

## **Which Income Is Free From Tax?**

**We have put together a list of income that is FREE from tax...see below;**

Adoption Allowances  
Adult Placement Carer's Income  
Annuities from gallantry awards  
Attendance Allowance  
Bereavement Payments  
Betting, lottery and pools winnings, and raffle prizes  
Car parking benefits  
Child Benefit  
Child dependency additions  
Child Tax Credit  
Child Trust Funds  
Christmas bonuses paid by the state to pensioners  
Compensation for loss of employment of up to £30,000  
Compensation for mis-sold personal pensions  
Council Tax Benefit  
Damages and compensation for personal injury, including interest  
Disability living Allowance  
Educational Maintenance Allowance  
Foster Care Income  
Gifts for employees from third parties if they are under £250 a year  
Gratuities and bounties from the armed forces  
Guardian's Allowance  
Home improvement, repair and insulation grants  
Housing Benefit  
Incapacity Benefit (short-term – lower rate)  
Incentives for electric communications  
Income Support  
Individual Savings Accounts (ISAs)  
Industrial injury benefits  
Insurance bond withdrawals of up to five per cent per year  
Insurance policy payments (mortgage payment protection, permanent health etc)  
Interest from National Savings Certificates  
Interest on overpaid tax  
Interest on Tax Reserve Certificates  
Invalidity pensions  
Jobfinder's Grant  
Jobseeker's Allowance  
Life assurance policy bonuses and profits  
Long service awards of up to £50 for each year of service (for employees)  
Lump sums from an approved pension scheme  
Luncheon vouchers of up to 15p per day but cash would be taxable  
Maintenance or alimony payments  
Maternity Allowance  
Miners' Coal Allowance  
National Savings Bank interest of up to £70 per person

National Savings Certificates' increase in value  
Pension Credit  
Pensions from Austria or Germany to victims of Nazi persecution  
Personal equity plans (PEPs)  
Premium bond prizes  
Provident benefits paid by a trade union of up to £54,000 for lump-sum payments  
Purchased life annuities – capital element only  
Rent-a-room income up to £4,250  
Save As You Earn Schemes (SAYE) bonuses and interest  
Scholarship income and bursaries  
Severe Disablement Allowances  
Share option profits made under an SAYE option scheme  
Shares awarded under an approved Share Incentive Plan  
Social fund payments  
Statutory Redundancy Pay  
Strike and unemployment pay from a trade union  
Student Grants  
Suggestion scheme awards  
Training Allowances for reserve forces  
Travel to work on a work bus  
TV Licence payment  
Vaccine damage payment  
Venture Capital Trust dividends  
War Disablement Benefits  
War Widow's Pension  
Winter fuel payments  
Woodlands  
Working Tax Credit

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