



## Autumn Budget 2021 Key Points Openwork

Chancellor Rishi Sunak used the Autumn Budget 2021 to invest taxpayer money in long-term plans he says will secure the economic future of the country. Everything from the NHS, schools, local transport and the culture and leisure sector appear set to benefit from the better-than-expected economic outlook from the Office for Budget Responsibility. But immediate changes to improve the finances of households and businesses increasingly worried about rising costs over the next 12 months were thin on the ground.

- **Stealth tax and the Health and Social Care Levy (HSCL) - The previously announced** freezing of tax allowances and thresholds for income tax and the introduction of the new HSCL are due to raise very large amounts of revenue over the next five years. These, together with the increase in dividend tax, provide a crucial backdrop to the spending increases and tax changes announced in the Autumn Budget.
- **Capital gains tax change** – From 27 October 2021, the deadline for residents to report and pay capital gains tax after selling UK residential property will increase from 30 to 60 days after the completion date. For non-UK residents disposing of property in the UK, this deadline will also increase from 30 to 60 days.
- **Business rates cut** – Up to 400,000 retail, hospitality and leisure properties will be eligible for a temporary **new** £1.7 billion of business rates relief from April 2022. The business rates multiplier will be frozen in 2022/23, which will mean business rates bills will be 3% lower than without the freeze.

From 2023, under a new business rates relief no business will face higher business rates bills for 12 months after making qualifying improvements to a property they occupy.

- **National Living Wage increase confirmed** – A 6.6% increase to the National Living Wage to £9.50 an hour, starting on 1 April 2022, was confirmed. Young people and apprentices will also see increases in National Minimum Wage rates.
- **Annual Investment Allowance extended** – The Annual Investment Allowance will remain at £1 million until 31 March 2023.
- **Alcohol duties reforms** – Drinks will be taxed according to their alcohol content, with higher strength products incurring proportionately more duty with a standardised set of bands.
- **Air passenger duty** – A new domestic band for air passenger duty for 2023 will be set at £6.50 for flights between airports in England, Scotland, Wales and Northern Ireland (excluding private jets).
- **Universal Credit** – While not the U-turn some had hoped for, the taper on Universal Credit, which has meant 63p of every £1 of benefit could end up being lost to claimants, will be cut to 55p by 1 December