

The logo consists of the letters 'M' and '&G' in a white, bold, sans-serif font. The 'M' is positioned above the '&G'. The entire logo is centered within a teal square. This square is part of a larger background composed of four colored rectangles: light blue (top-left), teal (top-right), pink (bottom-left), and dark teal (bottom-right).

M
&G

Autumn Budget

November 2025



This content is based on our understanding of current taxation, legislation and HM Revenue & Customs practice all of which are liable to change without notice. The impact of any taxation (and any tax reliefs) depends on individual circumstances.

Where content includes case studies or examples these are for illustration purposes and are not recommending a specific course of action.

Past performance is not a reliable indicator of future performance. The value of an investment can go down as well as up and your client may get back less than they've paid in.

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Learning objectives

By the end of this session, you will be able to:

Describe the impact
of the Autumn
Budget 2025 on your
clients' financial
planning

Identify actions your
clients may wish to
take in response to
the Budget.

Tax and Spend

That's what budgets are about

Tax Measures

43

Spending Measures

45



BUDGET 2025

STRONG FOUNDATIONS, SECURE FUTURE

Return to an Order of the House of Commons
dated 26 November 2025.

Copy of the Budget Report – November 2025
as laid before the House of Commons by the
Chancellor of the Exchequer when opening
the Budget.

Dan Tomlinson
His Majesty's Treasury
26 November 2025

Ordered by the House of Commons to be
printed 26 November 2025

HC 1492

Devolved Taxation

Belfast

No income tax powers

Edinburgh

Non savings, Non Dividend
only (rates & bands)

London

Non savings, Non Dividend (Eng &
NI)
Savings
Dividends
Allowances (tax traps)
National Insurance
Capital Gains Tax
Corporation Tax
Inheritance Tax

Cardiff

Non savings, Non Dividend
only (rates only)





Inheritance Tax Matters

More estates paying more

The pension bit is later


AIM & Unlisted BR
reprieved

NRBs frozen
until 2031

BR & APR
Transferrable £1m
allowance

Blood Schemes

See a specialist!



IHT reduction on
death estate

First recipient
receives relief

2 year onward
gift exemption



Other Matters Matters

Why not say miscellaneous...

Capital Gains Tax

Employee Ownership Trust

100% relief > 50% relief

Immediate effect

Venture Capital Schemes

VCTs and EIS

April 2026



Investment
size



Income Tax
Relief

30% > 20%

Subscriptions unchanged

Individual Savings Accounts

Perhaps simplification in order?

All limits frozen to 2031

Consultation to
replace LISA

Under 65 cash
cap of £12,000

April 2027



Pension Matters

Pension Tax Lock

Not to be confused with triple lock

Pension
Tax Relief

Pension
Commencement
Lump Sum

Annual
Allowance

Triple Lock

Not to be confused with pensions tax lock

Average Earnings
4.8%

CPI
3.8%

2.5%

£241.30
Per week

£12,547
Per year

Pensions and IHT

There's a new goalkeeper



Personal
Reps
influence

15 month hold on up to 50% of
taxable benefit

Could request payment of IHT
from pension

No further liability when cleared

Salary Sacrifice

Just pensions

NI Relief

£160 for BRT
£40 for HRT

EMPLOYER

Cost per £100

£8 - BRT
£2 - HRT
£15 - EMP

NI Relief capped at £2,000 from April 2029

Salary Sacrifice

Between a...

ROCK

YOU ARE HERE?

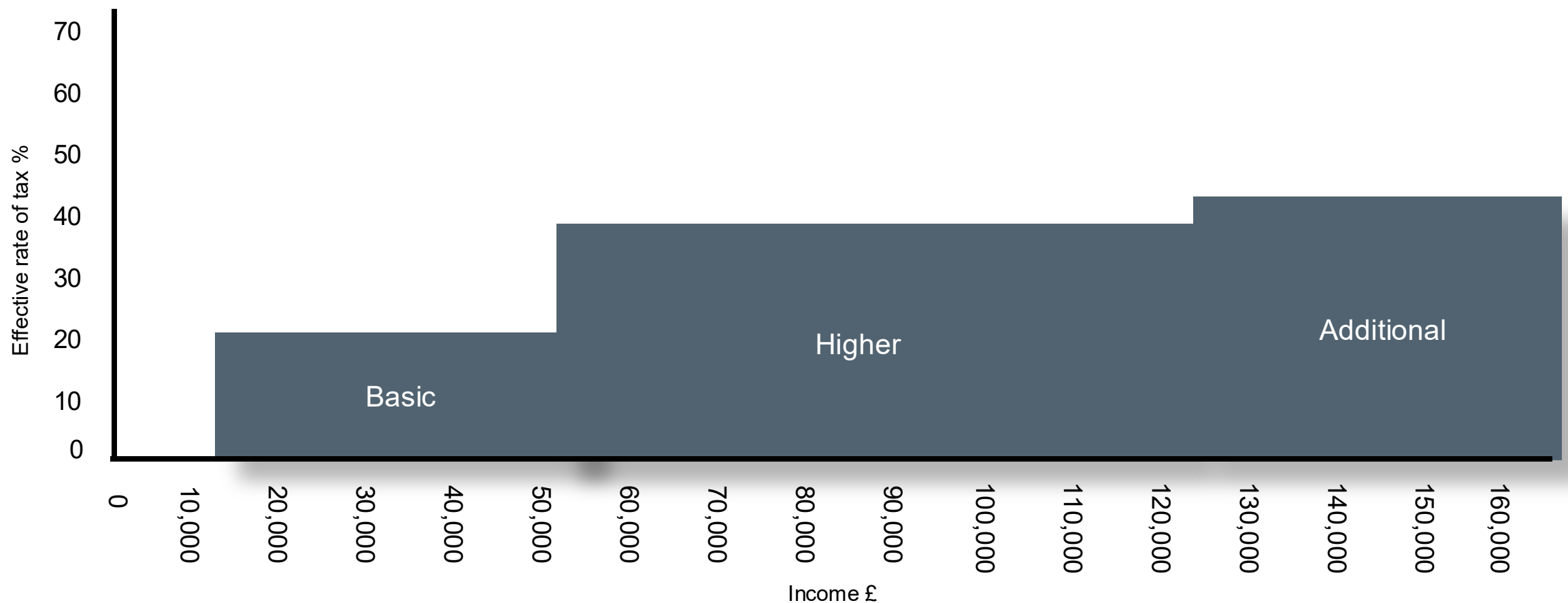
HARD PLACE



Income Tax Matters

UK Income Tax Landscape

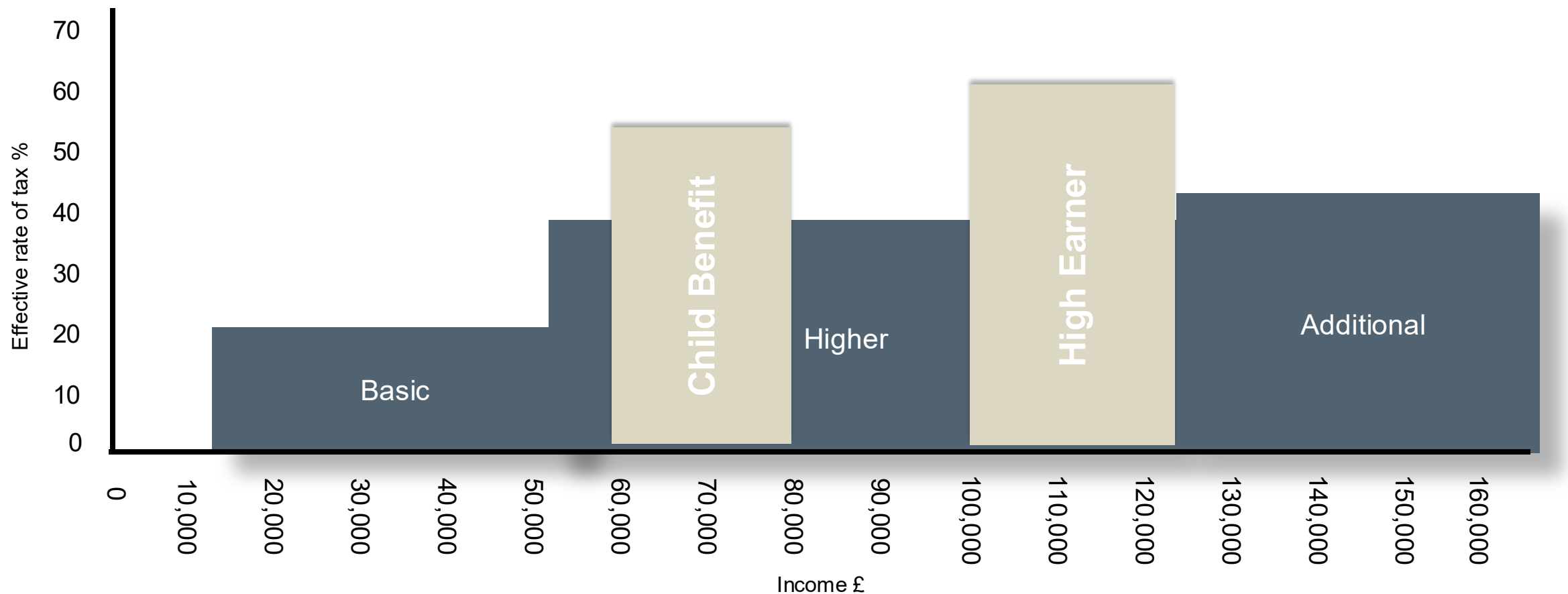
Personal Allowance and bands unchanged – frozen to 2031



The full amount of bond gains and interest and dividends are included at Step 1 of the UK income tax computation.

UK Income Tax Landscape

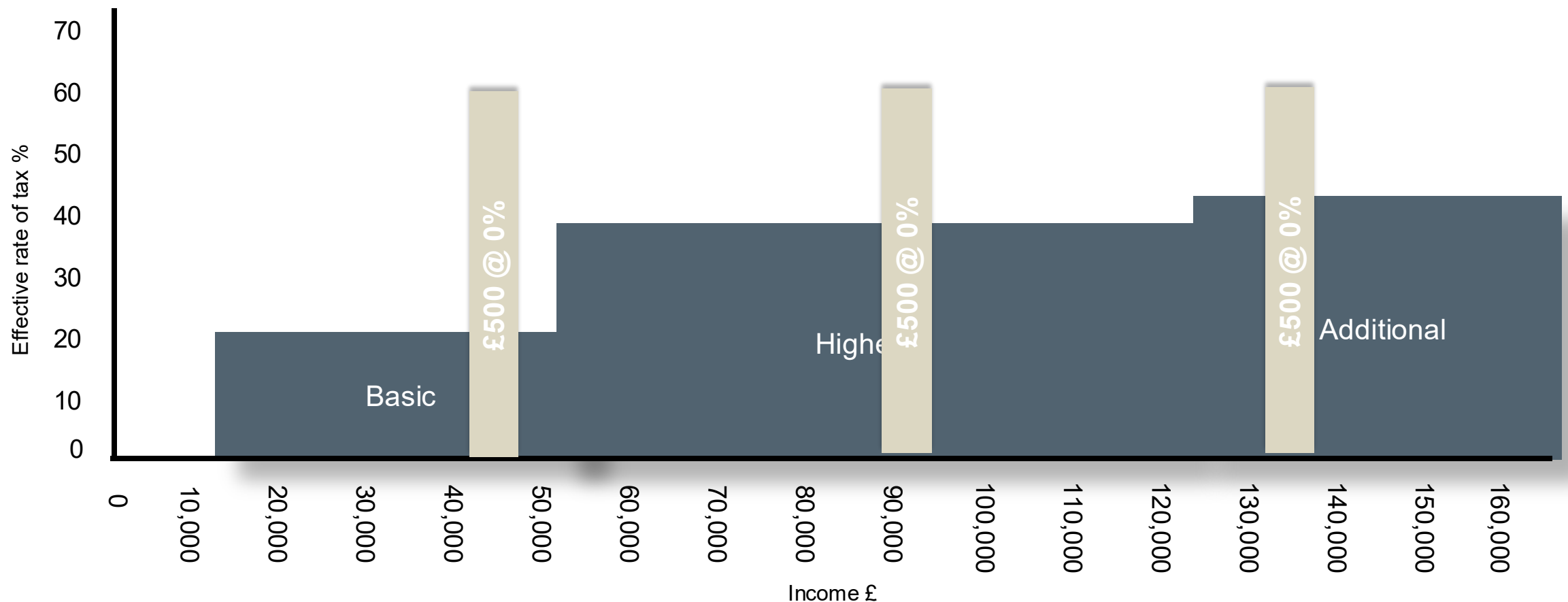
Tax Traps unchanged



The full amount of bond gains and interest and dividends are included at Step 1 of the UK income tax computation.

UK Income Tax Landscape

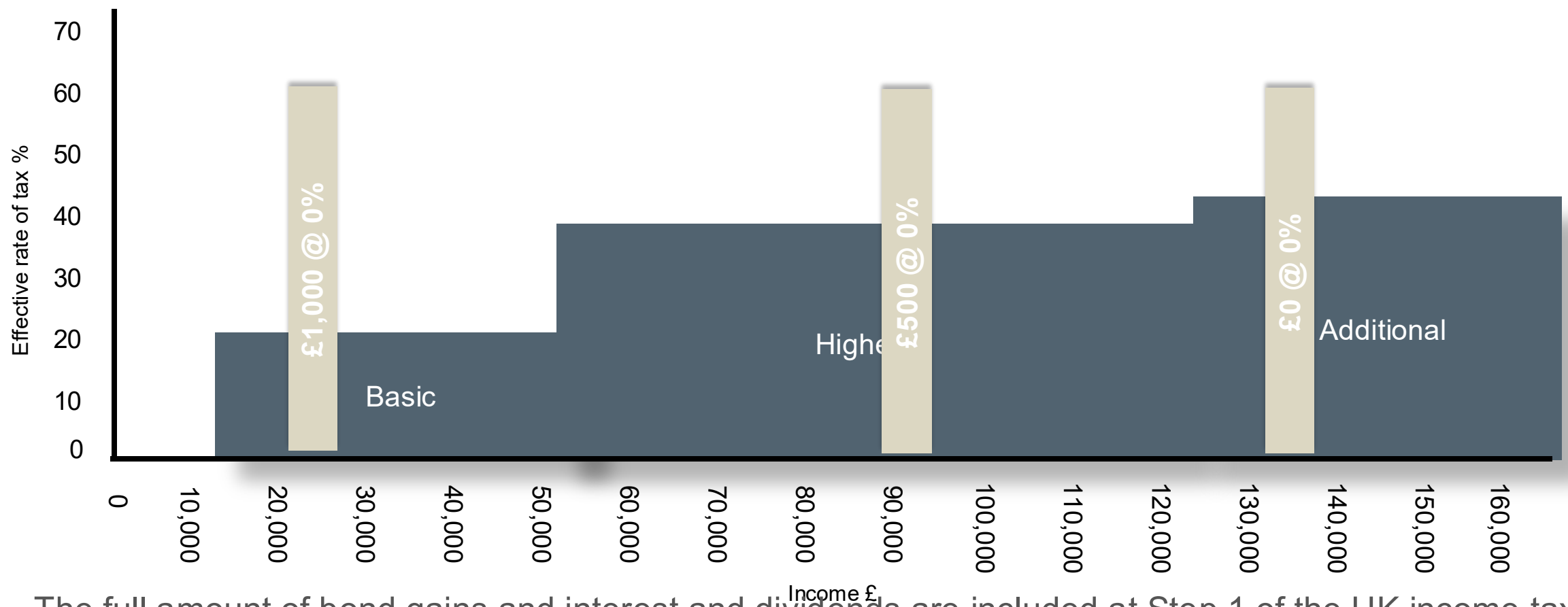
Dividend Nil Rate – no mention



The full amount of bond gains and interest and dividends are included at Step 1 of the UK income tax computation.

UK Income Tax Landscape

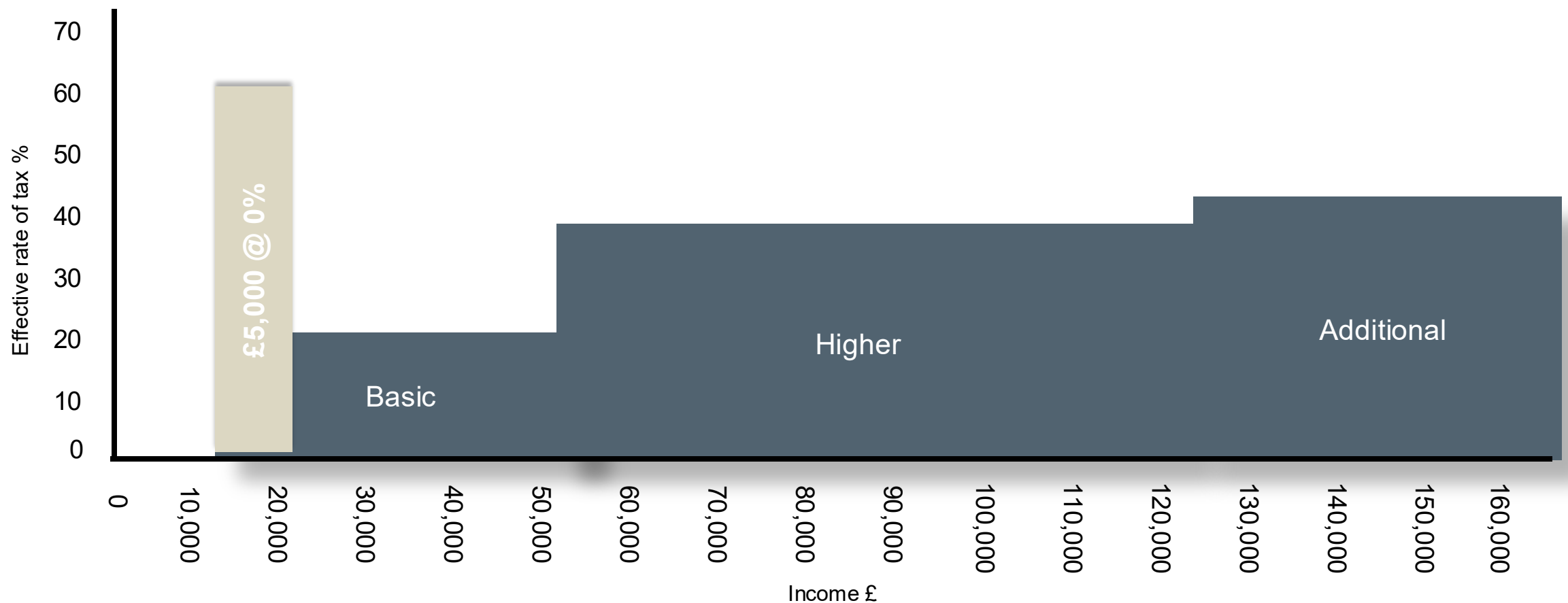
Personal Savings Allowance – no mention



The full amount of bond gains and interest and dividends are included at Step 1 of the UK income tax computation.

UK Income Tax Landscape

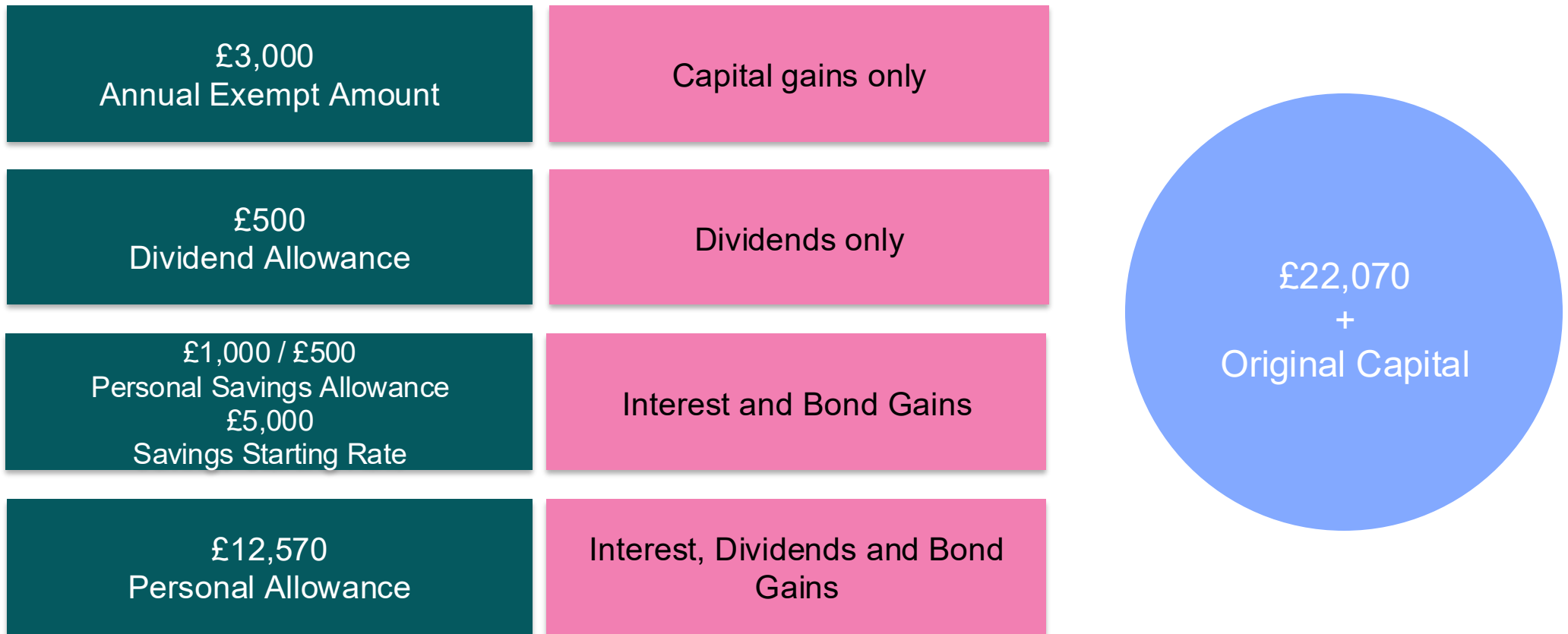
Starting rate for savings maintained to 2031



The full amount of bond gains and interest and dividends are included at Step 1 of the UK income tax computation.

Taxed at Zero

And there's still exempt and deferred on top



Tax Rates

Spirit or letter

Savings Interest

- April 2027
- 2% increase for all
- 22% / 42% / 47%
- Internal bond taxation will align
- Tax Credit will increase

What about trusts?

Beneficial Ordering

How to use the personal allowance

Onshore Gains
(savings income)

Dividend Income

Savings Income
(incl offshore gains)

Non Savings Non Dividend

personal allowance is applied to different types of income in a way that results in the greatest reduction in the overall tax liability

Beneficial Ordering

How to use the personal allowance

Onshore Gains
(savings income)

Dividend Income

Savings Income
(incl offshore gains)

Property Income

Non Savings Non Dividend
Non Property

remaining personal allowance is applied to remaining income in a way that results in the greatest reduction in the overall tax liability

personal allowance must be used against non savings, non dividend, non property income first

Feeling the difference

Not yet

2025/26

Salary	£35,000	£70,000	£105,000	£140,000
Tax	£4,486	£15,432	£30,432	£49,203
NI 8%/2%	£1,794	£3,411	£4,111	£4,811

2026/27

Salary	£35,000	£70,000	£105,000	£140,000
Tax	£4,486	£15,432	£30,432	£49,203
NI 8%/2%	£1,794	£3,411	£4,111	£4,811

“Payslips unchanged”

Extended Cold Snap

The “stealth tax”

CPI x personal allowance

£477.66

3.8% x £12,570

20% = £95

40% = £191

45% = £214

£477.66

Marginal Rate Changes

National Insurance

To 2031

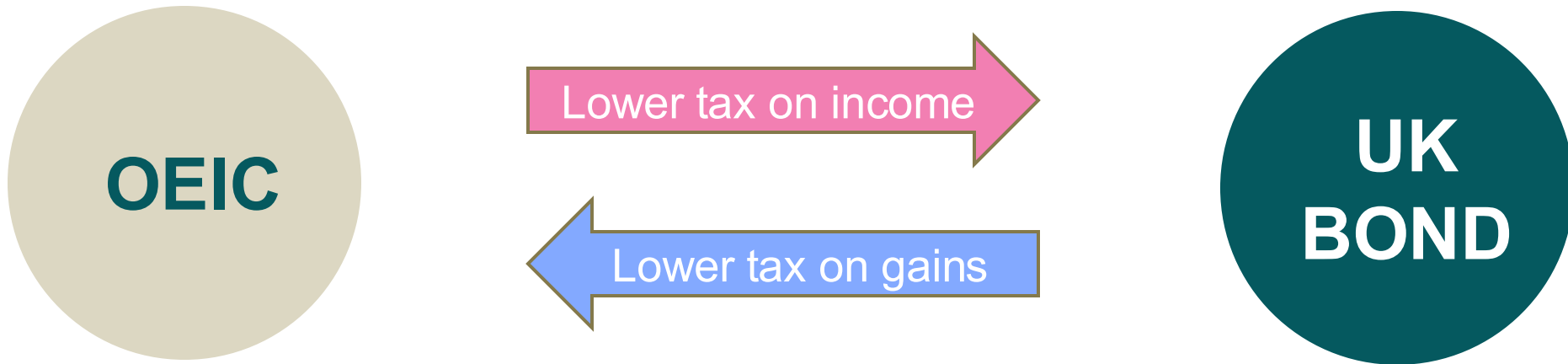


All main rates & thresholds

Small Profits and LEL CPI uprating

Wrapping Matters

If bonds were back, did they just get better?



Wrapping Matters

Just the basics

- John is looking to invest £250,000.
- He has pension income of approximately £25,000 and is going to remain a basic rate taxpayer throughout the investment period.
- He has some other savings and investments which makes use of his savings and dividends allowances.

		UK Bond (internal tax)		
	2% each	2025/26	2026/27	2027/28
Dividends	£5,000	£0	£0	£0
Income	£5,000	£1,000	£1,000	£1,100
Capital Gains	£5,000	£1,000	£1,000	£1,100
Total Tax		£2,000	£2,000	£2,200
Effective tax rate		13.33%	13.33%	14.67%

Q & A

?

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Thank you



www.mandg.com/wealth/adviser-services/tech-matters

M &G