



### Autumn Statement 2012 – A Summary

**The Chancellor of the Exchequer has delivered his Autumn Statement to Parliament, alongside the publication of the Office for Budget Responsibility's updated forecasts for growth and borrowing. The following changes may be useful for you to note:**

- ❖ From the beginning of the 2014/15 tax year, the lifetime allowance for pension contributions will reduce from £1.5 million to £1.25 million and the annual allowance from £50,000 to £40,000.
- ❖ The maximum income limit on capped drawdown arrangements is to be reinstated at 120% (from 100%);
- ❖ The higher rate threshold for income tax will be increased by 1% rather than inflation in 2014/15 and 2015/16;
- ❖ The personal allowance will be increased by a further £235 in April 2013, taking it to £9,440;
- ❖ The ISA allowance will increase to £11,520 for 2013/14 (maximum £5,760 into Cash ISA);
- ❖ The Child Trust Fund and Junior ISA subscription limits will both increase to £3,720 for 2013/14;
- ❖ The Basic State Pension will increase by 2.5% in April 2013;
- ❖ Most working age benefits and tax credits will be up-rated by 1% for three years from April 2013 – excluding disability and carers' benefits;
- ❖ There will be a further 1% cut in the main rate of corporation tax from April 2014, to 21%;
- ❖ The Inheritance Tax Nil Rate Band will increase by 1% (rounded up) to £329,000 in 2015/16.