



Spring Statement 2025

What is changing



Tax-wise: remarkably little

Extra money to pursue tax debtors

Restarting direct recovery of tax debts from bank accounts

Increase in HMRC resources to tackle offshore non-compliance

Targeting advisers who do not cooperate with HMRC

Increasing interest on overdrawn loans (2.25% to 3.75%)

But what is happening anyway?

Employer's NI

- Currently 13.8% on earnings above £9,100
- Rate going up to 15.0% from 06.04.25
- And starts on earnings above £5,000

Total raised - £25bn(?)

- Cost per employee - £615 per annum
- Plus: extra 1.2% on all earnings above £9,100
- But: Employment Allowance up from £5,000 to £10,500

What this means for employers

Winners

- Up to 5 employees on average earnings with no pay increase
- Or 4 employees on National Living Wage

Losers

- Everyone else!
- E.g. 10 employees on average earnings: extra £3,338 (12.9% increase in NI bill)
- E.g. 20 employees on National Living Wage: extra £15,132 (42.6% increase in NI bill)

National Minimum Wage



NLW: 6.7% increase from
£11.44 to £12.21

Applies to 21yrs & older
18-20 +16.3%: £8.60 to
£10.00

16-17 + 18.0%: £6.40 to
£7.55

Aiming to close gap for
younger workers

National Minimum Wage



Full time employee on
NMW:

35 hr week + £1,402 p.a.
to £22,222

37.5 hr week + £1,502
p.a. to £23,810

40 hr week + £1,602 p.a.
to £25,397

Pushing other salaries up
All means more PAYE/NI!

Company car taxes

Increases coming in now

From 06.04.25

- Extra 1% BIK on all cars
- RFL on electric cars

Further 1% BIK increase
2026/27

And again to 2029/30

Electric cars will be 9%
by 2030



The devil is in the detail....



- Making tax digital – Quarterly reporting
- Self employed traders and rental businesses from 06.04.26
- Combined T/over > £50,000
- Thresholds to £30,000 from 06.04.27, and £20,000 from 06.04.28.
- Partnerships and Companies – silence!

MTD – How? Option 1

Software – you will need some!

- Sage
- QuickBooks
- Xero
- Free Agent
- Many others now



MTD – How? Option 2

Excel

The Government has confirmed that “businesses will be able to continue to use spreadsheets for record keeping, but they must ensure that their spreadsheet meets the necessary requirements of MTD for business (such as passing relevant information across to HMRC every quarter), which will involve combining the spreadsheet with additional software to perform the upload of data to HMRC.”

- Conversion software will be needed
- Absolute Accounting Excel VAT filer and MTD for Income Tax software

MTD – How? Option 3

Outsource

- Bookkeeping companies
- Some accountants
- Letting agents?!



MTD - Other points



Turnover below £90K – only need to file 3 line accounts.

VAT registered businesses – coterminous quarter dates vital from 01.04.26; otherwise 9 submissions p.a. instead of 5.

If you have software, make sure it is up to date.

If you don't – get some soon!



Any questions?
Thank you for listening!

David Meredith