Autumn Budget 2025.

Key points you should know

pem. 150 YEARS



EMI.

- **£6m** - Unexercised company options double from £3m.
- **£120m** - Gross assets cap rises from £30m.
- **<500** - FTE employees limit increases from <250.
- **£250k** - Individual option limit unchanged.
- **15 years** – Exercise period extended from 10 years.
- **No Income Tax/NICs** – On qualifying options granted at market value.



EIS/VCT.

- **£30m/£35m** – Gross asset limits increase from £15m/£16m.
- **£10m/£20m** – Annual investment limit increase from £5m (standard)/£10m (knowledge-intensive).
- **£24m/£40m** – Lifetime investment limit increase from £12m (standard)/£20m (knowledge-intensive).
- **20% relief** – VCT Income Tax relief drops from 30%.



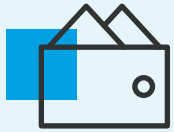
Bonus and dividends.

- **Dividend Tax changes -** Rates increase by 2 percentage points from April 2026: Basic rate: 8.75% > 10.75%, Higher rate: 33.75% > 35.75%, Additional rate: remains 39.35%
- **Bonus Salary-Sacrifice changes -** £2k, as per pensions section.



Pensions and savings.

- **£20k ISA limit** – Unchanged until April 2031.
- **£12k cash ISA cap** – From April 2027 (except over-65s).
- **£268,275** – Tax-free pension lump sum unchanged.
- **£2k NIC relief cap** – On salary sacrifice from April 2029.



Income Tax.

- **Frozen until 2030/31** – Main personal allowance and 40% threshold.
- **60% marginal rate** – Due to loss of tax-free allowance in the tapering band.



Succession.

- **50% CGT relief** - On EOT share disposals (down from 100%) from November 2025.
- **18% BADR rate** - On gains up to £1m (up from 14%) from 2026/27.



Electric Vehicles.

- **Per-mile charge** – For EVs and plug-in hybrids, from April 2028.
- **Fuel duty rate** – EVs pay half petrol/diesel rate.
- **Electric car rate** – Plug-in hybrids pay half EV rate.



VAT.

- **Charity:** Relief for business donations of goods to charity.
- **Motability:** 20% VAT on top-up payments.



Mansion Tax.

- **£2,500/£7,500** – Surcharge for homes worth £2m/5m.
- **Inflation linked increases** – From 2029/30.

Autumn Budget 2025.

Timeline of changes

Nov 2025.

Succession

- 50% CGT relief on EOT share disposals (down from 100%).

Jul 2026.

VAT

- 20% VAT on Mobility top-up payments.

Apr 2027.

Pensions and savings

- £12k Cash ISA cap.

Aug 2029.

Latest date for a general election - 19 August 2029

Apr 2026.

EMI

- Unexercised company options double to £6m.
- Gross assets cap rises to £120m.
- FTE limit increases to <500 from <250.

VAT

- VAT relief for business donations of goods to charity.

EIS/VCT

- Gross asset limits increase.
- Annual investmentlimit increase.
- Lifetime investmentlimit increase.
- VCT Income Tax relief drops.

Bonus and dividends

- Rates increase by 2 percentage points from April 2026.

Apr 2028.

Electric Vehicles

- Per-mile charge for EVs and plug-in hybrids.

Mansion Tax

- Start of the High Value Council Tax Surcharge.

Apr 2029.

Pensions and savings

- £2k NIC relief cap on salary sacrifice.

Apr 2031.

Pensions and savings

- £20k ISA limit unchanged until now.

Our expert team.

If you're looking for advice on the points raised in this document, please speak to a member of our team:



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