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# Main Takeaways From Autumn Statement 2024

### On Wednesday, 30th October 2024, Chancellor of the Exchequer Rachel Reeves delivered her Autumn Statement to Parliament. In Labour’s first budget since 2010, Reeves announced tax rises worth £40 billion to “begin a decade of national renewal.” The announced measures aim to “deliver change” and “restore stability to our economy.”

**Measures Affecting Individuals**

The announced Autumn Statement measures that impact individual citizens include the following:

* Capital gains tax on profits from selling shares will increase from 10% to 18% for basic-rate taxpayers and from 20% to 24% for higher taxpayers. Rates from selling second homes will remain unchanged.
* The inheritance tax threshold will be frozen, meaning the first £325,000 of an estate can be inherited tax-free. However, any unspent pension pots and death benefits will become liable for inheritance tax from 2027. Furthermore, inheritance tax relief when inheriting farms will be limited to £1 million from April 2026.
* State pension payments will increase by 4.1% in 2025 as part of the working age benefits “triple lock.”
* The legal minimum wage will rise to £12.21 an hour from April 2025. Further, the rate for 18- to 20-year-olds will increase from £8.60 to £10 as part of the government’s plan to work towards a “single adult rate.”
* Income tax and National Insurance (NI) paid by employees are unchanged, and income tax band thresholds will rise with inflation starting in 2028.

### Measures Affecting Businesses

The following are announced initiatives that impact businesses:

* Organisations will pay NI 15% from April 2025, up from 13.8%. Moreover, the threshold when contributions become due will decrease from £9,100 to £5,000.
* Business rates will be permanently lowered from the 2026-27 tax year for retail, hospitality and leisure businesses. In the meantime, qualifying businesses in those sectors will get 40% relief during the 2025-26 tax year (capped at £110,000 per business.)
* Carried interest—a performance-related reward typically received by private equity managers—will rise from 28% to 32% from April 2025.
* The main rate of corporation tax will remain at 25% until the next election.

**Measures Affecting Public Services**

The measures announced in the statement that impact public services are as follows:

* The NHS’ day-to-day budget will increase by £22.6 billion to tackle wait times. Further, a 10-year plan for the NHS to fuel productivity growth is promised in spring.
* Capital investment of £6.7 billion will be given to the Department of Education, including £1.4 billion to rebuild more than 500 schools. Further funding will be allocated to support special education, higher education, school maintenance and the hiring of teachers.

**Housing Measures**

The announced measures that relate to housing include the following:

* Stamp duty must be paid on homes with a value from £300,000 (previously £425,000) for first-time buyers and from £125,000 (previously £250,000) for general home buyers in England and Northern Ireland.
* Discounts under the Right to Buy scheme will be reduced, impacting social housing tenants.
* Housing investment in the 2025-26 tax year will be increased by £5 billion, and “hundreds of new planning officers” will be hired to accelerate housebuilding.

**Transport Measures**

The following initiatives announced in the Autumn Statement relate to transport:

* Fuel duty cut of 5 pence, originally due to cease in April 2025, will continue for another year.
* £500 million will be allocated to fix a million potholes each year.
* Vehicle Excise Duty rates for new cars will be overhauled, with rises for specific vehicles from April 2025, to encourage individuals to shift to electric vehicles.
* Low company car tax rates will continue beyond 2028.
* Air Passenger Duty will increase from 2026, with rates for private jets increasing by 50%.

**Other Measures**

Other measures include the following:

* A new flat rate of £2.20 per 10 millilitres of vaping liquid will be introduced from October 2026, and taxes will increase by 2% above inflation for tobacco and 10% above inflation for hand-rolling tobacco.
* Alcohol duty rates on non-draught products (ie wines and spirits) will increase by 2.7% from February 2025, while draught (ie beer) duty will be cut by 1.7%.

**Conclusion**

The measures announced by Reeves have implications for both individuals and businesses. Therefore, it’s prudent for everyone to understand how they may be impacted. View the chancellor’s speech in full on the [government website](https://www.gov.uk/government/speeches/autumn-budget-2024-speech), or contact us today for additional guidance.