

# Autumn Budget 2025

Overview & Key Highlights



# Autumn Budget 2025 Highlights Overview

After a month and more of constant speculation, leaks on proposed tax increases, strategies to raise tax, change to benefits, all to “stress test” their ideas and the final embarrassment of the OBR releasing the proposals prior to the Chancellor’s speech, we finally had our Budget.

## Were there any huge surprises?

Not many, due to the constant speculation and prior u-turn on proposals after seeing how the population reacted (e.g. capping of TFC to name just one).



What does it all mean? Well, put simply the tax burden on the UK population will reach an all-time high by 2030, with the tax take rising “to an all-time high of 38% of GDP in 2030-31”, according to the OBR.

## Implications for Estate Planning

From an estate planning perspective, thankfully, there are no major further developments to navigate, clearly the large part of the radical change was announced in the previous Autumn Budget.

## Business Relief Update

There was, however, a common-sense approach to the previous change on Business Planning Relief, with the statement to now allow the transfer of 100% relief allowances between spouses. This does away with some of the planning need around the “use-it or lose-it” philosophy.



## Key Budget Highlights

- **Inflation is forecast to rise to 3.5%:**

Which is higher than previously predicted.

- **Income Tax and NI Thresholds frozen until 2031:** This means, over time, more people will be brought into a tax regime, and more people will begin to enter the Higher Rate Tax band.

- **Mansion Tax:** The proposal to introduce an additional annual tax on high-value residential properties:

- £2,500 for properties valued between £2m and £2.5m.
- £7,500 for properties valued above £5m.
- Will impact 100,000 properties.

- **ISA allowance remains at £20,000:**

However, the cash ISA limit is capped at £12,000 pa for under 65's from April 2027.

- **The two-child benefit cap will be lifted** from April 2027.

- **3p per mile charge on electric vehicles** from April 2028 and 1.5p per mile for plug-in hybrids.



- **Annual cap of £2,000 on NIC relief on salary sacrifice schemes into pensions from 2029:** The change to salary sacrifice pension contributions will result in an increase in NIC and is estimated to raise an additional £4.7bn in 2029-2030 and £2.6bn in 2030-2031.

- **2% increase on tax rates for savings income.**

- **2% increase to the basic and higher rates of tax on dividends** from April 2026.

- **2% on property income tax**, impacting landlords.

- **IHT and Business Relief:** allows the transfer of 100% of the £1m relief allowance between spouses.