

Mandatory Income Tax and National Insurance rates change periodically. This factsheet is designed to help you better understand these changes and how they may affect your earnings.

Income Tax – Personal Allowances

All income tax allowances have increased in line with inflation. The personal allowance increases to £11,500 and there are also further personal allowance changes which may affect you.

Personal Tax Allowance Benefits	2016-17	Change	2017-18
Personal allowance	£11,000	+ £500	£11,500
Income limit for personal allowance	£100,000	-	£100,000
Income limit for Married couple's allowance	£27,700	+ £300	£28,000
Marriage allowance	£1,100	+ £50	£1,150
Married couple's allowance - Minimum amount (Born before 6 April 1935)	£3,220	+ £40	£3,260
Married couple's allowance - Maximum amount (Born before 6 April 1935)	£8,355	+ £90	£8,445
Blind person's allowance	£2,290	+ £30	£2,320
Dividends allowance	£5,000	-	£5,000
Personal savings allowance for basic rate taxpayers	£1,000	-	£1,000
Personal savings allowance for higher rate taxpayers	£500	-	£500

Income Tax Rates

The tables below show the tax rates you pay in each band if you have a standard Personal Allowance:

Rate Name (UK excluding Scotland)	2016-17 £ per year	2017-18 £ per year
Basic rate: 20%	£0 - £32,000	£0 - £33,500
Higher rate: 40%	£32,001 - £150,000	£33,501 - £150,000
Additional rate: 45%	over £150,000	over £150,000
Emergency Tax Code	1100L	1150L

Rate Name (Scotland only)	2016-17 £ per year	2017-18 £ per year
Basic rate: 20% (10% UK rate paid in Scotland + 10% Scottish rate)	£0 - £32,000	£0 - £31,500
Higher rate: 40% (30% UK rate paid in Scotland + 10% Scottish rate)	£32,001 - £150,000	£31,501 - £150,000
Additional rate: 45% (35% UK rate paid in Scotland + 10% Scottish rate)	over £150,000	over £150,000
Emergency Tax Code	S1100L	S1150L

National Insurance Contributions (NICs)

National Insurance contribution (NIC) rates and thresholds are outlined below:

£ per week (unless stated)	2016-17	Change	2017-18
Lower earnings limit (LEL)	£112	+ £1	£113
Primary threshold (PT)	£155	+ £2	£157
Secondary threshold (ST)	£156	+ £1	£157
Upper Earnings Limit (UEL/UST/AUST)	£827	+ £39	£866

For a full explanation of the changes please see: <http://www.hmrc.gov.uk/rates/it.htm> or contact your Account Manager.