11 important money changes coming next year.

1-) The minimum wage increases are set to take effect from 1 April next year:

- National Living Wage for over-23s: from £8.91 to £9.50 an hour
- National Minimum Wage for those aged 21-22: from £8.36 to £9.18
- National Minimum Wage for 18 to 20-year-olds: from £6.56 to £6.83
- National Minimum Wage for under-18s: from £4.62 to £4.81
- The Apprentice rate: from £4.30 to £4.81

The apprentice rate applies to people aged under 19, or people over 19 but in the first year of their apprenticeship.

If apprentices are older than 19 and have finished the first year of their apprenticeship, they are entitled to the relevant minimum wage for their age group.

The minimum wage is the same across all parts of the UK.

2-) Rail fares:

Train passengers are braced for an eye-watering rail fares rise next year after RPI inflation soared to 3.8% in July (the month typically used to set the rise) - the highest for more than three years.

While the government has not confirmed how far fares will rise, they usually rise in January based on the Retail Prices Index (RPI) measure of inflation for the previous July.

This RPI figure is controversial because it is higher than the more commonly used Consumer Prices Index. Today's figures show CPI inflation at 2.1% when housing costs are included - down from 2.4% last month.

This year ticket prices in England and Wales rose by an average of around 2.6% in March - representing RPI for July 2020 plus one percentage point.

If a similar approach was used next year, regulated fares could rise by 4.8%.

That means the average commuter faces paying £3,295 for their season ticket - £1101, or 50% more, than in 2010.

3-) State pension

Retirees on the full, new state pension, will see their earnings rise by £290 next year, the government has confirmed.

The **state pension** will increase by up to £5.50 a week from April 2022, in line with September's inflation rate of 3.1%.

Earlier this year, pensioners were promised their incomes would still rise by the highest out of inflation or 2.5% - whichever is highest, in 2022, after the Prime Minister **suspended the triple lock last month** - calling off an 8% increase.

A 3.1% rise means those on the full new state pension will see their annual income jump to £9,628.50 - an extra £289.50.

To get the full state pension you need a minimum of 10 'qualifying' years in work and 35 years' worth of National Insurance contributions on your employment record.

Men born on or after April 6, 1951, and women born on or after April 6, 1953, can claim the new state pension.

The current full, new state pension is £179.60 a week, or around £9,339 a year.

A rise of 3.1% adds an extra £5.56 a week to the payment, increasing it to £185.15 a week.

Over the year that's £9,628.50, and an extra £289.50.

Those who reached the state pension age before April 6, 2016, get the old state pension, known as the basic state pension, which is currently £137.60, or £7,155.20 a year.

A rise of 3.1% adds an extra £4.26 a week to the payment, increasing it to £141.86.

Over the year that's £7,377 and an extra £221.81

5-) National insurance rate rise:

Employees, employers, and the self-employed will all pay 1.25p more in the pound for National Insurance (NI) from April 2022.

That's under a new **National Insurance tax rise** that will come into force next year and be renamed as a health and social care tax from 2023.

Under it, the average worker will pay an extra £255 a year in taxes. An employee on a £20,000 a year salary will pay an extra £130.

Higher earners on £50,000 per year would pay an extra £505.

People earning under £9,564 a year, or £797 a month, don't have to pay National Insurance and won't have to pay the new levy.

However, all other working adults, including those over the state pension age, will have to pay it.

From next April, the extra 1.25% will appear on payslips as a higher National Insurance tax, but in April 2023, NI will return to its current rate, and the extra tax will be collected as a new Health and Social Care tax.

Hargreaves Lands down estimates the introduction of the levy will cost someone on a £30,000 salary an extra £255.40 per year - meaning they end up paying just over £2,700.

Someone on £40,000 will see their National Insurance contributions go up by £380 a year - to £4,032.

A worker on £50,000 will shell out an extra £505 a year - to £5,357.

And someone earning £100,000 will pay an extra £1,130 a year - taking their total contribution to £7,010.

How much more tax will I pay?

- If you earn £20,000, you'll pay an extra £130
- If you earn £30,000, you'll pay an extra £255
- If you earn £50,000, you'll pay an extra £505
- If you earn £80,000, you'll pay an extra £880
- If you earn £100,000, you'll pay an extra £1,130

6-) Dividend tax rates:

The tax rate for dividends if you own a company or shares in a firm will also rise next year.

You do not pay tax on any dividend income that falls within your Personal Allowance - £12,570 - this is the amount you can earn each year before you must pay any tax.

The dividend tax rates for next year are rising to:

- Basic rate taxpayers - 7.5% to 8.75%
- Higher rate taxpayers - 32.5% to 33.75%
- Additional rate taxpayers - 38.1% to 39.35%

The next £2,000 of dividend income is tax-free via the dividend allowance. The remaining £35,430 falls within the basic-rate tax band.

7-) Council tax rates:

Some households could see their council tax bills rocket by up to £400 in the next five years, under measures that were buried in the **Chancellor's Budget small print** .

The Office for **Budget** Responsibility (OBR) said it expected the total amount raised in council tax to be a third higher in 2026/27 than it was in 2019/20.

It said receipts will be £12.1billion higher in 2026/27 than seven years earlier. This is equivalent to around £435 extra per household.

Last year, councils were able to put up bills by a huge 5% - although the actual average rise was 4.4%, taking the average Band D bill to £1,898.

Next year, local authorities will be able to increase bills by a maximum 3% without having to hold a local referendum, with 1% of this going to social care.

It would mean local authorities increasing costs by £57 in April - potentially taking the average to £1,955.

But the **Budget** small print also warned council tax could rise even higher than that 3% figure.

The small print says 3% rises are "assumed" - but warns the final allocations will only be set by the government by a later date.

IFS economist Ben Zaranko warned: "Some cuts to some council services seem highly likely if central government doesn't provide additional funding."

He said grant funding would rise by a "sizeable" £1.6bn next year but is then frozen after that - forcing three-quarters of any spending increases to come from council tax.

The Treasury's Red Book, published alongside the Budget, stated: "To ensure that all local authorities have access to the resources they need to deliver core services such as children's social care, road maintenance and waste management, the referendum threshold for increases in council tax is expected to remain at 2 per cent.

"In addition, local authorities with social care responsibilities are expected to be able to increase the adult social care precept by up to 1 per cent per year

8-) Energy Price Cap:

The next **energy price cap**, due to come into effect in April next year, could increase by a further £280 reflect a 500% surge in wholesale gas prices, the industry has warned.

9-) Inheritance tax:

On January 1, a tweak to the rules will mean there's less paperwork for thousands of people with no inheritance tax to pay, because it broadens the rules for people who don't have to submit full accounts to HMRC when going through probate.

It should spare 230,000 people the extra stress each year.

10-) Vat changes:

The tax break for businesses in hospitality and tourism has been gradually phased out and comes to an end on March 31.

This has helped some companies keep a lid on prices despite losing so much money during lockdowns and then wrestling with runaway wage costs.

There's a risk this change will prompt price rises in pubs and restaurants.

11-) Tax thresholds remain frozen:

Rishi Sunak announced last March that key thresholds would be frozen this April.

It means that over time, rises in wages and house prices will mean more people paying more tax, and more moving into the higher rate band. It's a horrible stealth tax that will hit millions of people for years to come.

Here are the rates:

- The personal allowance will stick at £12,570 in April, and every year until 2025/26
- The higher rate threshold will be frozen at £50,270
- The capital gains tax annual exempt amount remains at £12,300
- The pension lifetime allowance is still £1,073,100
- The inheritance tax nil rate band is £325,000, and the residential nil rate band £175,000
- Plus everything from ISA allowances to the annual gifting allowance, the high-income child benefit tax charge and the savings allowance remain the same.