

Autumn Statement 2023

During the Autumn Statement, held on 22 November 2023, the Government revealed significant adjustments to personal taxes, potentially leading to improved financial situations for millions of both employed and self-employed individuals. Whilst the highly anticipated discussion on inheritance tax did not materialise, the focus was very much on ensuring the employed and self-employed take home more of their income.

Below we have highlighted the key modifications that we believe will be relevant to many of our clients.

In a landmark decision reflective of a growing awareness of economic disparities, 2024 will see a substantial increase in the national living wage. This move comes as a response to the pressing need to address the rising costs of living and bridge the gap between wages and the expenses of everyday life.

The existing hourly minimum wage for individuals aged 23 and above stands at £10.42. Come April 2024, this rate will see a boost to £11.44 per hour, accompanied by a reduction in the age threshold for eligibility to 21.

Furthermore, elevated rates will be extended to individuals within other age brackets as well -
<https://www.gov.uk/national-minimum-wage-rates>

Currently, employed individuals contribute 12% of their income to National Insurance Contributions (between £12,570 and £50,270 per year). Starting 6 January 2024, this rate is set to decrease to 10% resulting in a possible saving of £754 per year.



Similar reductions in National Insurance Contributions (NIC) will also be extended to self-employed individuals. The reduction in class 4 NIC from 9% to 8%, coupled with abolition of class 2 NIC could see self-employed individuals £556.40 per year better off.

If you have any queries in relation to the recent budget report, please do not hesitate to contact us.

If you have any questions or would like further information, please contact Fiona Chandler, Tax Manager – 028 90 333 058

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