



Chancellor's Autumn Statement Summary

Autumn Statement: At-a-glance summary of key points:

- The 3p-a-litre increase in fuel duty, planned for next January, is cancelled.
- Economic Growth predicted to be -0.1%, in 2012, down from 0.8% predicted in the budget.
- Most working-age benefits to rise by 1% for each of next three years.
- Basic income tax threshold to be raised by £235 more than previously announced next year, to £9,400.
- Unemployment expected to peak at 8.3%, lower than previous prediction of 8.7%.
- Transport: Extra £1bn to roads.
- Education & Families: £1bn to improve good schools & build 100 new free schools & academies.
- Ultra-fast broadband expansion in 12 cities.
- Funding to assist building of up to 120,000 homes.
- Overseas Aid: Promise to spend 0.7% on development to be honoured next year.

And this is what it means for you the client...

- Pain eased for pension drawdown users with 20% limits increase.
- Only 2% of pension savers hit with a reduction in lifetime allowance and annual allowance. The impact is not immediate giving time to plan ahead.
- A consultation around AIM shares and how they might form part of a stocks and shares ISA raises the prospect of an ISA which has IHT benefits, once held for 2 years.
- Individuals and their advisers are within scope when it comes to tax evasion.
- The deep freeze on the IHT nil rate of £325,000 is set to thaw with an increase to £329,000 from 2015/16.
- Currently, the pension contribution annual allowance is £50,000 and the lifetime allowance is £1.5m, but Osborne has cut these to £40,000 and £1.25m from 2014-2015. By making these cuts the Government will, Osborne said, save £1bn a year.

If you would like to speak to an adviser please contact us at info@abg.net.