



Spring Budget 2023

What does it all mean?

Here's what you need to know...

As you may know the spring budget was announced yesterday. I understand that there is a lot of information to take in, some of it quite baffling, and not all of it will be relevant for every person. So, to make it more palatable, I have broken down the key elements that I know will be relevant to you, as my client.

In April, the main rate of Corporation Tax will rise from 19% - 25%. However, companies with profits of £50,000 or less will continue to be taxed at 19%. Although companies with an annual profit of £250,00 or over will be taxed the full 25%, any company with profits between 50,000 and £250,000 will be subjected to taper relief.

It was confirmed that the Super-Deduction Capital Allowance Tax Relief will end at the end of this month. However, it will be replaced with Full Capital Expense. This means that if your company invests in I.T, plant or machinery in the 2023-24 tax year, the total investment cost is taken off the taxable profits.

And now on to the good news... The annual personal allowance for pensions will be increased from £40,000 to £60,000 per year and the lifetime allowance has been abolished completely. Pension contributions have always been, and will remain to be, one of the best tax savings.

If you or your employees have young children over the age of 9 months, the change in childcare allowances for under 5s will be welcome news. The high cost of childcare has been widely documented in the news recently, so the fact that parents can now receive 30 hours of

free childcare a week will be a great help for those parents who would like to return to work or increase their hours.

Another positive point to come out of the Chancellor's budget is the new 'Returnerships' scheme. Targeted at the over 50s, 'Returnerships' will be a type of apprenticeship, targeted at those over 50 and looking to return to work. With a focus on flexibility and experience, these schemes will aim to re-skill and up-skill the over 50s, which will hope to cut down the amount of training required before returning to the workforce.

The full budget details can be found on the Gov.uk website.

Read the full budget for April 2023 online...

[Gov.uk](https://www.gov.uk)