

Spring Statement 2022

Following the Spring Statement yesterday, we would like to highlight the key measures below:

- An increase to the Primary Threshold for Class 1 NICs (employees) and the Lower Profits Limit for Class 4 NICs (self-employed) from 6 July 2022 to align NICs with the income tax personal allowance, which is set at £12,570 per annum.
- From April 2022, self-employed individuals with profits between the Small Profits Threshold and the Lower Profit Limit will not pay Class 2 NICs, but will be treated as if they had to continue building National Insurance credits.
- The planned 1.25% increase in NICs will still go ahead in April to raise funds for health and social care.
- The Employment Allowance will be increased in April 2022 from £4,000 to £5,000.
- An immediate reduction in duty on diesel and petrol from 6pm on 23 March 2022, by 5 pence per litre, for 12 months.
- From April 2024, the basic rate of income tax will be cut from 20% to 19%.
- The 5% VAT on energy saving materials, such as insulation, solar panels and heat pumps, will be scrapped for the next 5 years.
- R&D tax credits will be reformed to allow all cloud computing and pure mathematics to qualify.

If you have any queries, please do not hesitate to contact us.