

Fyfe Moir & Associates

Digital Newsletter

Spring 2025, Budget Action Pack

Impact on Employer

Increase in Employers NIC to 15% from April 2025
Reduction of Employers lower limit from £9,100 to £5,000 per employee from April 2025.

Employers Allowance increases from £5,000 to £10,500.

Actions to consider Pay bonuses prior to April 2025
Consider salary sacrifice Pay some 2025/26 salary prior to April 2025

Increase in National minimum Wage

Actions to consider

Make sure that payrolls are updated for all relevant employees in readiness for the start of the new tax year

Be aware of the penalty implications and the NMW pitfalls such as training time, uniform costs, travel time, bonuses and tips, by way of example.



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Fyfe Moir & Associates tips and advice



Double Cab Pick Up

From April 2025 Double cab pickups will be classed as cars for tax purposes.

The changes:

- From 1 April 2025 for companies and 6 April 2025 for income tax the government will no longer treat double cab pick-up vehicles with a payload of one tonne or more as a goods vehicle.

The consequences are:

- The vehicle will no longer be classed as a van for benefit in kind purposes. The van benefit in kind is currently £3,960 and will increase to £4,020. The car benefit in kind is higher and based upon the vehicle's list price and CO2 emissions.
- If fuel is also provided, then the fuel benefit will also be higher and follow the car fuel benefit rules.
- The class 1A national insurance the employer pays will also be higher as a result of the higher benefit in kind figures.
- The vehicle will be treated as a car for capital allowance purposes and so the allowance available will depend upon the CO2 emissions, whereas the Annual Investment Allowance can be claimed for vans, irrespective of CO2 emissions.



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Fyfe Moir & Associates tips and advice **Inheritance Tax (IHT)**



The changes:

- From 6 April 2026, the Agricultural Property Relief (APR) and Business Property Relief (BPR) will be changed.
- The existing 100% relief will be restricted to the first £1 million of combined agricultural and business property, and
- The rate of relief will be 50% on the excess.

Actions to consider

- It may be worth undertaking an Inheritance Tax review to identify whether impacted and quantify the possible impact before any other action is considered.
- If action is required, then options could include
- Transferring assets entitled to APR or BPR into trust to secure current relief for a period,
- Using gift relief or holdover elections to defer any capital gains tax on transfers,
- Re-visit your Will and consider whether any changes may be necessary, including who may pay the tax on different assets,
- Consider how an estate may be allocated efficiently between a couple,
- Consider using growth shares to ring fence future increase in value of the company, or perhaps restructuring and passing down a generation,
- consider tax efficient investments with an Independent Financial Adviser.



Furnished Holiday Lets (FHL)

Furnished Holiday Lets are to be treated in the same way as long term lets from April 2025.

Actions to consider

If feasible consider capital expenditure prior to April 2025 to benefit from the capital allowances regime.

Review the impact of loan interest restrictions which apply from April 2025

Consider topping up pension contributions prior to April 2025 whilst FHL still counts as relevant earnings for pension purposes.



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Pensions to Suffer Inheritance Tax from April 2027

The changes:

- From 6 April 2027, unused pension funds and death benefits payable from a pension will be brought into a person's estate for Inheritance Tax purposes.
- Pension scheme administrators will become liable for reporting and paying any inheritance tax due on unused pension funds and death benefits.

Actions to consider

- It may be worth undertaking an Inheritance Tax review to identify whether impacted and quantify the possible impact before any other action is considered.
- If action is required, then options could include
- Explore options regarding the possible pension funds and how to minimise,
- Review remaining estate and consider what action can be taken to maximise other reliefs available or lifetime gifts to reduce the taxable estate,
- Revisit your Will and consider whether any changes may be necessary, including who may pay the tax on different assets,
- Consider how an estate may be allocated efficiently between a couple,
- Consider tax efficient investments with an Independent Financial Adviser.
Business Asset Disposal Relief rates are increasing

The changes:

- From 6 April 2025, the Business Asset Disposal Relief rate increases from the current 10% to 14%
- From 6 April 2026, the Business Asset Disposal Relief rate increases to 18%.

Actions to consider

- Consider any business structure changes prior to the increase in -rate,
- Consider whether to add partners to the existing business prior to the change,
- Consider whether incorporation should be undertaken prior to the change in rates if looking to crystallise value from the business, and
- Consider if looking to sell or exit the business prior to the changes.
- Consider tax efficient investments with an Independent Financial Adviser.



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