

Snapshot 2024 Autumn Budget



Personal wealth



Capital gains tax (CGT)

The lower rate of CGT on relevant share disposals has risen from 10% to 18%, and the higher rate from 20% to 24%. This will effectively remove the CGT surcharge on residential property, which will remain at the current rates of 18% and 24%.

Business asset disposal relief (BADR) remains at £1 million, with the BADR rate rising from 10% to 14% in April 2025, then to 18% in April 2026.

Inheritance tax (IHT)

From April 2026 - Agricultural relief and business property relief (BPR) will become subject to a tax-free threshold of £1 million, with any amount above that being liable for IHT with a 50% relief.

This effective tax rate of 20% will also extend to Alternative Investment Market (AIM) shares but without the £1 million tax-free allowance.

The current nil rate band of £325,000 and residence nil rate band of £175,000 have been frozen for a further two years. Initially set to see inflation-level rises from 2028, this freeze has been extended until 2030.

Pension fund assets will be included in the calculations for IHT from 6 April 2027.

State pension

The state pension will increase by 4.1% in April 2025.

Minimum wage

The national living wage will increase from £11.44 per hour to £12.21 per hour.

Income tax and national insurance

From the 2028/29 tax year, personal tax and national insurance thresholds will increase in line with inflation.

To discuss any of these changes, speak to your usual Evelyn Partners contact or call **020 7189 2400**.

Business



Employer NI

Employer NI will rise from 13.8% to 15%. The earnings threshold at which employers must pay it is being reduced from £9,100 per year to £5,000 per year.

To offset some or all of this increase for smaller businesses, the employment allowance will increase from £5,000 to £10,500.

Rates

Plans to bring in permanent lower business rates for retail, hospitality and leisure properties from the 2026/27 tax year.

From April 2025 business rates will receive a 40% discount, up to a maximum of £110,000.

Other notable changes



Duty

Duty on tobacco to rise by the Retail Price Index (RPI) plus 2% on an annual basis. Hand-rolled tobacco will be hit with a 10% increase in duty this year, and there will be a new flat-rate duty on vaping liquid introduced from 2026.

Duty on draft alcohol below 8.5% ABV will be reduced by 17%. Non-draught alcohol duty will increase in line with RPI from February 2025.

Domicile

Non-dom tax regime will be abolished, with a new residence-base scheme to be introduced.

Private school fees

The removal of the VAT exemption for private school fees was confirmed, coming into force from January 2025. The Government will also seek to remove private schools' business rates relief from April 2025.

Carer's Allowance

Earnings limits for recipients of carer's allowance have increased from £151 per week to £195 per week.

evelyn
PARTNERS