

# Emergency budget at a glance



CHANCELLOR OF THE EXCHEQUER



**VAT:** Up from **17.5%** to **20%** from Jan 2011. Zero-rated goods to remain exempt



**Air passenger duty:** Switch from passenger tax to plane levy



**Duties:** No change on alcohol, tobacco or fuel. Planned cider tax rise reversed



**Income tax:** Personal allowance up by **£1,000** to **£7,475** for basic rate tax payers from April



**Child benefit:** Frozen for three years. Tax credits reduced for families earning over **£40,000**. Child element of tax credit up by **£150** above inflation next year



**Pensions:** Basic state pension relinked to earnings from April

■ **Public sector pay:** Frozen at 2010 levels for two years. Flat pay rise of **£250** for 1.7m public servants earning less than **£21,000**

■ **Council tax:** Frozen for one year from next April

■ **Housing benefit:** Maximum limits of **£280** a week for 2-bed properties and **£400** for 4-bed houses to be introduced

■ **Disability Living Allowance:** Medical assessment introduced from 2013

■ **Families:** **Health in Pregnancy** grant abolished. **Sure Start** maternity grant for first child only. Lone parents to seek work when youngest child starts school

■ **National Insurance:** Employers' threshold up by **£21** above inflation to ease cost of hiring new staff. Small companies tax rate to be cut to **20%**. New businesses outside London, south-east and east of England exempt from **£5,000** of NI contributions for each of first 10 employees hired

■ **Corporation tax:** Cut by **1%** a year over next four years, taking it to **24%**

■ **Capital Gains Tax:** Increased to **28%** for higher earners from midnight

■ **Bank levy:** Balance sheet levy to generate **£2bn** annually from Jan 2011

■ **Armed forces:** Servicemen's allowance doubled to **£4,800**

■ **Sell-offs:** NATS (air traffic control system), Student Loan Book and Tote betting chain to be sold. Private sector investment sought for Royal Mail

■ **Civil list:** To remain frozen at **£7.9m** to fund Queen's duties as head of state