

Some Important Tax Rates for 2026/27

Tax-free Savings for Individuals

ISA allowance	£ →	£20,000
Junior ISA allowance	→	£9,000
Lifetime ISA	→	£4,000

Dividend Taxation

£500 tax-free Dividend Allowance

Dividends above this level will be taxed at;	10.75% (basic rate)
	35.75% (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

The following Income Tax rates apply for 2026/27 for the UK (excl. Scotland):

Basic Rate	20%	£12,571-£50,270
Higher rate	40%	£50,271-£125,140
Additional rate	45%	£125,140+

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 2026/27

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

Other Pension Allowances

The Lifetime Allowance and charge have been abolished, replaced by the Lump Sum and Death Benefit Allowance (LSDBA) of **£1,073,100** and the Lump Sum Allowance (LSA) of **£268,275**

State Pension

Flat rate State Pension increased to **£241.30pw** from 6/4/26

(35 qualifying National Insurance years needed)

Old State Pension increased to **£184.90pw** from 6/4/26

Inheritance Tax (IHT)

Nil-Rate IHT band **£325,000**

40% IHT payable above this threshold

or **36%** if you leave at least 10% or more of your net estate to charity

Additional main residence nil-rate band (RNRB) when a residence is passed on death to a direct descendant.

For the 2026/27 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

Chargeable lifetime transfers and potentially exempt transfers attract taper relief on tax payable on the gift, if made up to seven years before death, on the amount of gift over the nil-rate band.

Capital Gains Tax

Annual personal CGT exemption → **£3,000**

Levied at **18%** on gains within the basic rate Income Tax band, or **24%** for gains in the higher rate Income Tax bands

Residential property gains at **18%** within the basic rate Income Tax band, or **24%** for gains in the higher rate Income Tax bands

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