

# Budget on a Page

## Autumn 2025 – Private Client

The Government delivered their smorgasbord of tax changes on 26th November. These are the key changes that will impact private clients.

### Income Tax

- 2% increase in income tax on property and savings income across all bands (from 6 April 2027 - 22%/42%/47%)
- 2% increase for dividend rates on basic and higher rate only (from 6th April 2026 - 10.75%/35.75%/39.35%)
- NIC on salary sacrifice pension contributions above £2,000 to be taxed
- Further freeze on tax thresholds
- VCT income tax relief reduced from 30% to 20%
- Under 65s will have a cap on cash ISA contributions from £20k to £12k
- Temporary non-residence rules expanded to include dividends of post-departure trade profits and inclusion of loans
- Non-resident trusts receiving UK dividend income will no longer receive notional credit

### Other Taxes

- ‘Mansion Tax’ introduced from April 2028 on properties valued more than £2m through a Council Tax surcharge. The charge will start at £2,500 increasing to £7,500 for properties valued over £5m
- Capital Gains Tax relief on disposals to Employee Ownership Trusts reduced from 100% to 50%
- IHT on agricultural property and land held in non-UK companies
- Cap of £5m in relevant property charges (IHT) in each 10-year cycle for trust settled by non-doms prior to 30 October 2024, where the settlor is subsequently a long-term resident
- From April 2026 non-residents who voluntarily pay NICs will only be able to do so if they meet a 10-year test
- Anti-avoidance measures in relation to trusts and changes to settlor LTR status, where property changes from UK situs to non-UK situs
- Ability to transfer £1m APR/BPR allowance between spouses