



# Prism Financial Advice Ltd

## Independent Financial Advisers

**Head Office:**  
Prism House, 13 Keel Row,  
The Watermark, Gateshead,  
Tyne & Wear NE11 9SZ  
**Tel:** 0191 461 9400  
**Email:** enquiries@prismadvice.co.uk  
**Website:** www.prismadvice.co.uk

FRN 426165 Authorised & Regulated  
by the Financial Conduct Authority

### Some Important Tax Rates for 2023/24

#### Tax-free Savings for Individuals



ISA ALLOWANCE → **£20,000**



JUNIOR ISA ALLOWANCE → **£9,000**



LIFETIME ISA → **£4,000**

#### Dividend Taxation

**£1,000** tax-free  
Dividend Allowance

Dividends above this level will be taxed at;

- 8.75%** (basic rate)
- 33.75%** (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

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 2023/24



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

#### Lifetime Allowance



The standard Lifetime Allowance is **£1,073,100**



From April 2023, the charge for exceeding the Allowance has been removed and the abolition of the Lifetime Allowance will be delivered in a Finance Bill

#### State Pension

Flat rate State Pension increased to **£203.85pw** from 6/4/23  
(35 qualifying National Insurance years needed)

Old State Pension increased to **£156.20pw** from 6/4/23

#### 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



#### Capital Gains Tax

Annual personal CGT exemption → **£6,000**  
(Higher rates of 18% and 28% apply to sales of second homes)



levied at **10%** for basic rate taxpayers



or **20%** for higher rate taxpayers

Additional main Residence Nil-Rate band (RNRB) when a residence is passed on death to a direct descendant.



For the 2023/24 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



Failed chargeable lifetime transfers and potentially exempt transfers may receive taper relief on the IHT payable.

It is important to take professional advice before making any decision relating to your personal finances. Information within this document is based on our current understanding of taxation and HMRC rules and can be subject to change in future. It does not provide individual tailored investment advice and is for guidance only. **Some rules may vary in different parts of the UK;** please ask for details. We cannot assume legal liability for any errors or omissions it might contain. Levels and bases of, and reliefs from taxation are those currently applying or proposed and are subject to change; their value depends on the individual circumstances of the investor. No part of this document may be reproduced in any manner without prior permission.