

A close-up photograph of a hand holding a light-colored wooden stick. The stick is oriented diagonally from the top-left towards the bottom-right. The text 'fdservices.io' is printed in a dark blue, sans-serif font along the length of the stick. The background is a blurred, out-of-focus scene with soft light and dark tones.

fdservices.io

ANYTHING BUT MINI BUDGET

WHATS NEW IN 2022 "MINI" BUDGET FOR YOUR BUSINESS?

key announcements

EMPLOYER NATIONAL INSURANCE

- From 6 November 2022 the 1.25% rise in national insurance contributions for employers and employees that was introduced in April 2022 will be cancelled. Employees earning between £1,048.01 and £4,189 a month will see their NICs reduce from 13.25% to 12% from November, while earnings above £4,189 will revert to from 3.25% to 2%.

INCOME TAX

- From April 2023 the basic rate of income tax (payable by those earning between £12,571 and £50,270) will be cut from 20% to 19%.
- 40% higher rate will then be applied to all those earning over £50,270
- The 45% tax band, payable by those earning over £150,000 will be abolished from April 2023

Please get in touch for a more detailed discussion!



ENERGY SUPPORT

- The Energy Bill Relief Scheme will come into effect from 1 October 2022 for business on fixed price contract agreed after 1 April 2022, variable tariffs or new contracts. The prices are expected to increase to £600 per Mwh for electricity and £180 per Mwh for gas. Under Energy Bill Relief Scheme the government supported price will be £211 and £75 respectively.
- The discounts will be applied automatically to your bills.

IR35

- IR35 rules will be abolished from April 2023, for both private and public sector employers. This means that individuals will return to being responsible for determining their correct employment status and paying tax and national insurance contributions accordingly.

CORPORATION TAX

- Planned increase is reversed. The rate will stay at 19%,

DIVIDENDS

- Planned increase is reversed. The basic and higher rates of dividend tax will be reduced to the 2021/22 levels of 7.5% and 32.5% respectively.

Please in touch for a more detailed discussion!



PLANNING OPTIONS

Main implications:

1. Energy and gas prices support is available for business, which will help keeping operational costs low.
2. It has become slightly cheaper to employ people due to decreased employer NI.
3. Businesses can carry on increased level of investment, as the annual investment allowance of £1m will be kept unchanged (expected to reduce to £200,000 on 31 March 2023). This means £1m qualifying investment can count towards expenses and reduce corporation tax.
4. Dividends will be taxed on the same level as before.

Please get in touch for a more detailed discussion!

