Tax Card 2026/27

Key UK rates and allowances · 6 April 2026 to 5 April 2027

Llewellyns
CHARTERED CERTIFIED ACCOUNTANTS

Income Tax (England, Wales and Northern Ireland)

Personal Allowance	£12,570
Personal Allowance reduced by £1 for every £2 of income over	£100,000
Basic rate 20%	£1 – £37,700
Higher rate 40%	£37,701 – £125,140
Additional rate 45%	Over £125,140
Marriage Allowance (transferable)	£1,260
Blind Person's Allowance	£3,250

Dividends

Dividend Allowance	£500
Ordinary rate (basic rate taxpayers)	10.75%
Upper rate (higher rate taxpayers)	35.75%
Additional rate	39.35%

Savings

Starting rate for savings (0%) limit	£5,000
Personal Savings Allowance – basic / higher rate	£1,000 / £500
Savings rates – basic / higher / additional	20% / 40% / 45%

National Insurance – employees and employers

Primary threshold (employee)	£12,570 (£242/wk)
Secondary threshold (employer)	£5,000 (£96/wk)
Upper earnings limit	£50,270 (£967/wk)
Employee rate – between PT and UEL / above UEL	8% / 2%
Employer rate – above secondary threshold	15%
Employment Allowance	£10,500
Class 1A and 1B	15%

National Insurance – self-employed

Class 4 – profits £12,570 to £50,270	6%
Class 4 – profits over £50,270	2%
Class 2 – voluntary, profits below £7,105	£3.65/wk
Class 3 – voluntary	£18.40/wk

Corporation Tax

Small profits rate (profits up to £50,000)	19%
Main rate (profits over £250,000)	25%
Marginal relief fraction (£50,000 – £250,000)	3/200
Annual Investment Allowance	£1 million
Full expensing (main rate plant and machinery)	100%

Capital Gains Tax

Annual exempt amount	£3,000
Basic rate taxpayers	18%
Higher and additional rate taxpayers	24%
Business Asset Disposal Relief rate	18%
Business Asset Disposal Relief lifetime limit	£1 million

Inheritance Tax

Nil-rate band	£325,000
Residence nil-rate band	£175,000
Residence nil-rate band tapers away above	£2 million
Rate on death / reduced rate (10%+ to charity)	40% / 36%
Lifetime chargeable transfers	20%

VAT

Standard / reduced rate	20% / 5%
Registration threshold	£90,000
Deregistration threshold	£88,000

Pensions and ISAs

Pension Annual Allowance	£60,000
Money Purchase Annual Allowance	£10,000
Tapered Annual Allowance – adjusted income over	£260,000
ISA subscription limit	£20,000
Junior ISA subscription limit	£9,000

Employers

National Living Wage (21 and over, from 1 April 2026)	£12.71/hr
Aged 18 – 20	£10.85/hr
Under 18 and apprentices	£8.00/hr
Statutory Sick Pay	£123.25/wk
Statutory Maternity / Paternity Pay (standard rate)	£194.32/wk
Mileage allowance – cars (first 10,000 miles / after)	55p / 25p

Key dates

31 January 2027	Online Self Assessment return for 2025/26 and balancing payment, plus first payment on account for 2026/27
5 April 2027	End of the 2026/27 tax year
6 April 2027	Start of the 2027/28 tax year
31 July 2027	Second payment on account for 2026/27
5 October 2027	Deadline to register for Self Assessment for 2026/27

Looking ahead to 2027/28

- From 6 April 2027 savings income is taxed at 24% / 44% / 49%, and new property income rates of 24% / 44% / 49% apply.
- From 6 April 2027 the Business Asset Disposal Relief lifetime limit falls from £1 million to £500,000.

Cardiff
Brook House, Brook Road, Whitchurch, Cardiff, CF14 1DU
02920 624230

Tonypandy
The Courthouse, Llwynypia Road, Tonypandy, CF40 2HZ
01443 303230

Get in touch
hello@llewellyns.co.uk
www.llewellyns.co.uk

Rates for England, Wales and Northern Ireland; Scottish income tax rates differ. Summary for general guidance only – not advice. Source: HM Treasury Budget 2026 overview of tax legislation and rates (Annex A) and HMRC rates and thresholds for employers 2026 to 2027. Llewellyns Limited, registered in England and Wales No. 07006091.