# BUDGET 2025

What a £26bn tax increase means for you

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# CHANGES TO **MINIMUM WAGE**

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**4.1%**

INCREASE FOR OVER 21'S

**Personal allowance and thresholds frozen until 2030/31**
Minimum wages will go up from April 2026 with 18 to 20-year-olds getting the biggest pay rise.

From **April 2026**, changes to minimum wage:

| Rates per hour | From | To | Increase |
|---|---|---|---|
| Apprentice | £7.55 | £8.00 | 6.0% |
| Under 18 | £7.55 | £8.00 | 6.0% |
| 18 to 20 | £10.00 | £10.85 | 8.5% |
| 21 and over | £12.21 | £12.71 | 4.1% |

# CHANGES TO **DIVIDEND TAX**

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**2%**

INCREASE FOR BASIC & HIGHER RATES

## Personal allowance and thresholds frozen until 2030/31

Dividend income of less than £500 is tax free but does need to be reported to HMRC. All dividends received on assets held within an Individual Savings Accounts (ISA) are entirely tax free. Dividends received within a Self-Invested Personal Pension (often called a SIPP) or by registered pension schemes are also tax free.

From **April 2026**, changes to tax rates of incomes:

| Basic Rate | From | To |
|---|---|---|
| Dividends | 8.75% | 10.75 |
| **Higher Rate** | **From** | **To** |
| Dividends | 33.75% | 35.75% |
| **Additional Rate** | **From** | **To** |
| Dividends | 39.35% – No Change | |

# CHANGES TO **SAVINGS TAX**

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**2%**

INCREASE FOR ALL RATES

**All interest received on assets held within ISAs is entirely tax free.**
Basic Rate taxpayers can receive £1,000 of interest without paying tax, and Higher Rate taxpayers can receive £500 without paying tax.

From **April 2027**, changes to tax rates of savings interest:

| Basic Rate | From | To |
|---|---|---|
| Savings | 20% | 22% |
| **Higher Rate** | **From** | **To** |
| Savings | 40% | 42% |
| **Additional Rate** | **From** | **To** |
| Savings | 45% | 47% |

# INTRODUCING THE NEW
# **PROPERTY INCOME TAX**

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**Property income will be separatley taxed**, a bit like dividends, which will result in a 2% tax increase for basic & higher rate payers

**2%**

INCREASE FOR BASIC & HIGHER RATES

From **April 2027**, changes to tax rates of incomes:

| Basic Rate | From | To |
|---|---|---|
| Property | 20% | 22% |
| **Higher Rate** | **From** | **To** |
| Property | 40% | 42% |
| **Additional Rate** | **From** | **To** |
| Property | 45% – No Change | |

Property income of less than £1,000 does not need to be reported to HMRC and is tax free.

# CHANGES TO **BUSINESS RATES**

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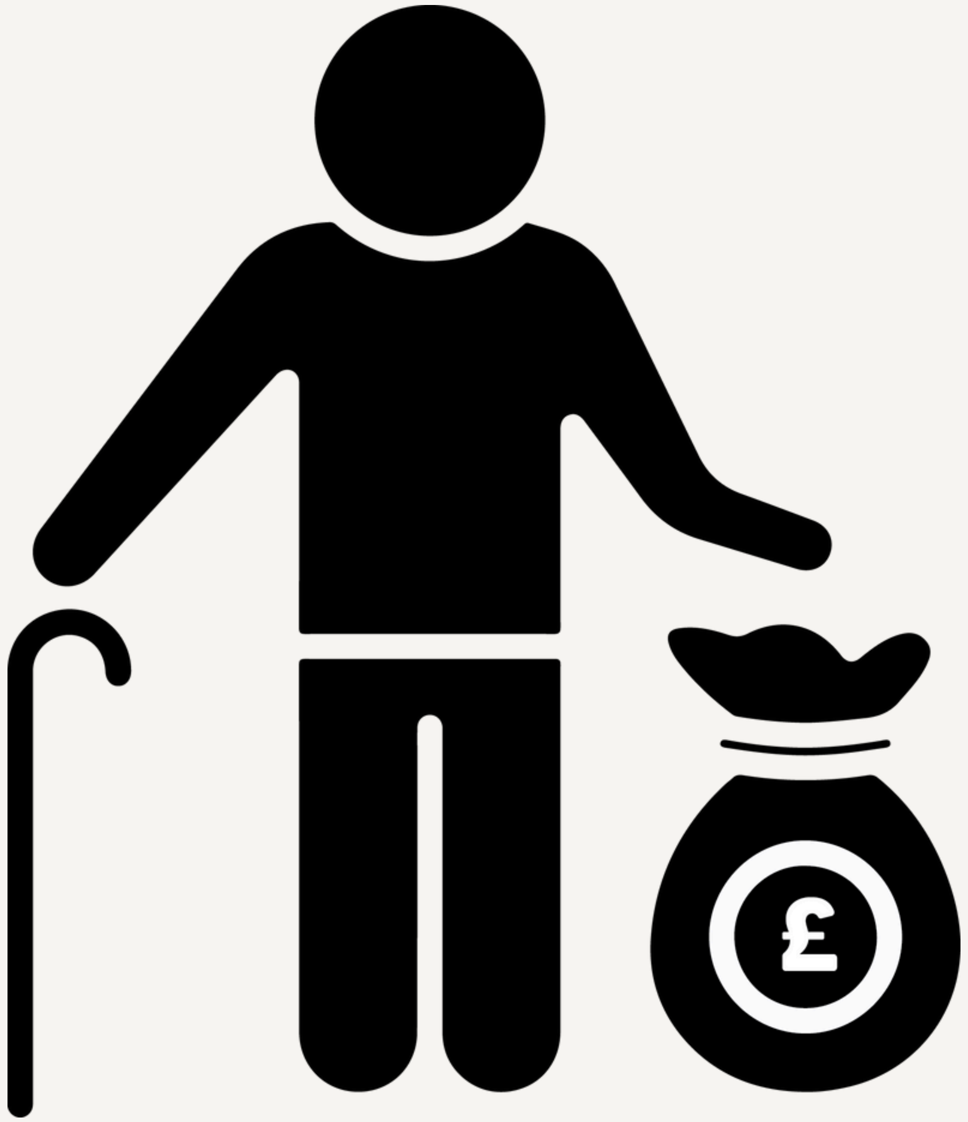
**Retail, hospitality and leisure (RHL) sector only**
Although the business rate multiplier has fallen, the 40% discount will come to an end

From **April 2026**, changes to multipliers:

| Basic Rate | 2025/26 | 2026/27 | Rateable Value |
|---|---|---|---|
| Small business RHL multiplier | | 38.2p | RHL <£51,000 |
| Standard RHL multiplier | | 43p | RHL £51,000 – £499,999 |
| National small business multiplier | 49.9p | 43.2p | NON-RHL <£51,000 |
| National standard multiplier | 55.5p | 48p | NON-RHL £51,000 – £499,999 |
| High-value multiplier | | 50.8p | >£500,000 |

# CHANGES TO **PENSIONS**



## Up coming pension changes:

**From April 2029**

Salary sacrifice contributions limited to £2,000 which are exempt from NICs

Employer and Employee NIC will be due on amounts above £2,000

Ordinary pension contributions remain unchanged

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# CHANGES TO **ISA'S**

## Up coming ISA changes:

| | |
|---|---|
| **From April 2027** | Total £20k allowance, but this will be split between £12k cash & £8k stocks and shares |
| | Current and historic contributions remain unaffected, changes made to new contributions only |
| | No changes to over 65s |

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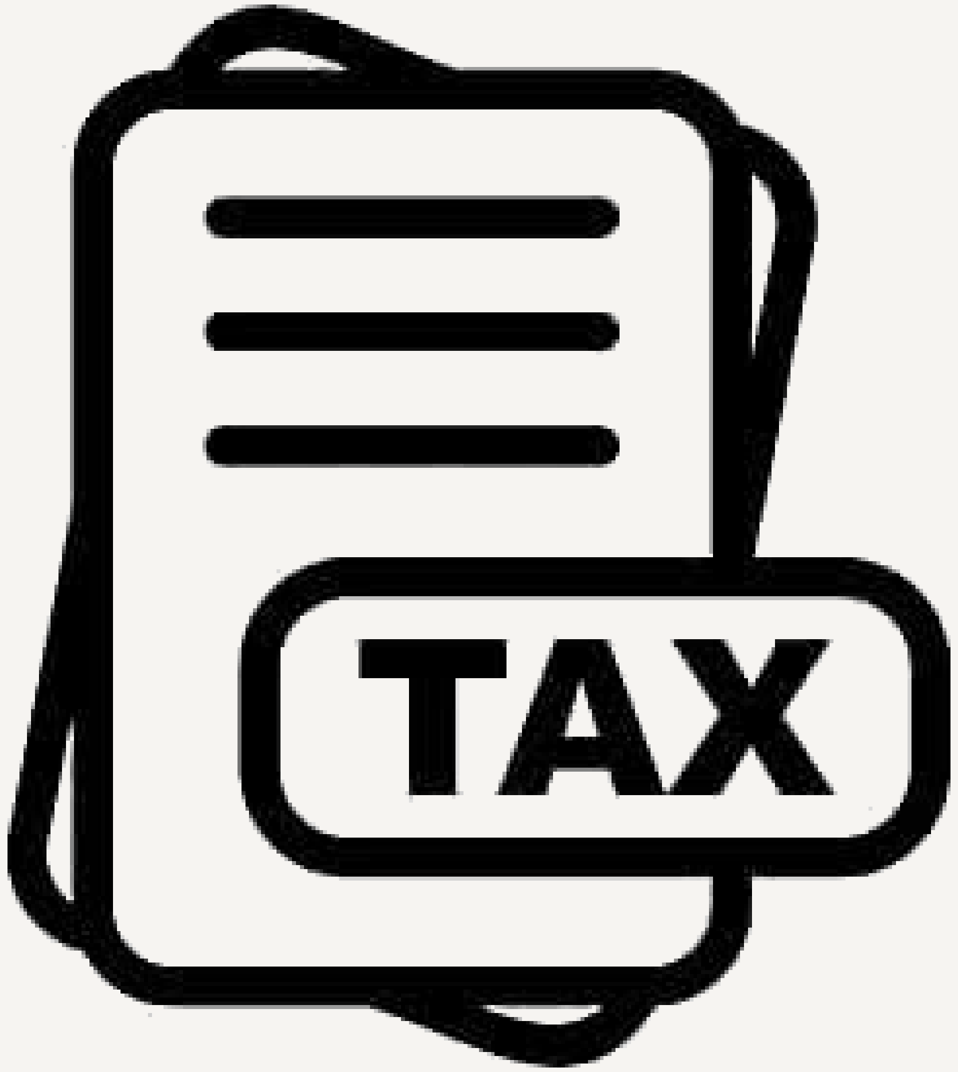
# CHANGES TO **OTHER TAXES**




A few more up coming changes:

**From April 2026**

Writing Down Allowances to be lowered from 18% to 14% for main pool

**From April 2028**

An introduction of a 3 pence per mile Electric Vehicle Excise Duty. Along with a lower rate of 1.5 pence per mile for hybrids.

**From April 2028**

A new High value council tax surcharge will apply on properties valued above £2 million, which will be from £2,500 to £7,500 (for properties valued above £5 million).

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THIS DOCUMENT IS A **SUMMARY** OF THE KEY **HEADLINES** FROM THE **2025 BUDGET** AND IS NOT COMPREHENSIVE. YOU CAN VIEW THE BUDGET IN FULL **HERE**

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