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Autumn Budget Debrief

Brought to you by...

Tom Catnach

Disclaimer

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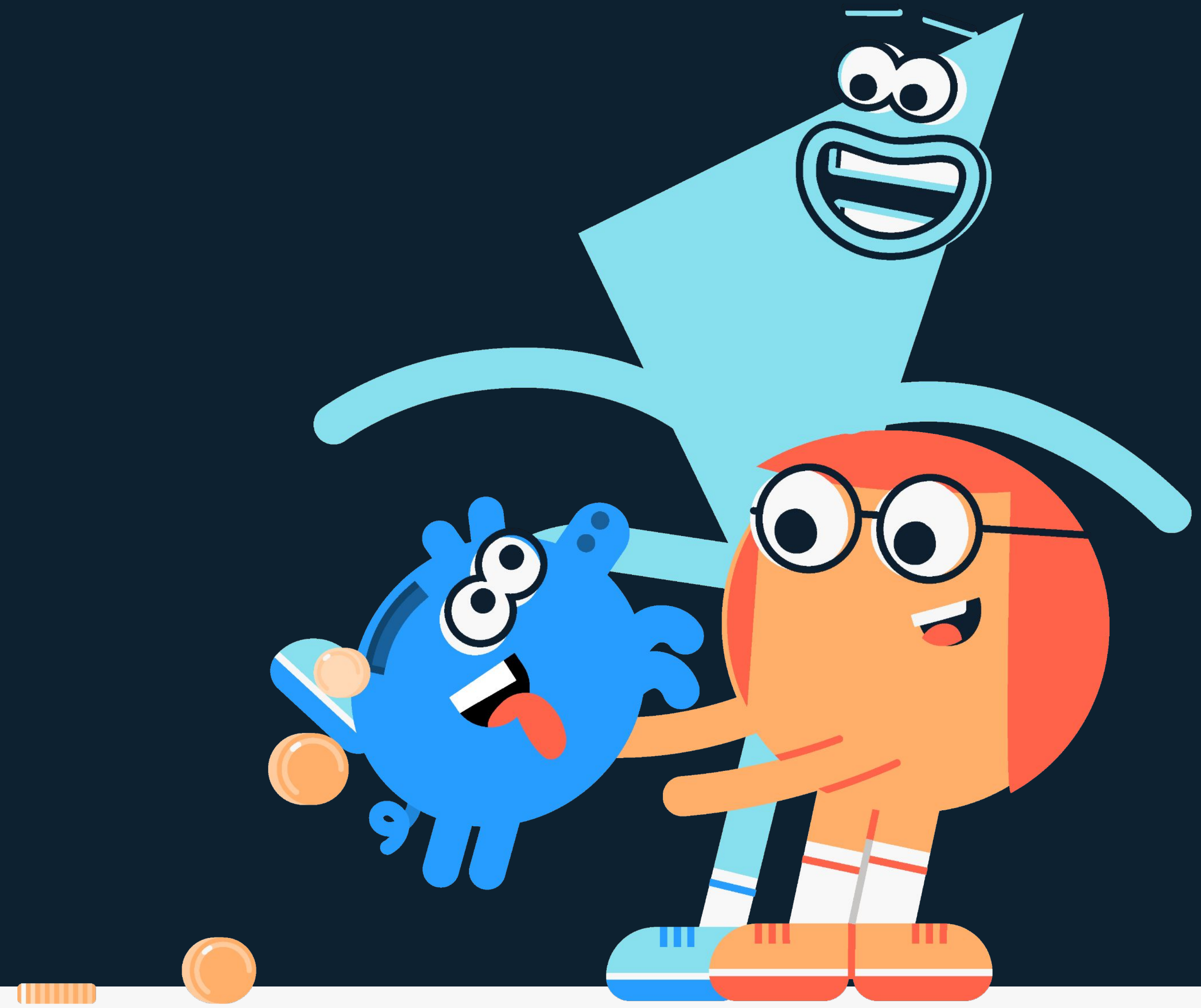

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Financial freedom starts here

Introduction
Autumn Budget Debrief

- Introduction
- Housekeeping
- Scope

What we'll cover

Autumn Budget Debrief

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- HMRC Changes
- Employer's National Insurance Contribution changes
- Minimum & Living Wage changes
- Strategies to deal with this
- Benefit in Kind (BIK) changes
- Inheritance Tax (IHT) changes
- Thinking forward, Christmas and winter holidays
- Q&A
- Close

Compliance matters now more than ever

HMRC changes

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- HMRC is hiring 5,000+ compliance staff and debt managers
- HMRC is also investing heavily in automated compliance
- Making sure your employees stay above the National Minimum Wage is essential

Interest rate on unpaid tax liabilities: ↑ 1.5%

NICs will increase for SMEs

Employer NIC changes – from 6th April 2025

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Changes to National Insurance

Employer National Insurance Contributions	13.8%	→	15%
Secondary Threshold	£9,100	→	£5,000
Employment Allowance	£5,000	→	£10,500
£100,000 eligibility threshold	Removed		

Secondary Threshold

The amount when you're required to start paying National Insurance on employee earnings.

Employment Allowance

How much National Insurance you can claim back each year.

Removal of the eligibility threshold

This means more businesses can claim back up to £10,500 in NIC

Increases to National & Living Wages

Wage changes - from 6th April 2025

National Living Wage

Employees aged 21 and over - Hourly

£11.44 → £12.21

National Minimum Wage

applies to employees aged 18–20 - Hourly

£8.60 → £10.00

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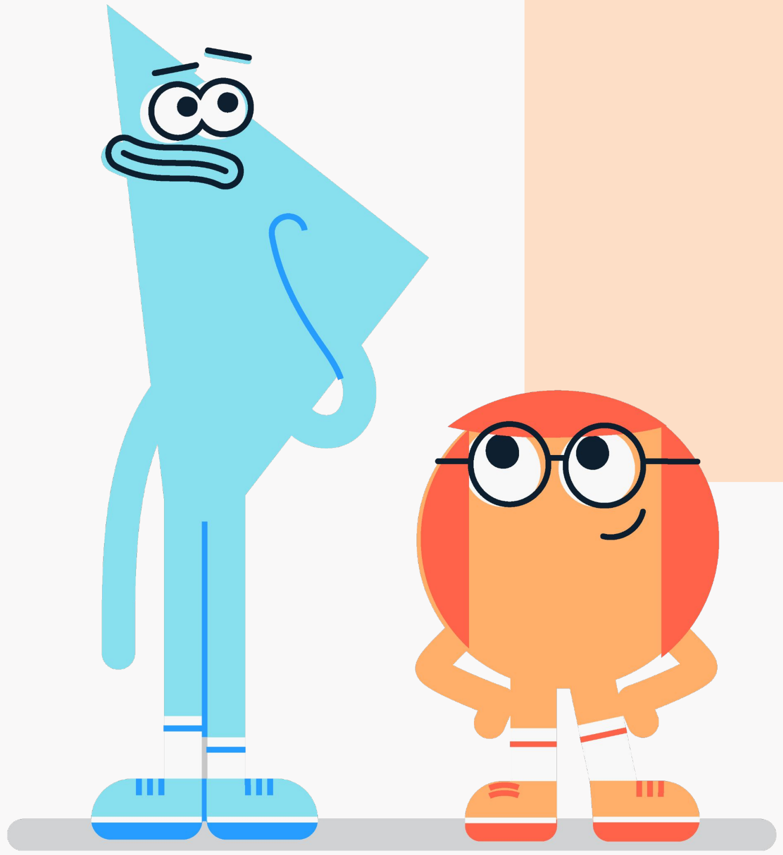
"What does that actually mean for your company, and what can you do about it?"



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The “worst case scenario”

No pension salary sacrifice

Without pension salary sacrifice

Employee count	100
Average salary	£35,000
Pre-April 6th 2025	
Employer NIC 13.8%	£357,420
Post-April 6th 2025	
Employer NIC 15%	£450,000
Minus employer's allowance	£10,500
Total employer NIC	£439,500
Increase without PSS	**£82,080**

Salary sacrifice offers some savings here

Pension salary sacrifice

Without pension salary sacrifice

Employee count	100
Average salary	£35,000
Pre-April 6th 2025	
Employer NIC 13.8%	£357,420
Post-April 6th 2025	
Employer NIC 15%	£450,000
Minus employer's allowance	£10,500
Total employer NIC	£439,500
Increase without PSS	**£82,080**

With pension salary sacrifice

Employee count	100
Average salary	£33,250
Pre-April 6th 2025	
Employer NIC 13.8%	333,270
Post-April 6th 2025	
Employer NIC 15%	£423,750
Minus employer's allowance	£10,500
Total Employer NIC	£413,250
Increase without PSS	**£79,980**

Vs. non-PSS – big savings are on offer

Pension salary sacrifice

Without pension salary sacrifice

Employee count	100
Average salary	£35,000
Pre-April 6th 2025	
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Total employer NIC	£413,250
Increase without PSS	**£79,980**
Saving	**£26,250**

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We can create over £30k of savings...

Pension Salary Sacrifice

Without Pension Salary Sacrifice

Employee count	100
Average salary	£35,000
Pre-April 6th 2025	
Employer NIC 13.8%	£357,420
Post-April 6th 2025	
Employer NIC 15%	£450,000
Minus employer's allowance	£10,500
Total employer NIC	£439,500
Increase without PSS	**£82,080**

Number 2 - With PSalSac+

Employee count	100
Average salary	£33,250
Adjusted avg. salary	£32,950
Pre-April 6th 2025	
Employer NIC 13.8%	£329,130
Post-April 6th 2025	
Employer NIC 15%	£419,250
Minus employer's allowance	£10,500
Total employer NIC	£408,750

Total value	**Conservative case**				
£10,000	5%	Uptake of	C2W	with avg value of	£2,000
£20,000	5%	Uptake of	CSS	with avg value of	£4,000

Saving £30,750

Utilisation matters, messaging matters

Pension salary sacrifice

	Conservative case			
£10,000	5% employee uptake	C2W	with avg value of	£2,000
£20,000	5% employee uptake	CSS	with avg value of	£4,000

Saving £30,750

Recap on salary sacrifice

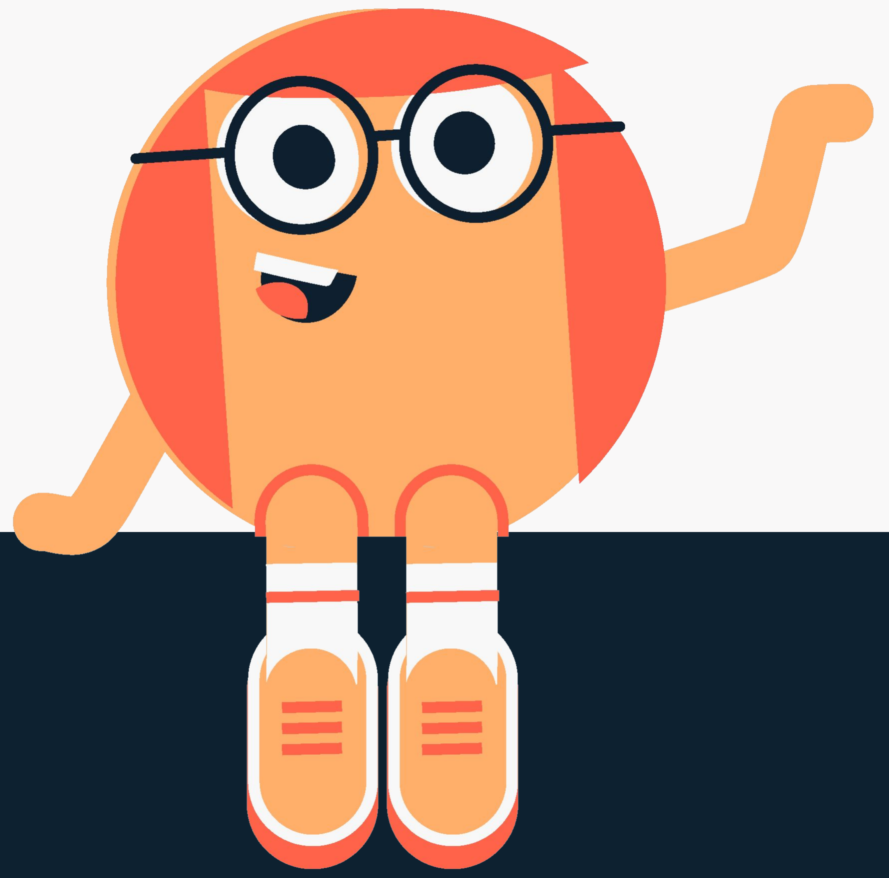
3 salary sacrifice benefits can help:

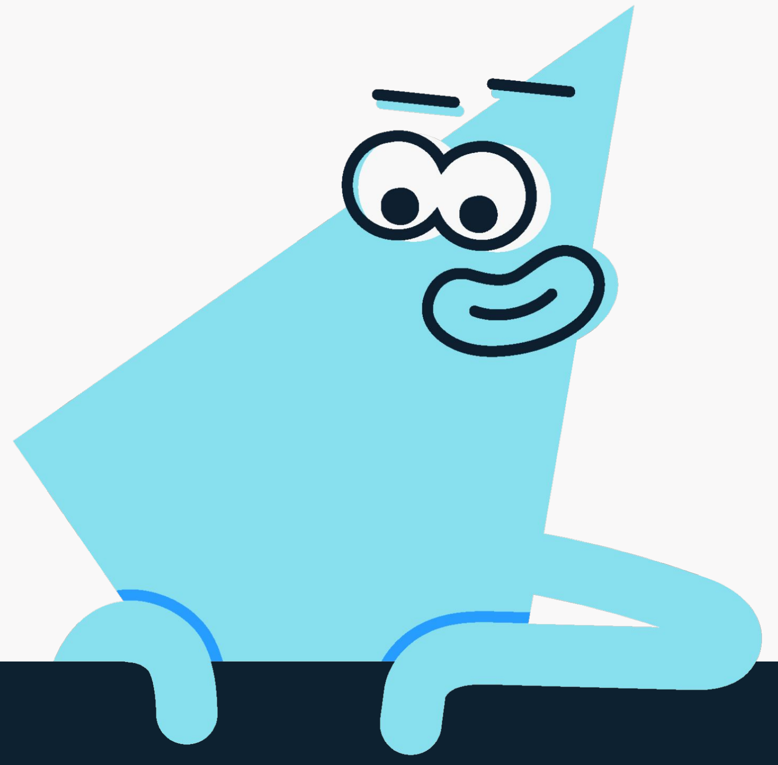
Pension

Cycle

Childcare

Wage increases





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National Living Wage increases

Wage increases

Current National Living Wage	
Number of employees	50
Hours per week	40
Min wage before	£11.44
Annual total	£1,192,963.20

New National Living Wage	
Number of employees	50
Hours per week	40
Min wage before	£12.21
Annual total	£1,273,258.80
Difference	**£80,295.60**

"Minimum" annual Salary 21 and over	
Number of employees	1
Hours per week	40
Min wage before	£12.21
Annual total	£25,465.18

National Minimum Wage increases

Wage Increases

Current National Minimum Wage	
Number of employees	50
Hours per week	40
Min wage before	£8.60
Annual total	£896,808.00

New National Minimum Wage	
Number of employees	50
Hours per week	40
Min wage before	£10.00
Annual total	£1,042,800.00
Difference	**£145,992.00**

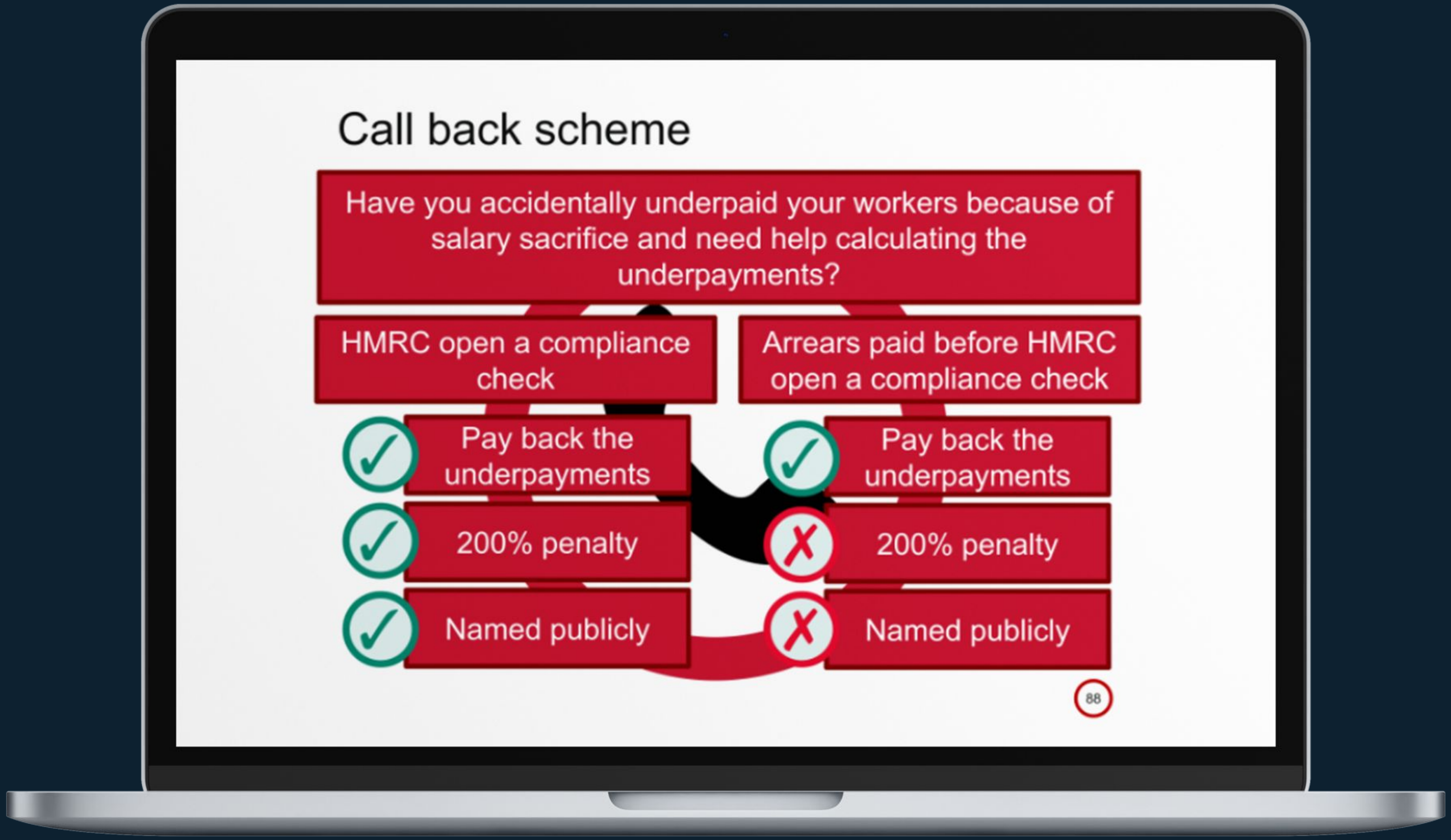
"Minimum" annual salary under 21	
Number of employees	1
Hours per week	40
Min wage before	£10.00
Annual total	£20,856.00

You must ensure minimum wage compliance

HMRC is getting bigger teeth

- For companies with lots of employees near or on minimum wage (and also above minimum wage) being on top of pay is **important**
- Taking full advantage of salary sacrifice opportunities will require excellent operations within HR and Finance

Being prepared and compliant is the best approach – HMRC can help



Edge cases can emerge, check carefully

Wage increases

Ellie the edge case

Hours per week	40
Living Wage (now)	£11.44
Annual total	£23,859.26

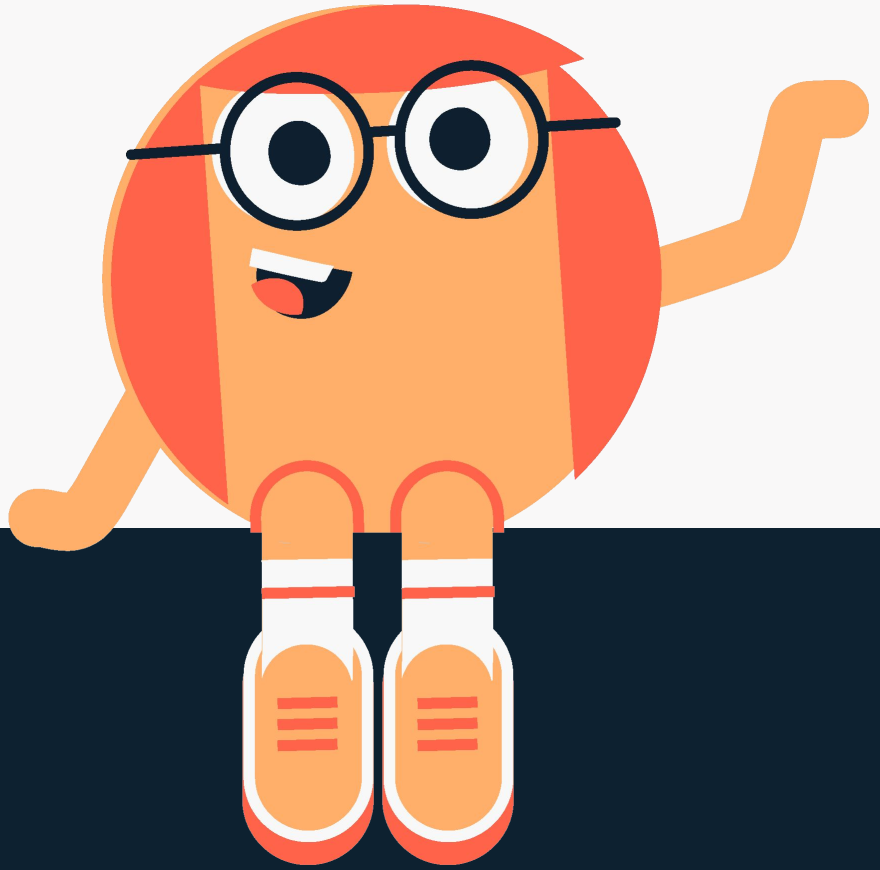
Hours per week	40
Living Wage (after April 6th)	**£12.21**
Annual total	£25,465.18
Cycle 2 Work for £1,200	**£24,265.18**

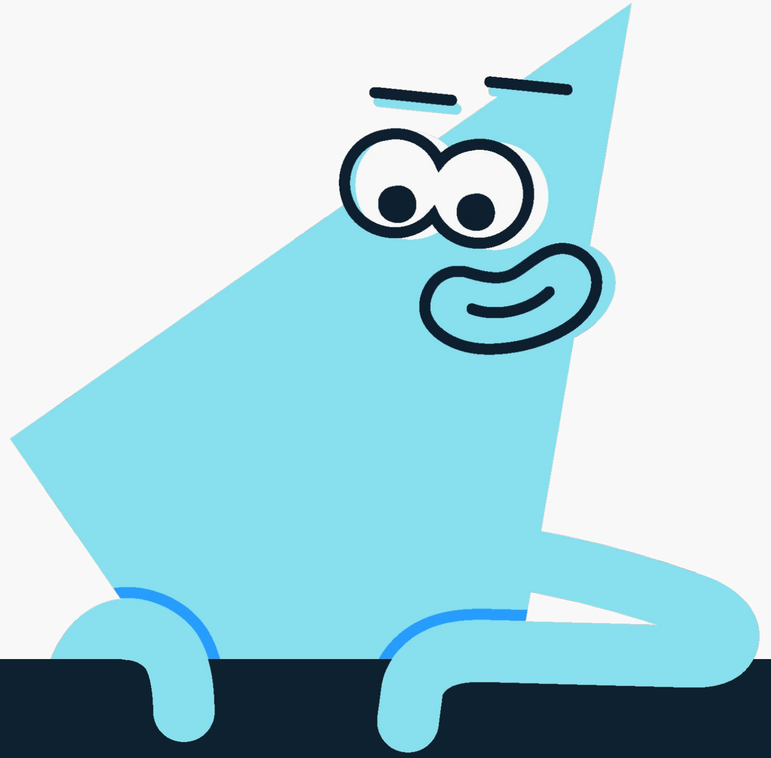
Mintago's recommendation
Wage Increases

From April 2025

Basis of pension calculation using Qualifying Earnings?	Hourly National Living Wage (Over 21s)	Minimum hourly wage to allow for salary sacrifice employee pension contribution of 5%	Minimum Annual Salary needed (based on 40hr week)
Yes	£12.21	£12.70	26,488.00
No	£12.21	£12.86	26,821.00

Benefits in kind (BIK)





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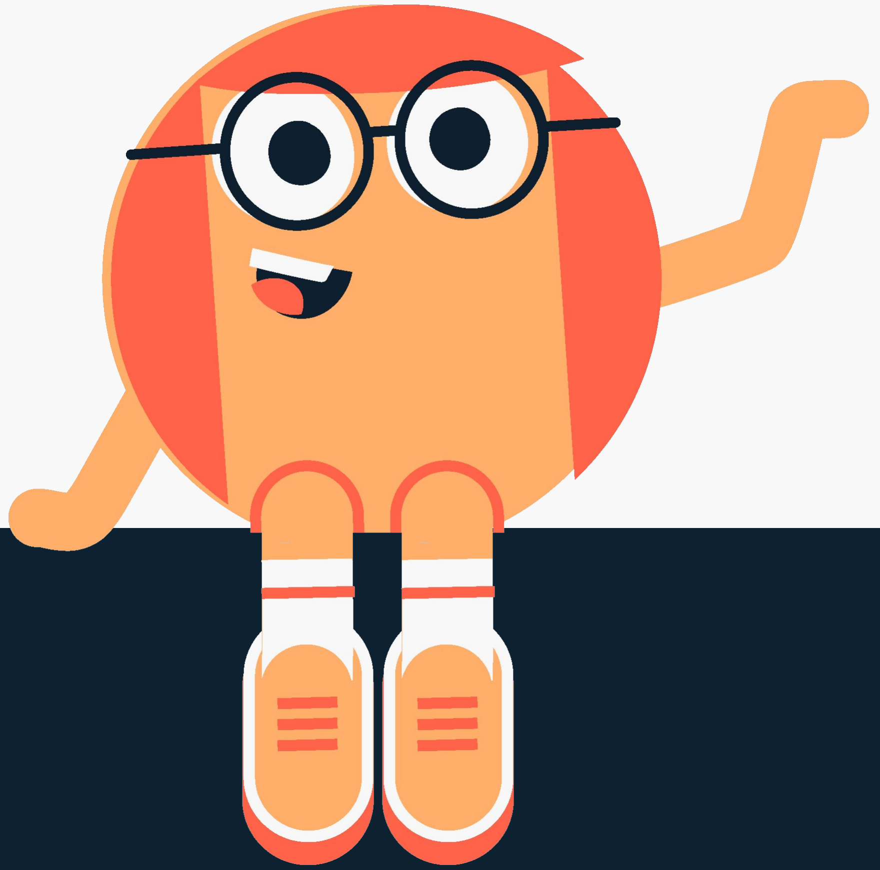
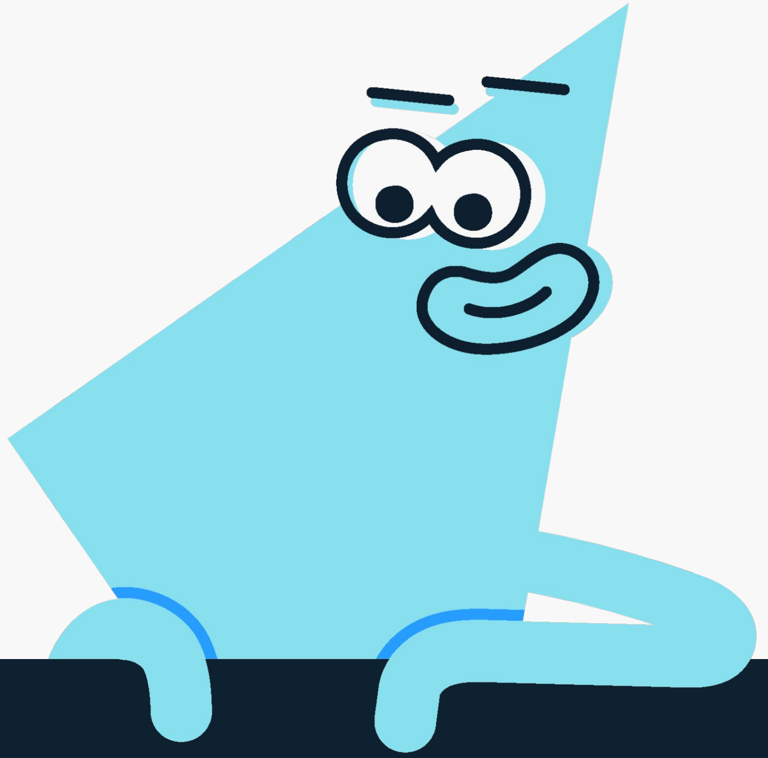
Stronger finance and ops reporting required

Benefit in kind changes – from April 2026

- Benefits in Kind (BIK) are any non-cash benefits you give to your employees
- BIK will need to be payrolled
- Companies will need to pay extra attention to reporting and compliance

Pensions and Inheritance Tax





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Estate planning is more important than ever

Pensions and Inheritance Tax – from April 2027

For the first time:

- Unspent pension pots will be added to your estate after death
- Inheritance Tax will be applied to any unspent pots

Summary

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Lots of changes are coming

- The changes announced will cost businesses money
- But there are ways to mitigate the changes & improve your employee benefits package
- Being prepared is the best approach. Remember: HMRC are hiring thousands of employees to check that businesses are compliant.

Summary

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Communicating with your teams

- We recommend talking to your employees about the changes in the Autumn Budget
- Your employees will have heard about the changes on the news, and may be nervous
- Nervous employees tend to look for jobs
- Think about actions you can take to reassure your team

Summary

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Retention matters

Backfilling at market rates will prove costly

It's best to try and retain talent through the winter

Provide benefits and savings

If you can't afford to increase pay, make your salaries work harder instead.

Support your team

Consumer confidence is low. The Cost of Living Crisis may return. Provide support to help your employees make ends meet.

Provide expert advice

If your employees are worried about their finances in the run up to Christmas, we recommend a talk from a Independent Financial Adviser.

One last thing...

We're here to help

If you'd like to chat with us, please reach out at:

contact@mintago.com

One last thing...

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Research

We're doing research on meeting your needs as HR and Finance leaders, please reach out to me if you're interested in participating!

tom.catnach@mintago.com

One last thing...

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Christmas gift cards

We're offering a Christmas gift cards service at zero cost, again please reach out to me if you're interested.

tom.catnach@mintago.com

One last thing...

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Talk to Mintago

If you'd like to talk to us in general about how we can help, please contact Anna.

anna.mcevinney@mintago.com

Thank you!

Find out more at: www.mintago.com
Give us a call on: 0207 117 2548
Or drop us a line at: contact@mintago.com

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