

Autumn Budget 2026 Summary

30th October 2026

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The Chancellor delivered his first Budget on 28 October 2026. Despite considerable speculation ahead of the Budget, there were no changes to the main rates of Capital Gains Tax (CGT) or the annual exempt amount, although changes were announced to some of the CGT reliefs available to business owners.

The Government has also reversed its previously announced proposal to restrict Cash ISA subscriptions for individuals under age 65 to £12,000 a year from April 2027. This restriction will no longer go ahead.

There was, however, a further increase to the future rates of Income Tax applying to savings and property income. A two-percentage point increase had already been announced from 6 April 2027, and the Budget added a further two percentage points. As a result, from 2027/28 the basic, higher and additional rates applying to savings and property income will be 24%, 44% and 49% respectively, compared with the current 20%, 40% and 45%. The Personal Savings Allowance and Starting Rate Band remain unchanged.

The summary below highlights the Budget announcements most relevant. We have also included important measures announced previously which are due to take effect over the coming years, to provide a consolidated overview.

A full schedule of the Government's 2027/28 tax rates and allowances, alongside the current 2026/27 figures, is available at [Income Tax, National Insurance and other rates and allowances 2027/28](#)

Taxation

Savings and property income

Savings Income Tax rates increase from 6 April 2027 to:

- 24% basic rate
- 44% higher rate
- 49% additional rate
- 49% trust rate for discretionary trusts

The Personal Savings Allowance and starting rate band for savings remain unchanged.

Property Income Tax rates in England, Wales and Northern Ireland will increase from 6 April 2027 to:

- 24% basic rate
- 44% higher rate
- 49% additional rate
- 49% trust rate for discretionary trusts

Pension Tax Allowance

New Pension Tax Allowance from 6 April 2027: this is intended to prevent pensioners whose total income is no more than the full new State Pension from having to pay small amounts of tax through Simple Assessment. It will operate in 2027/28, 2028/29 and 2029/30.

For 2027/28, the threshold below which the full allowance applies is £13,037 and it is fully withdrawn at £13,319. The allowance is withdrawn at £1 for every £3 of income above £13,037.

Property

High Value Council Tax Surcharge: from April 2028, an additional charge will apply to residential properties in England valued at £2 million or more.

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Thresholds

The government continue to freeze tax allowances and thresholds - Income Tax thresholds, the IHT nil-rate bands and ISA limits.

CGT and business owners

Business Asset Disposal Relief (BADR): the lifetime limit will reduce from £1 million to £500,000 for qualifying disposals from 6 April 2027.

Founders' Relief: a new relief will provide a 10% CGT rate on up to £10 million of qualifying lifetime gains on eligible disposals of shares or securities from 6 April 2027. It is targeted at founders and early investors who have made a significant long-term contribution to qualifying high-growth, innovative UK companies.

Trading Allowance: increases from £1,000 to £3,000 from 6 April 2027. The Self Assessment trading income reporting threshold will also increase to £3,000.

Investments and ISAs

Cash ISA restriction scrapped: the previously announced proposal to restrict Cash ISA subscriptions for individuals under age 65 to £12,000 a year from 6 April 2027 will no longer proceed.

Starter Investment ISA: the Government will work with the investment industry on a possible new ISA incentive for people investing in a Stocks & Shares ISA for the first time. The detailed design has yet to be developed.

Lifetime ISA: the withdrawal charge where a first home costs more than the existing £450,000 LISA property limit will be reduced from 25% to 20%. The 25% charge will continue to apply to other unauthorised withdrawals.

First Time Buyer ISA: a new product will replace the Lifetime ISA for new savers. It will provide a 25% Government bonus on the final account balance, subject to a maximum bonus of £20,000, towards the purchase of a first home worth up to £450,000. Existing LISA holders will be able to continue contributing to and using their accounts under the existing rules. Launch is scheduled for April 2029.

Help to Save: the scheme will be made permanent and eligibility widened from April 2028 to include Universal Credit claimants receiving the child element, caring element or both.

Employee share schemes: changes will be made to both the CSOP and EMI regimes from 6 April 2027. In particular, the individual CSOP option limit will increase to £120,000, alongside other changes to the operation of the two schemes.

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Pensions

State Pension Triple Lock changes from April 2030

Under the current Triple Lock, the basic and new State Pensions increase each year by the highest of average earnings growth, CPI inflation and 2.5%. From April 2030, the mechanism will change so that increases will instead be based on the highest of CPI inflation, 2.5%, and the amount needed to ensure the state pension keeps up with average earnings growth since the introduction of the new policy.

Pensions and Inheritance Tax (IHT) from 6 April 2027

Most unused pension funds and pension death benefits will fall within the estate for IHT purposes for deaths occurring on or after 6 April 2027. The Budget includes a minor technical amendment allowing those administering an estate to decide whether notional pension property is included in the general component of the estate or a separate component when calculating entitlement to the reduced 36% IHT rate where sufficient assets pass to charity.

Pension salary sacrifice National Insurance contributions restriction from 6 April 2029

Only the first £2,000 a year of employee pension contributions made through salary sacrifice will retain the NIC advantage. Salary-sacrificed pension contributions above £2,000 will attract employee and employer NIC. Importantly, this is not a £2,000 restriction on salary sacrifice or pension contributions themselves. Contributions can still exceed £2,000, but the NIC advantage on the excess will be lost.

Other announcements

- A new equity-loan scheme for first-time buyers
- Increases to the National Minimum Wage and National Living Wage from April 2027
- A further freeze in fuel duty
- Changes to domestic energy charges
- Future reform of the Carer's Allowance earnings cliff edge, and
- The introduction of statutory parental pay for eligible self-employed individuals
- For further detail, see the Government's [Budget 2026: Overview of tax legislation and rates](#).

Important Information

This document does not constitute advice. If you would like to discuss how the announcement may impact you, please contact our Financial Planning team on 0207 287 2225, or by emailing fp@edisonwm.com



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