

Tax Fact Sheet 2019-20



National Insurance Contributions 2019-20

CLASS 1

Pay Frequency	Lower Earnings Limit	Primary Earnings Threshold	Secondary Earnings Threshold	Upper Earnings Limit
Weekly	£118	£166	£166	£962
Monthly	£512	£719	£719	£4,167
Annual	£6,136	£8,632	£8,632	£50,000
	Employee earnings above PT up to UEL	Employee earnings above UEL	Employer earnings above ST to UEL	Employer earnings above UEL

Category Letter				
A Standard Rate	12%	2%	13.8%	13.8%
B Reduced Rate	5.85%	2%	13.8%	13.8%
C Above SPA	0%	0%	13.8%	13.8%
H (Apprentice <25)	12%	2%	0%	13.8%
J (Deferment)	2%	2%	13.8%	13.8%
M (Under 21)	12%	2%	0%	13.8%
Z (Deferment <21)	2%	2%	0%	13.8%

There are no longer any NI rebates since the abolition of Contracting out from 6th April 2016.

CLASS 1A

Paid by the employer for benefits provided to employees in 2019/20 at a rate of 13.8% on most taxable benefits. Contributions must be paid by the 19th July if posted or 22nd July if electronic payment method used. Will also apply even where benefits have been payrolled in the 2018/19 tax year.

CLASS 1B

Paid by the employer for PAYE Settlement agreements in 2018/19 at a rate of 13.8% on most taxable benefits. Contributions must be paid by the 19th October if posted or 22nd October if electronic payment method used.

OTHER CLASSES OF NI	2018-19	2019-20
Class 2 flat rate for self-employed	£2.95	£3.00
Class 2 small earnings exception per year	£6,205	£6,365
Special Class 2 rate for share fishermen	£3.60	£3.65
Special Class 2 rate for volunteer development workers	£5.80	£5.90
Class 3 voluntary	£14.65	£15.00
Class 4 lower profits limit per year	£8,164	£8,632
Class 4 upper profits limit per year	£46,350	£50,000
Class 4 rate between lower profits limit and upper profits limit	9%	9%
Class 4 rate above upper profits limit	2%	2%

SMP, SAP, SPP & SHPP	2018-19	2019-20
Minimum average earnings	£116	£118
Standard Rate	Lesser of £145.18 and 90% of average weekly earnings	Lesser of £148.68 and 90% of average weekly earnings
Higher rate	90% of average weekly earnings	90% of average weekly earnings

STATUTORY SICK PAY (SSP)	2018-19	2019-20
Minimum average earnings	£116	£118
Standard rate	£92.05	£94.25

SMP, SAP OSPP, SHPP RECOVERY (PAYE SCHEME)

If Class 1 NICs are more than £45,000 in the previous tax year, you can recover 92% of the total of all payments made in the same tax month. If your Class 1 NICs are no more than £45,000 in the previous tax year, you can recover 100% of the total of all payments plus an additional amount as compensation. The compensation rate is 3% for tax years 2010-11 and onwards.

NATIONAL MINIMUM WAGE

	APR 2018	APR 2019
Adult rate (21-24 inclusive)	£7.38	£7.70
Development rate (inc. 18-20 year olds)	£5.90	£6.15
Under 18 but over compulsory school age	£4.20	£4.35
Apprentices under 19 or in first year	£3.70	£3.90
The accommodation offset from April 2019 is £7.55 per day		

NATIONAL LIVING WAGE

	APR 2018	APR 2019
Adult rate (25 and over)	£7.83	£8.21

INCOME TAX RATES

UK RATE	%	Bandwidth
Basic rate	20%	£1 to £37,500
Higher rate	40%	£37,501 to £150,000
Additional rate	45%	£150,001 and above

PERSONAL INCOME TAX ALLOWANCES

	2019-20
Universal Allowance regardless of age	£12,500
Income limit for Personal Allowance	£100,000

Married Couples Allowance for those born before 6th April 1935:

Maximum amount of Married Couples Allowance	£8,915
Minimum amount of Married Couples Allowance	£3,450
Income limit for Married Couples Allowance	£29,600
Marriage Allowance (Transferable Tax Allowance) *	£1,250
Blind Persons Allowance	£2,450
Dividend Allowance	£2,000
Personal Savings Allowance for basic rate tax payers	£1,000
Personal Savings Allowance for higher rate tax payers	£500

*TRANSFERABLE TAX ALLOWANCE

This allowance is for the transfer of an unused portion of PAYE tax payer's tax-free allowance to their spouse, up to the value of £1,250 (10% of the Personal Allowance) for 2019/20. Applies to basic rate tax payers only.

SHARED PARENTAL LEAVE

The Children & Families Act 2014 introduced several measures:

- Unpaid time off to accompany antenatal classes – max 2
- Paid time off for the Primary or sole adopter – max 5
- Right to request flexible working

Shared Parental Leave & Pay for parents of babies due/placed for adoption on or after 5th April 2015.

EMPLOYMENT ALLOWANCES

ANNUAL ALLOWANCE	2018-19	2019-20
	£3,000	£3,000

- Increased to £3,000 per annum per employer
- Single Director only payrolls where the Director is the only employee, will no-longer be eligible from 6th April 2016.

STUDENT LOAN DEDUCTIONS

From 6th April 2019, Plan Type 1 will have an Earnings Threshold of £18,935. Plan Type 2 will have an Earnings Threshold of £25,725. Recovery 9%.

Postgraduate loan deductions will have an Earnings Threshold of £21,000 at a recovery rate of 6%.

If employee doesn't know which type they are paying then employers must use Plan Type 1 until HMRC inform otherwise.

APPRENTICESHIP LEVY

An employer cost for employers and/or Connected Group of Companies with an annual Pay Bill in excess of £3m. From 6th April 2017, there is a levy off-set of £15,000 which can be shared between the employers payroll/connected companies. More details at:

<http://www.gov.uk/search?q=apprenticeship+levy>