

Spring Budget 2024

Change, consult and continue

The information that follows is based on our understanding of current taxation, legislation and HM Revenue & Customs practice all of which are liable to change without notice.

This is just for UK financial advice professionals.

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Where content includes case studies or examples these are for illustration purposes and are not recommending a specific course of action.

Past performance is not a reliable indicator of future performance. The value of an investment can go down as well as up and your client may get back less than they've paid in.

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Learning Objective

By the end of this session, you will be able to:

Describe the impacts of
the Chancellor's 2024
Spring Budget on your
clients' financial
planning

The background features a series of parallel diagonal lines on the left side, transitioning into a solid yellow diagonal band. Below the yellow band, there are overlapping geometric shapes in olive green, teal, and salmon, all set against a dark grey background in the bottom right corner.

Pension Matters



NO CHANGES!

< 1 Month to LTA abolition

Pension Scheme Disclosure



UK /
International
split by 2027



Costs &
Investment
Returns



New
Business Ban

The background features a series of parallel diagonal lines on the left side, transitioning into a solid yellow diagonal band on the right. Below the yellow band, there are overlapping geometric shapes in shades of olive green, teal, and salmon, set against a dark grey background.

Domicile and IHT Matters

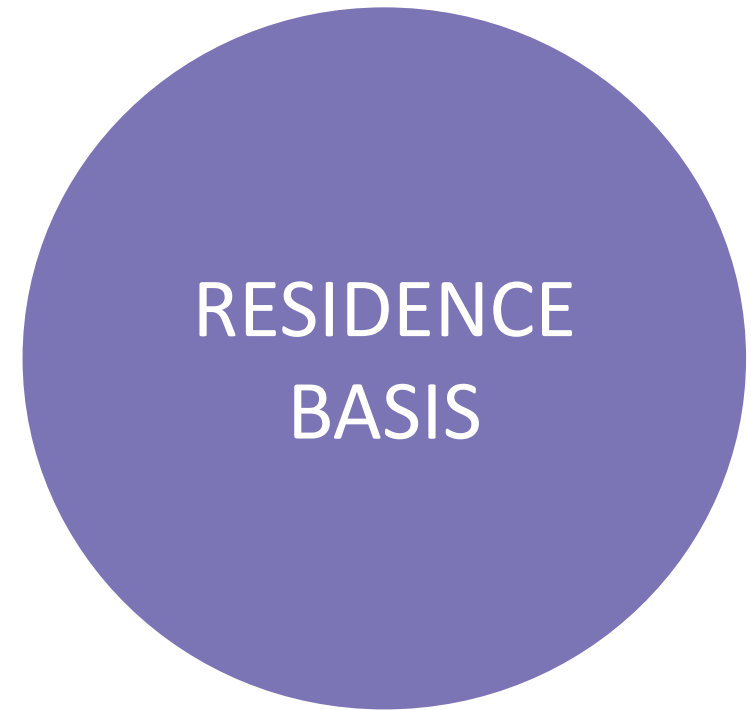
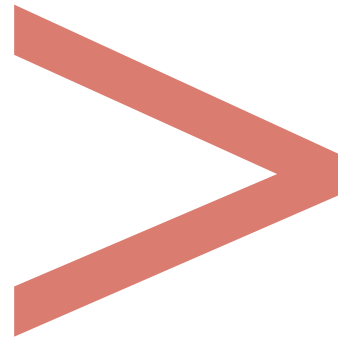
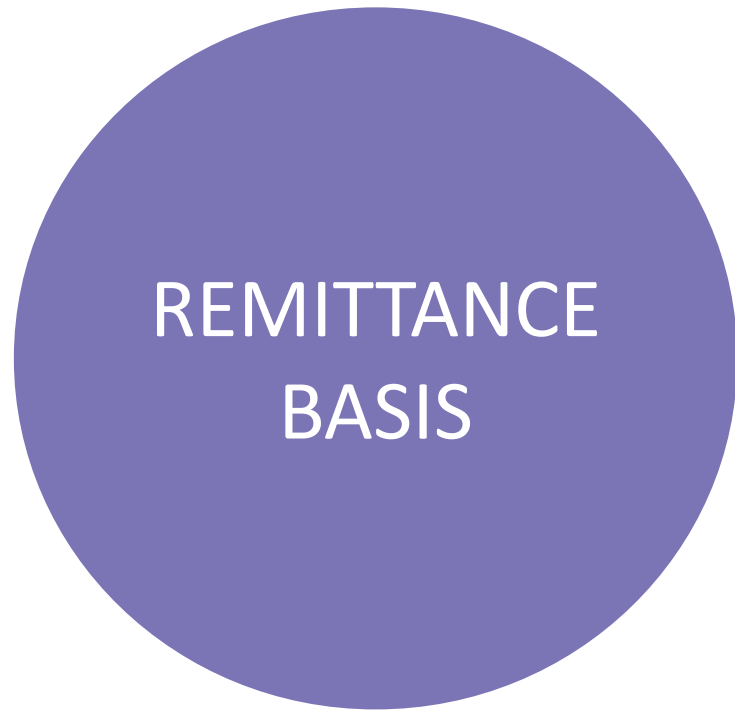
Domicile

Worldwide
Income and
Gains

UK Income and Gains
+
Remitted non-UK Income
and Gains
+
Remittance Charge

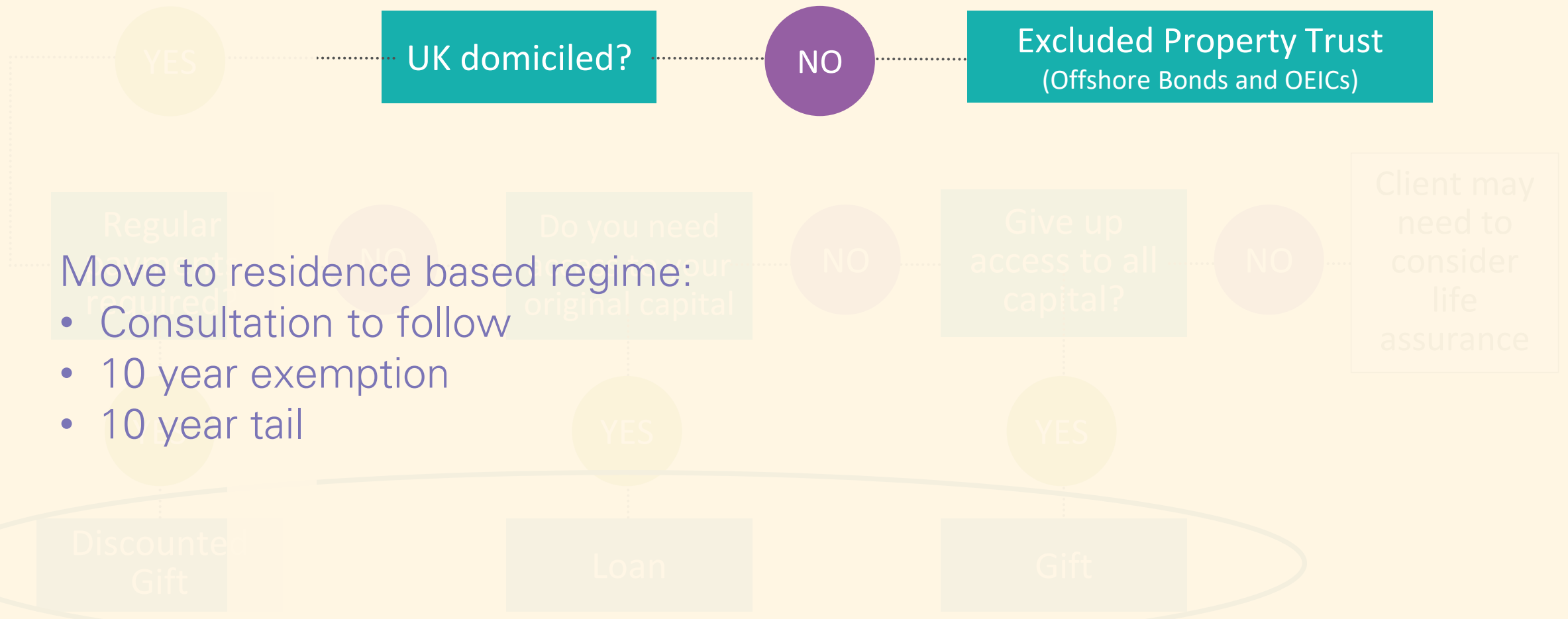
Origin / Choice / Deemed

Non-dom change



6TH April 2025

Some of you may recognise this...



No IHT changes before 6th April 2025

Other IHT matters




No
material
changes



Agriculture &
Woodlands
Relief

6th April 2024



“ Grant of
Credit”
relaxation

1st April 2024

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Investment Matters

British Savings Bond

6 things about them

NS&I

Three Year
Fixed

Guaranteed
Interest

Taxable?

Terms
Unknown

Available - Early April 2024

ISAs

Main Limits
Unchanged

Autumn Statement 2023

changes wef 6th April 24


Lifetime ISA

Exit charge unchanged

Fractional Shares
ASAP

Open consultation **UK ISA consultation**

From: [HM Treasury](#)
Published 6 March 2024

 [Get emails about this page](#)

Summary

This publication sets out the objectives for the UK ISA and options for defining and implementing it.

This consultation closes at
11:59pm on 6 June 2024

Standalone

£5,000

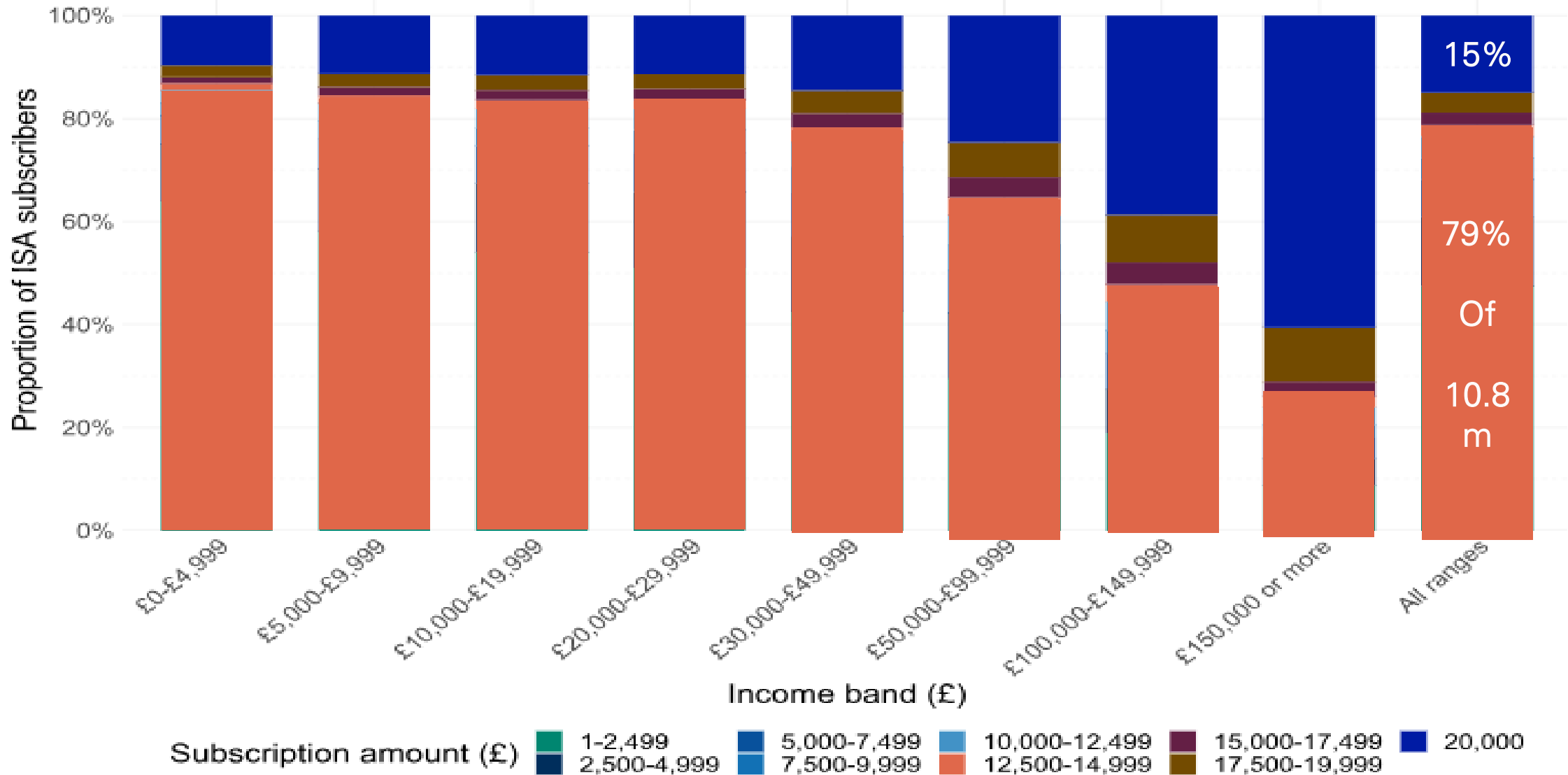
UK Investments

- Equity
- Bonds
- Collectives
- Gilts
- Cash?

Conditions:

- Simplicity
- TV IN / TV OUT

Chart 5: ISA subscriptions by income band and size of subscription in 2020 to 2021



Source: www.gov.uk/government/statistics/annual-savings-statistics-2023/commentary-for-annual-savings-statistics-june-2023

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Personal Tax Matters

Devolved Taxation

Belfast

No income tax powers

Cardiff

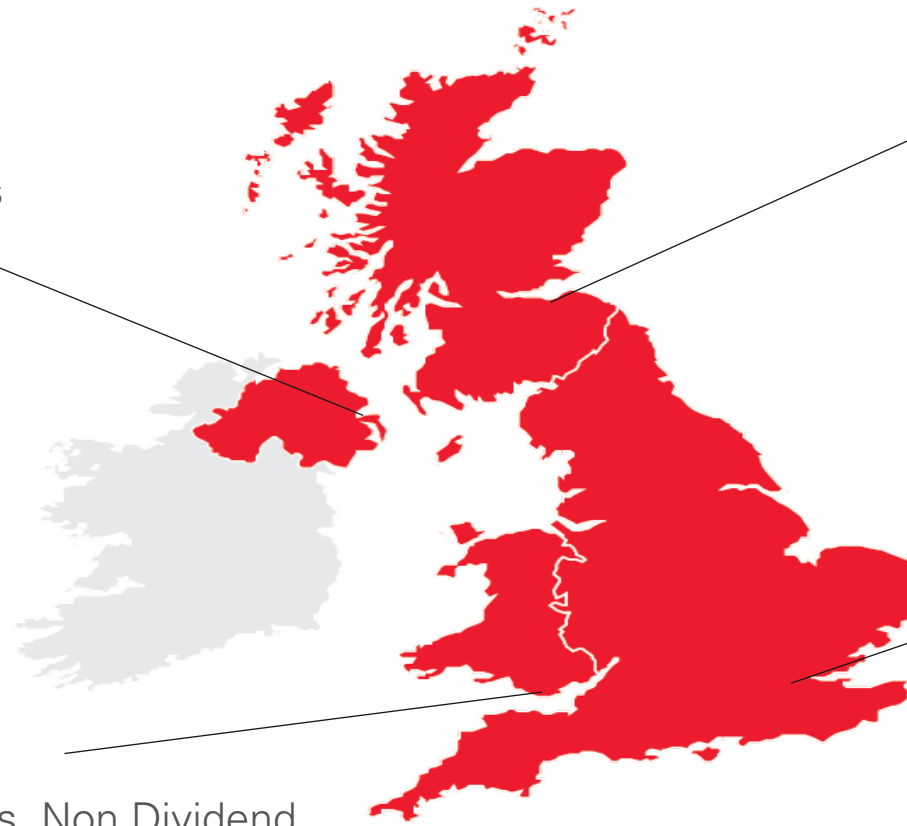
Non savings, Non Dividend only

Edinburgh

Non savings, Non Dividend only

London

Non savings, Non Dividend (Eng & NI)
Savings
Dividends
Allowances (tax traps)
National Insurance
Capital Gains Tax
Corporation Tax



Property Taxes

Capital Gains Tax

28% to 24%

6th April 2024

Lower rate unchanged

Furnished Holiday Lettings Regime

Abolished

6th April 2025

Draft regs including anti-forestalling to follow

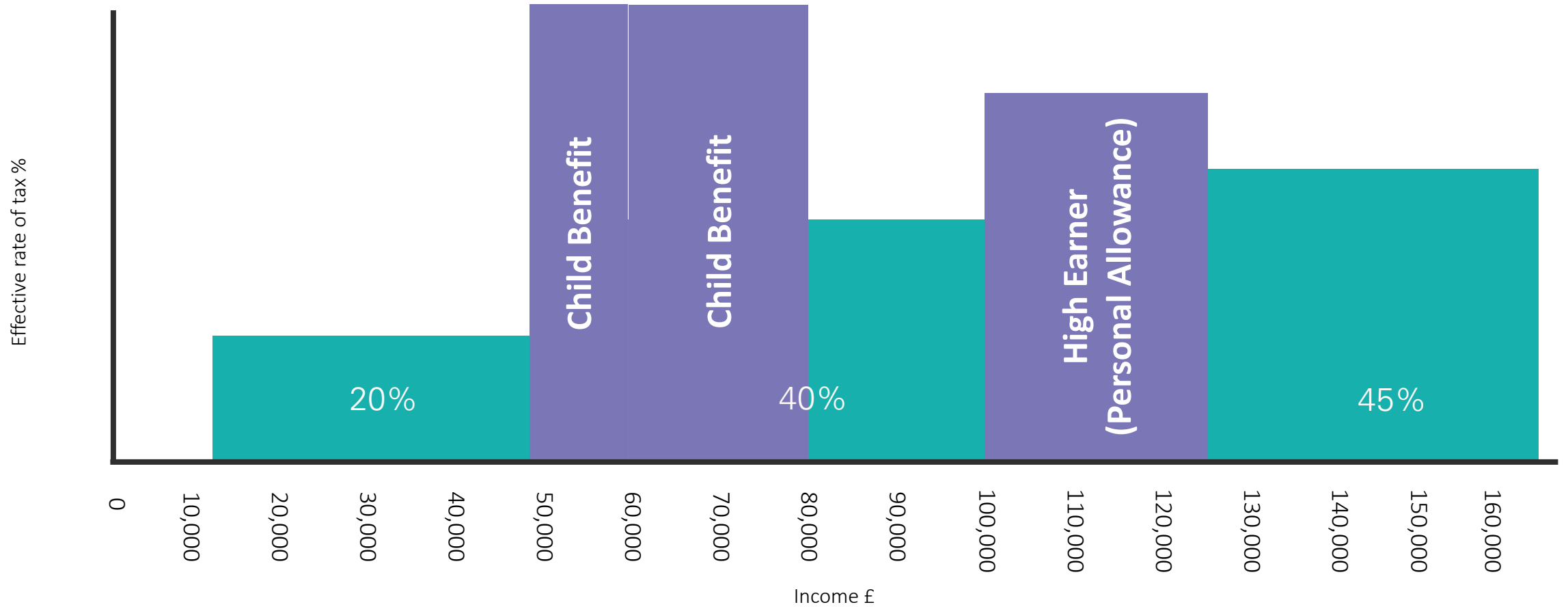
Multiple Dwellings Relief

Abolished

SDLT

1st June 2024

Tax landscape



National Insurance

Class 1 NI between £12,570 - £50,270

12% > 10% > 8%

27m c£900 pa

Salary	£10,000	£20,000	£30,000	£40,000	£50,000	£60,000	£70,000
NI							
Saving	£0	£297	£697	£1,097	£1,497	£1,508	£1,508

Class 4 NI between £12,570 - £50,270

9% > 6%

2m c£650 pa

Salary	£10,000	£20,000	£30,000	£40,000	£50,000	£60,000	£70,000
NI							
Saving	£0	£223	£523	£823	£1,123	£1,131	£1,131

Class 2 abolition – consultation later this year

Feeling the difference

2023/24

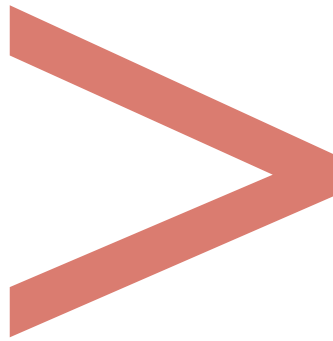
Salary	£35,000	£70,000	£105,000	£140,000
Tax	£4,486	£15,432	£30,432	£49,203
NI 11.5%/2%	£2,579	£4,730	£5,430	£6,130

2024/25

Salary	£35,000	£70,000	£105,000	£140,000
Tax	£4,486	£15,432	£30,432	£49,203
NI 8%/2%	£1,794	£3,411	£4,111	£4,811

Impact on salary sacrifice

HICBC



In Numbers

Simon has adjusted net income of £80,000 and has three children that he claims child benefit for.

Personal Allowance	£12,570	@	0.00%	0		
Basic Rate	£37,700	@	20.00%	£7,540		
Higher Rate	£29,730	@	40.00%	£11,892		
				£19,432	HICBC £3,094	Net after tax and HICBC £60,568

Simon (or someone on his behalf) makes a £16,000 net / £20,000 gross contribution to a RAS scheme

Personal Allowance	£12,570	@	0.00%	0		
Basic Rate	£57,700	@	20.00%	£11,540		
Higher Rate	£9,730	@	40.00%	£3,892		
				£15,432	HICBC £0	Net after tax and HICBC £51,662

£20,000 in a pension, RAS of £4,000, reduction of tax bill £4,000, HICBC Retained of £3,094
 $(£11,094 / £20,000) \times 100 = 55.47\%$ Tax Relief

Tax Relief Modeller Tool

built by M&G

Tax Year 2023/24

ABOUT YOUR CLIENT

What is the client's age?

Scottish Tax Payer?

Number of Children

Gift Aid (Gross amt)

CHARGEABLE EVENTS - BOND GAINS

Onshore Gain 1	<input type="text"/>	Years Gain 1 (N)	<input type="text"/>	Slice 1	<input type="text"/>
Onshore Gain 2	<input type="text"/>	Years Gain 2 (N)	<input type="text"/>	Slice 2	<input type="text"/>
Onshore Gain 3	<input type="text"/>	Years Gain 3 (N)	<input type="text"/>	Slice 3	<input type="text"/>
Onshore Gain 4	<input type="text"/>	Years Gain 4 (N)	<input type="text"/>	Slice 4	<input type="text"/>
Offshore Gain 1	<input type="text"/>	Years Gain 1 (N)	<input type="text"/>	Slice 1	<input type="text"/>
Offshore Gain 2	<input type="text"/>	Years Gain 2 (N)	<input type="text"/>	Slice 2	<input type="text"/>
Offshore Gain 3	<input type="text"/>	Years Gain 3 (N)	<input type="text"/>	Slice 3	<input type="text"/>
Offshore Gain 4	<input type="text"/>	Years Gain 4 (N)	<input type="text"/>	Slice 4	<input type="text"/>

INCOME SOURCES

Employment Income

Benefits in Kind

Taxable Self Employed Profits

UFPLS (taxable element)

Drawdown / Annuity Income

State Pension Income

Purchased Life Annuity Income

Gross Savings Interest

Dividends

Taxable Capital Gains (10%/20%)

Taxable Capital Gains (18%/28%)

Taxable Redundancy Payment

Rental Income - Relevant

Rental Income - Not relevant

EXISTING PENSION CONTRIBUTIONS

Relief at Source (Net Amount)

Contributions paid gross

NEW PENSION CONTRIBUTIONS

Relief at Source (Net Amount)

Contributions paid gross

R
E
S
E
T

BEFORE NEW CONTRIBUTIONS

"Total Income"	£62,901
Adjusted Net Income	£60,000
Personal Allowance	£12,570
Personal Savings Allowance	£0
Child Benefit Charge	£2,901
Capital Gains Tax	£0
Tax Liability	£14,333
Bond Gains Summary	
Tax on gains	£0
Onshore Tax Credit	£0
Top slicing relief	£0
Liability	£0
"Bank Balance"	£48,568

AFTER NEW CONTRIBUTIONS

"Total Income"	£62,901
Adjusted Net Income	£50,000
Personal Allowance	£12,570
Personal Savings Allowance	£0
Child Benefit Charge	£0
Capital Gains Tax	£0
Tax Liability	£9,486
Bond Gains Summary	
Tax on gains	£0
Onshore Tax Credit	£0
Top slicing relief	£0
Liability	£0
"Bank Balance"	£45,415

DIFFERENCE

"Total Income"	£0
Adjusted Net Income	£-10,000
Personal Allowance	£0
Personal Savings Allowance	£0
Child Benefit Charge	£-2,901
Capital Gains Tax	£0
Tax Liability	£-4,847
Bond Gains Summary	
Tax on gains	£0
Onshore Tax Credit	£0
Top slicing relief	£0
Liability	£0
"Bank Balance"	£-3,153

PENSION SUMMARY

Relevant Earnings	£60,000
Contributions: Existing	£0
New	£10,000
Total	£10,000

Effective Rate
of
Tax Relief
(on new contributions)

68.47%

Please navigate between workings and inputs using the tabs at the bottom of the sheet.

Allowances wef 6th April 2024

Starting Rate for Savings

Up to £5,000

Personal Savings
Allowance

£500 / £1,000

Capital Gains Tax AEA

£3,000

Dividend Allowance

£500

Running unwrapped investments will involve more tax for more people

Learning Objective

By the end of this session, you will be able to:

Describe the impacts of
the Chancellor's 2024
Spring Budget on your
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planning

[< Adviser](#)

Tech Matters

Award winning technical support for Financial Professionals

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News & Views

[NEW - LTA Transitional Tax Free Amount Tool →](#)

Last Updated: 5 Jan 24 | 10 min read

[LTA Abolition - New allowances: LSA & LSDBA →](#)

Last Updated: 3 Jan 24 | 10 min read

[LTA Abolition - Pension Commencement Lump Sums \(PCLS\) →](#)

Last Updated: 3 Jan 24 | 6 min read

[LTA Abolition - Lifetime benefits →](#)

Les recommends

[Lifetime Allowance - Abolition from 2024 →](#)[Tax Year End Hub →](#)

6 Apr 23 | 20 min read

[Interaction of tax relief and annual allowance →](#)

Events and CPD

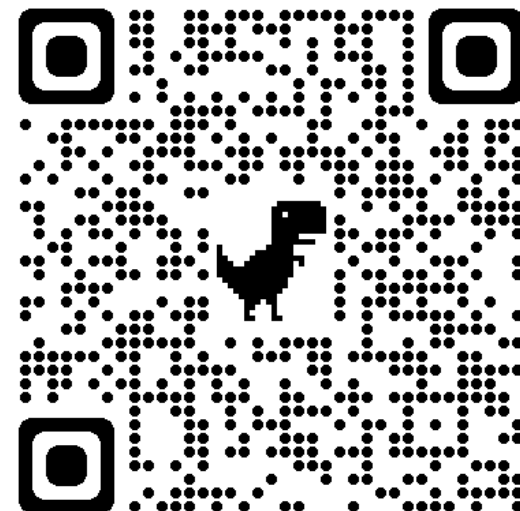
15 Feb 24 | 90 min watch

[The 7 steps to achieving](#)

Last Updated: 1 Feb 24 | 90 min

[The BIG LTA question – v](#)

Last Updated: 18 Jan 24 | 90 min

[Everything you ever wan](#)[See all →](#)



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Les Cameron **Manager**

Joined group: Feb 2023

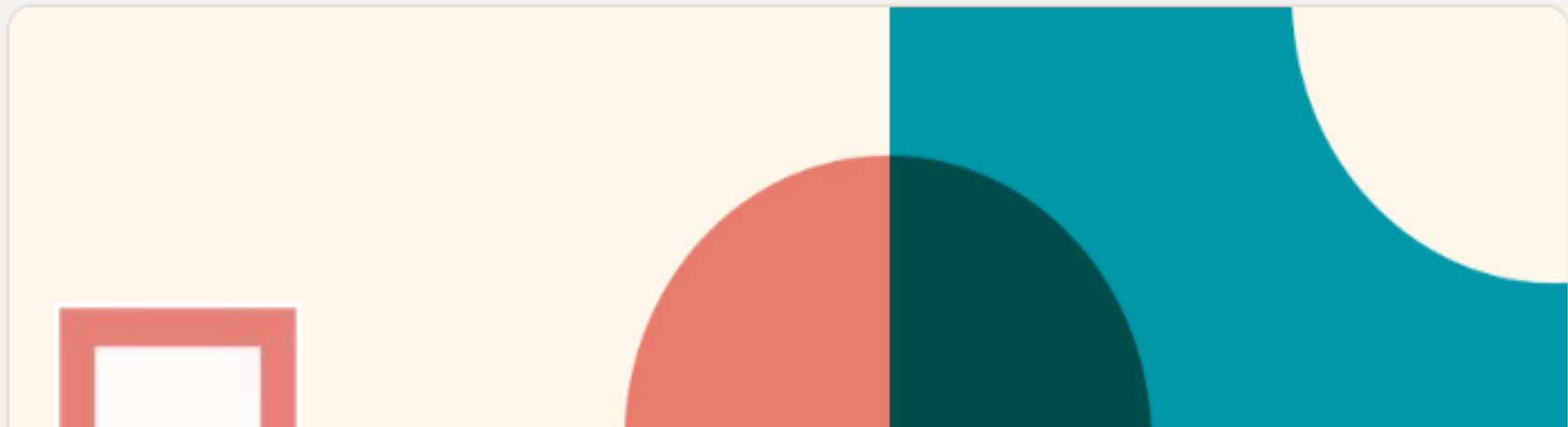
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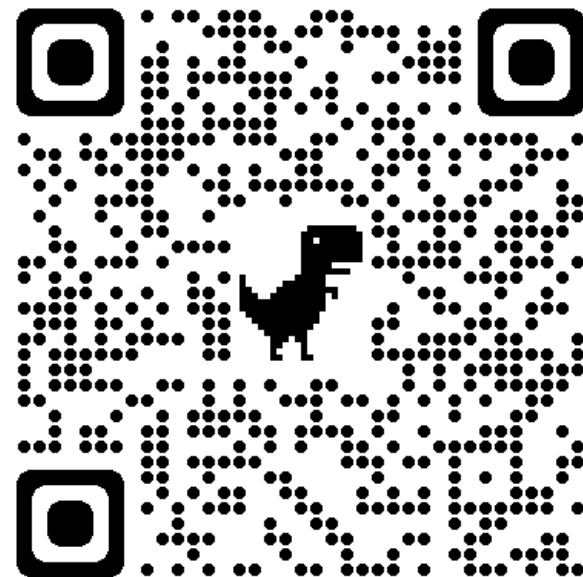
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