

Autumn Budget 2024 – Breakdown

In her recent Autumn Budget, Chancellor Rachel Reeves outlined several measures that will impact small businesses and individuals across the UK. Here's a breakdown of the key points:

Tax Changes Affecting Businesses:

National Insurance Contributions (NICs): From April 2025, employers' NICs will increase from 13.8% to 15%, with the threshold for payment lowering from £9,100 to £5,000. To assist smaller employers, the employment allowance will rise from £5,000 to £10,500 annually, applicable to all businesses.

Corporation Tax: The corporation tax rate remains at 25%, with the Small Profits Rate and marginal reliefs unchanged.

Support for Small Businesses:

Business Rates: A permanent 40% discount on business rates for retail, hospitality, and leisure businesses will replace the current 75% discount, up to a maximum of £110,000 per business. This change will be funded by a higher multiplier on the most valuable properties.

Fuel Duty: The fuel duty freeze has been extended for another year.

Employment Allowance: The allowance increases to £10,500, benefiting smaller employers.

Implications for Individuals:

Personal Tax Allowance: The freeze on personal tax allowance thresholds until 2028 remains in place, potentially leading to higher tax liabilities due to fiscal drag.

Capital Gains Tax: Rates will increase to 18% for the lower rate and 24% for higher earners, aligning them with property sales rates.

Inheritance Tax: The threshold will be frozen until 2030. From April 2027, pensions will be considered part of the assets subject to inheritance tax.

Fuel Duty: The freeze on fuel duty benefits individuals by keeping fuel prices stable.

These measures aim to balance economic growth with fiscal responsibility. While some changes may present challenges, others offer support to businesses and individuals.