



Home > Insights > Market views

Market View

A historic budget

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This week's budget has marked a turning point in UK economic policy, being the first delivered by the Labour Party in 14 years and historically, the first by a female Chancellor. Beyond its political significance, the budget introduced profound fiscal changes, notably featuring the largest tax increases since 1993 and the most impactful tax measures on UK taxpayers ever recorded.

Key takeaways include a plan to raise £40 billion in taxes, funding only half of the projected increase in government spending, with the rest supported by additional borrowing. Businesses, in particular, are set to feel the brunt, as employer National Insurance contributions will rise from 13.8% to 15% starting April 2025, a move expected to generate £25 billion alone.

For individual taxpayers, personal allowances remain frozen at £12,570 until 2028, while income tax thresholds and rates stay intact, save for those earning above £125,140, who continue to forfeit their personal allowance. In the realm of capital gains tax, individuals will see rate increases from 10% to 18% at the basic rate and 24% at the higher rate, aligning with residential property tax rates. These shifts aim to bolster public finances and signal an effort to stabilise the economy through significant fiscal recalibrations.

Pension policies also face notable changes, with inheritance tax applied to unused pension funds starting in 2027, while the once-feared removal of the tax-free lump sum remains unaltered. Additionally, overseas pension transfers will encounter stricter regulations and a 25% tax charge post-budget enactment.

Further amendments include the preservation of the corporation tax cap at 25%, stamp duty rate hikes for additional properties and alterations to employee ownership trust benefits to prevent misuse.

While these changes are set against the backdrop of economic growth ambitions, they raise questions about their long-term impact on businesses, private clients and economic stability. This budget, dubbed as part of a 'decade of national renewal,' aspires to re-balance public finances and restore essential services.

For a full analysis of these measures and their broader implications, download the brochure [here](#).



A historic budget

The historic 30th October budget by the first female Labour Chancellor brought the biggest tax increases since 1993. Find out more about the implications on individuals, businesses and the broader economy.

↓ [A historic budget](#)

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