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## Autumn Statement 2024 – Points of Note for Businesses

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So, the wait is over; Rachel Reeves the Chancellor of the Exchequer, delivered her Autumn Statement on 30 October 2024. After what feels like months of speculation, what did she say and how will it affect you?

Quite a lot actually and due to the sheer number of changes only a brief summary of them is provided below. Over the coming days, as the details become clearer, we will look at the more important changes in greater detail.

### The Backdrop

Since Labour came into power, they have done a pretty good job of talking the nation down, so much so, it feels like “business” has been on hold. Seemingly, everything is “broken” and requires reforming; not to mention an ever-growing blackhole which requires filling.

Unwisely, Labour announced in their manifesto that they would not increase any of the major taxes (Income Tax, National Insurance and VAT) and seeing as though reforming the winter fuel allowance only partly filled the blackhole, the Chancellor had much to tinker with.

A summary of what she has announced is below and HMRC’s Press Release can be found [here](#).

### Employment

The National Living Wage for people aged 21 or older will rise from £11.44 an hour to £12.21 from April 2025.

The National Minimum Wage will rise for people aged between 18 and 20 years old from £8.60 to £10.

The hourly rate of pay for Apprentices will increase from £6.40 to £7.55.

Employers’ National Insurance contributions will increase by 1.2%, from 13.8% to 15% with effect from April 2025.

The Secondary threshold (the level when Employers’ National Insurance becomes chargeable) will be reduced to £5,000 from £9,100; however, to protect smaller businesses, the Annual Employer’s Allowance will be increased to £10,500 per year, from £5,000.

### Income Tax & National Insurance

Whilst no changes were announced to the main rates of Income Tax or Employees’ National Insurance, the Chancellor did confirm that from April 2028, the Income Tax and National Insurance thresholds will once again, rise with inflation.



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## Capital Gains Tax (CGT)

From 30 October 2024, the lower rate of Capital Gains Tax will increase from 10% to 18%, and the higher rate will rise from 20% to 24%.

CGT rates on property will remain unchanged.

The rate of CGT on business disposals [Business Asset Disposal Relief (BADR)] will remain at 10% and the lifetime limit will remain at £1m. However, the tax rate will increase to 14% in 2025 and then 18% in 2026.

## Inheritance Tax (IHT)

No change was made to the IHT rate but the threshold when IHT becomes payable, will remain frozen for a further two years to 2030.

Major changes were announced relating to inherited pensions and Agricultural Property Relief.

From April 2027, inherited pensions will become subject to IHT.

From April 2026, IHT will be applied to Business and Agricultural Property although the first £1m will be exempt and the rate of IHT on these assets will be 20%, not 40%.

## Stamp Duty Land Tax (SDLT)

From 31 October 2024, the higher rates for Additional Dwellings on the purchase of second homes, buy-to-let residential properties and companies purchasing residential property will increase from 3% to 5%.

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