



Budget 2012

Who can expect to be 'worse' off following George Osborne's Budget speech?

Pensioners are perhaps the biggest losers because the age-related allowance will no longer increase with inflation and it is to be phased out for people who receive 65 after 1948. Pensioners will pay slightly more tax as a result of this Budget. The Treasury admits that pensioners will now be £80 a year worse off.

The stamp duty holiday, which covered all properties up to £250,000, expired on Saturday 24 March. The ceiling for exemptions has also been lowered to £125,000. Some analysts had thought Mr Osborne might extend the 'fairly cheap' exemption, which cost Treasury an estimated £300 million.

The Chancellor has made some concessions to previous plans on child benefit. Families with one higher rate taxpayer earning above £60,000 with three or more children will be the biggest losers from this measure.

Wealthy property buyers, drinkers, smokers and pensioners have been targeted in Budget 2012.

Pensioners

The Chancellor George Osborne insisted that nobody would lose any money, but inflation means some pensioners will see their household budgets squeezed in future years. More than four million people will be £83 worse off by 2014, while 360,000 people aged 65 will lose £285.

At the moment, around five million people over the age of 65 pay income tax on their pensions and other earnings.

They are currently not taxed on at least the first £10,500 of their income. This will now be frozen in future years, saving the Treasury an estimated £360 million next

year, £670 million in 2014, £1 billion in 2015 and £1.25 billion in 2016.

There will be a new stamp duty land tax rate of 7% on properties worth more than £2m, the Chancellor announced in the Budget. Previously the top rate was 5%. Unlike other taxes, stamp duty land tax is paid at the applicable rate on the whole price, not just the portion above the threshold for the highest rate.

Mr Osborne has also introduced a 15% Stamp Duty Land Tax charge on residential property held in company shelters.

Those earning more than £116,210

The Prudential has calculated that individuals with an income above £116,210 (2012/13) will have zero

personal allowance and will lose £82 per year (£126 minus £44).

Drinkers

Alcohol duty rates increased at 2% above the Retail Prices Index.

Motorists

Fuel duty will rise by 3p a litre in August despite petrol prices rising to a record high, the Chancellor George Osborne, announced in the Budget.

GET IN TOUCH

To review the key issues that should be on your agenda following Budget 2012, please email or telephone us – and we'll get in touch.