	41%
First threshold for those entitled to	
CTC only	£15,910
Income disregard	£5,000
Income fall disregard	£2,500

## CORPORATION TAX

For financial year 1 April 2013 to 31 March 2014

Main rate	23%
Small companies' rate	20%
Upper profits limit	£1.5m
Lower profits limit	£300,000
Effective marginal rate	23.75%
Marginal rate fraction	3/400

## CAPITAL GAINS TAX

Standard rate	18%
Higher rate and trust rate	28%
Annual exemption	
For individuals, PRs and some trustees	£10,900
For most trustees	£5,450
Entrepreneurs' relief rate	10%
Entrepreneurs' relief lifetime limit of gains	£10m

## INHERITANCE TAX

Rate	40%
Lower rate where 10% or more of	
estate is left to charity	36%
Nil rate band	£325,000

## VAT

Standard rate of VAT	20%
Reduced rate	5%
Registration threshold	£79,000
Deregistration limit	£77,000
Threshold for annual accounting	
and cash accounting	£1.35m
Threshold for flat rate scheme	£150,000

If you would like to discuss your personal circumstances and any changes after the budget please contact us, we would be delighted to assist. Call Mark Lennard on 01625 613979

### Lennards Chartered Accountants

The Vicarage | 31 Great King Street | Macclesfield | SK11 6PL  
Tel: 01625 613979 | Fax: 01625 610062 | email: info@lennards.co

Visit us at [www.lennards.co](http://www.lennards.co) for details of our professional services

Principal: J Mark Lennard FCA

Registered to carry on audit work and regulated for a range of investment business activities in the UK and Ireland by The Institute of Chartered Accountants in England and Wales.

A Member of the ICAEW Assurance Scheme.

A Member of the Society of Professional Accountants

