

# Budget On A Page – Private Clients

## October 2024

### Non-Dom Changes

- Removal of Remittance Basis (RB) from April 2025
- 4 years foreign income and gains (FIG) tax-free and ability to bring to the UK
- Overseas Workday Relief extended to 4 years, but limited to lower of £300,000 or 30% of pay. Can remit to the UK
- Temporary Repatriation Facility (TRF) will allow anyone who has claimed the RB to remit FIG to the UK at a reduced rate of 12%, from 6 April 2025 to 5 April 2027. Increasing to 15% for 2027/28. Includes benefits received from offshore structures
- Removal of “protected trusts” for income tax and capital gains. Once a settlor in a settlor-interested trust is resident for 4/10 years all income and gains within the trust will be taxed on the settlor on an arising basis

### Capital Gains Tax

- Rate increase to 18% for basic rate taxpayers and 24% for higher and additional rate taxpayers
- Carried interest rate increased to 32%
- Current and past remittance basis users can rebase assets to April 2017
- Business Asset Disposal relief remains at £1m, but the rate will increase from 10% to 14% from 5 April 2025 and to 18% from 5 April 2026

### Inheritance Tax

- Move from a domicile based system to a residency based one from 6 April 2025
- Once resident in the UK for 10 years out of the previous 20 an individual will be subject to UK IHT on their worldwide estate
- “IHT tail” – 10 years, but reduced for those who are leaving between years 10-19 of residence
- Offshore assets in excluded property trusts will be subject to UK IHT based on settlors residence

### Other

- Pensions will now be subject to inheritance tax
- Employer National Insurance Increase: employer National Insurance contributions will increase by 1.2% to 15%
- VAT on private school fees
- SDLT increase on “second homes” from 3% to 5%