

Tax Allowances and Thresholds for 2024/25 Tax Year

There are a number of changes happening on 6th April – here’s a quick summary of the ones most relevant to pensions and employment.

Pensions

Lifetime Allowance (LTA) – ABOLISHED from 24/25 onwards.

This is the maximum amount of pension savings that may be accrued without being subject to an extra tax charge. So, from now on, the only tax restriction to how much you can accumulate in a pension is the Annual Allowance.

PLEASE NOTE: the maximum Pension Commencement Lump Sum (Tax-Free Cash) will be kept at the current level of £268,275. **Please also bear in mind that taxation rules are always subject to change.**

Annual Allowance (AA) – remaining at £60,000 p.a. for 24/25.

This is the maximum amount of pension savings in any one Tax Year that may qualify for Income Tax relief.

This is subject to not exceeding 100% of relevant taxable income.

Restrictions apply for higher earners – see our [Annual Allowance factsheet 24-25](#)

Income Tax and National Insurance (NI) Thresholds (England, Wales and N Ireland)

Income	Tax Rate	Employee NI rate
Up to £12,570	NIL	NIL
£12,570 - £50,270	20%	8%
£50,270 - £125,140	40%	2%
£125,140 and above	45%	2%

Income Tax Thresholds (Scotland) – NI rates are as per rest of UK

Income	Tax Rate
Up to £12,570	NIL
£12,570 - £14,876	19%
£14,877 - £26,561	20%
£26,562 - £43,662	21%
£43,663 - £75,000	42%
£75,001 - £125,140	45%
£125,140 and above	48%

IMPORTANT: Your tax rates determine how much tax relief that you receive on pension contributions. If you contribute via Salary Sacrifice, you save personal NI as well.

The tax-free Personal Allowance of £12,570 is 'lost' on an incremental basis on income above £100,000 p.a. This creates an effective tax charge of 60% on income between £100,000 and £125,140. Those with income in this range may therefore receive effective tax relief of up to 60% on pensions contributions.

National Living wage

Increased to **£11.44 per hour**.

Capital Gains Tax (CGT)

Annual Exemption Allowance - £3,000 (down from £6,000).

	CGT Rate	Additional Rate for Residential Property
Higher Rate	10%	+8%
Basic Rate	20%	+4%

This document deals in generalisations, is intended for information purposes only, and is not intended to provide advice. Levels and bases of taxation will vary dependent upon individual circumstances and are subject to change. Shackleton recommend that employers and individuals take specific guidance before taking any action.



+44 (0)20 8125 4300



EB@Shackletonadvisers.co.uk



Unit 965,
Cornforth Drive
Sittingbourne
Kent
ME9 8PX