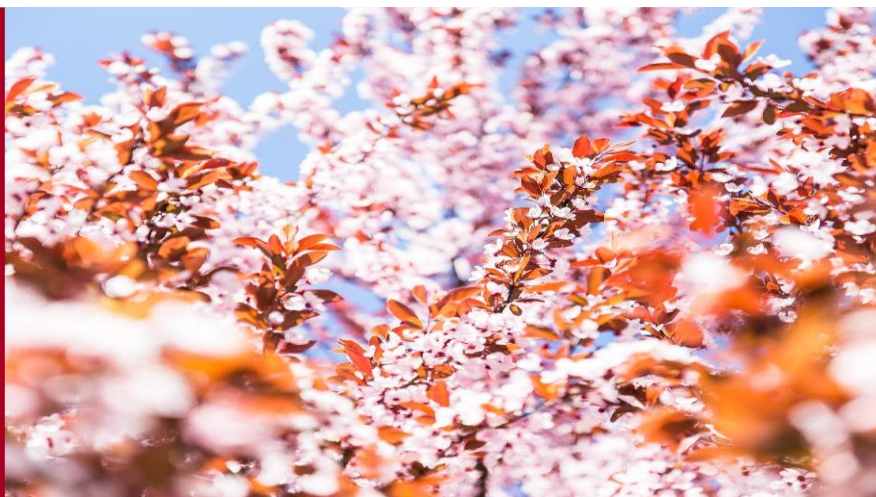


SPRING BUDGET

2024



The spring budget was unveiled on Wednesday 6th March, introducing significant changes across various sectors. Key highlights included adjustments to National Insurance and capital gains tax rates, as well as investment incentives aimed at stimulating economic growth.

Below we have outlined the main changes that we believe may be of interest to our clients.

National insurance (NIC)

Following the initial 2% reduction in NIC in January of this year, there will be an additional 2% reduction from April 2024. Consequently, employee's NIC will decrease from 10% to 8%, and self-employed NIC will reduce from 8% to 6%. This reduction, alongside the previous 2% cut implemented in January, is anticipated to save the average worker £900 per year. These measures aim to provide financial relief for both employees and self-employed individuals, fostering economic stability and enhancing disposable income.

High Income Child Benefit Charge (HICBC)

The threshold at which parents begin to repay child benefit has remained the same since the reform was introduced in 2013. The threshold has now been increased from £50,000 to £60,000 with 1% of the benefit being repayable for every £200 that exceeds £60,000. Once an individual earns £80,000, the full benefit will become repayable.

VAT thresholds for small businesses

The VAT threshold for small businesses has been increased from £85,000 to £90,000, taking effect from 1st April 2024. The adjustment will result in approximately 28,000 small businesses being entirely exempt from paying VAT. By raising the threshold, the Government aims to ease the financial burden on small enterprises, allowing them to retain more of their earnings for growth and investment.

New ISA

A new Individual Savings Account (ISA) will be introduced, offering an additional £5,000 annual tax-free saving allowance, specifically designated for investments in UK equities, in addition to existing ISA allowances. This initiative is designed to incentivise investment in the UK economy. By providing tax advantages for investments in UK equities, the Government aims to stimulate economic growth, support domestic businesses, and encourage individuals to participate in the country's financial markets.

For any further information please contact our Tax Manager, Fiona Chandler, on 028 9033 3058 or email fiona@bridgeaccountancy.com