



Communication • 28 November 2025

## Autumn 2025 budget take-aways

### What **hasn't** changed

- Income Tax Rates
- National Insurance Rates
- Tax-Free Cash on pensions
- Pension tax relief
- IHT caps on gifting

### What **has** changed

Topic	Announcement	When
NI & Income Tax thresholds	Frozen for an extra 3 years, so pay increases will incur more tax and NI because a higher proportion of their earnings will be over the personal allowance of £12,570.	2028 - 2031
Cash ISAs	Deposit allowance capped at of £12,000 per year for under 65s with the rest of the £20,000 reserved for investments.	from April 2027
Two-child benefit cap	Scrapped.	from April 2026
Pension salary sacrifice	Cap introduced. Contributions above £2,000 will be taxed in the same way as other employee pension contributions. The biggest impact will be for people earning under the Upper Earnings Limit of £50,270 who will pay 8% on £2,000+.	from 2029
Mansion tax (new measure)	Properties worth more than £2m will be charged £2,500 pa. Properties worth more than £5m will be charged £7,500 pa.	from April 2028
Vehicle excise duty introduced	3p per mile for electric cars; 1.5p per mile for plug-in hybrids.	from April 2028
Fuel duty	Frozen followed by staged increases.	to April 2026 from 2026
Gaming duty	Raised from 21% to 40%.	from April 2026
Schools	£5 dedicated to secondary school libraries. £18m for upgrading playgrounds (England).	
Infected blood compensation	Exempt from IHT.	-
Training: apprentices under 25	Free for small and medium-sized enterprises.	from April 2026
Motability schemes	Luxury vehicles to be removed from scheme.	
Devolved governments	Specific funding will be set aside for Wales and Northern Ireland.	
Chancellor's stability rule	Headroom more than doubled to £21.7bn	-

## Ten tax-busting tips

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- 1** If you (or your partner) are not working, don't waste the £12,570 **Personal Allowance** or, if it cannot all be used, the option in some circumstances to transfer £1,260 of it.
- 2** Don't forget the Personal **Savings** Allowance (PSA), reducing tax on interest earned.
- 3** Don't ignore the **dividend allowance**, a saving tax of up to 39.35% on £500 of dividends in 2025/26 and 2026/27.
- 4** Think **marginal tax rates**. The system creates 63% (and much higher) marginal rates.
- 5** **ISAs** should be your first port of call for investments, and then deposits.
- 6** You can continue to pay into a **LISA** (and receive the 25% government bonus) until the day before your 50<sup>th</sup> birthday, but even if you or your children are eligible for a Lifetime ISA (LISA) while it continues to exist, you still might find a pension is a better choice.
- 7** **Capital Gains Tax** (CGT) remains generally lower and paid later than tax on investment income.
- 8** **Trusts** can save Inheritance Tax (IHT), but they incur the highest rates of Capital Gains Tax and Income Tax.
- 9** If you are entitled to a **company car**, going electric and using salary sacrifice could slash your tax bill, although you will have to consider the proposed new "pay per mile" charge on EVs and PHEVs.
- 10** File your **tax return** on time and accurately to avoid penalties and the taxman's attention (online submissions: 31 January 2026 for 2024/25).

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As always if you need advice, I am here for you.

Regards,

