



Autumn Budget 2023

Here are some of the highlights that might affect you:

Pensions

The state pension will rise by 8.5% from April 2024. Since 2010, increases to the state pension have typically been based on the so-called 'triple lock' commitment, which guarantees that payments rise in line with the largest of September's inflation, average wage growth between May and July (including bonuses), or 2.5%.

National Insurance Contributions

Both employees and self-employed workers will pay less in national insurance from next year, as the Chancellor has announced the following changes:

- For employees, the rate of national insurance paid on earnings of between £12,570 and £50,270 a year will be cut from 12% to 10%.
- This is expected to benefit 27 million employees. This means the average worker on a £35,400 salary will save £450 over the 2024/25 tax year.
- For self-employed workers, 'class 4' contributions will be cut from 9% to 8%, and mandatory 'class 2' contributions will be scrapped altogether.

Income tax and national insurance thresholds remain frozen until 2028

Despite the cut to national insurance rates, both national insurance and income tax thresholds – which determine when you start paying each tax – will remain frozen until April 2028 (as announced by the Government last year).

Additional changes that may affect your business

The government is making a permanent tax break for businesses, which allows them to offset investment in machinery, IT and equipment against corporation tax.

It also extends business rate relief for many small firms, including pubs and other hospitality businesses.

Inflation has continued to decrease and is currently at 4.6% (October 2023).

We understand that the recent changes announced in the budget may raise questions regarding the impact on your business. We are always ready to help and can offer guidance and support tailored to you.

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