



29th October 2021 – Autumn Budget Highlights

On 27th October, the Chancellor of the Exchequer delivered his Autumn budget.

Below is a summary of the key points which will affect employees and employers:

National Minimum Wage

The National Minimum Wage (and National Living Wage) will increase on 1st April 2022 as follows:

- Age 23 and over From £8.91 to £9.50 per hour
- Ages 21 and 22 From £8.36 to £9.18 per hour
- Ages 18 to 20 From £6.56 to £6.83 per hour
- Under 18s From £4.62 to £4.81 per hour
- Apprentice Rate From £4.30 to \$4.81 per hour

National Insurance

The National Insurance Upper Earnings Limit (UEL) will remain the same in 2022-2023, and will be frozen until 2026.

The new Health and Social Care levy will come into effect in April 2022, an increase of 1.25% for Class 1 (employee and employer), Class 1A, Class 1B and Class 4 (Self employed) National Insurance. In April 2022, National Insurance will revert to current rates, and an additional 1.25% Health and Social Care Levy will show as a separate deduction on payslips. Individuals above State Pension age who are still working will not be affected by the temporary increase to National Insurance contributions for the 2022 to 2023 tax year but will be liable to pay the 1.25% levy from April 2023.

Income Tax

Income Tax bands and personal allowances (including Marriage and Savings Allowances) will remain the same as 2021-22.

The personal allowance stays at £12,570, and the Higher Rate Threshold (where high earners start to pay 40% tax) will remain at £50,270.

Employment Allowance

The Employment Allowance remains at £4,000 for eligible employers where the Class 1 National Insurance Contributions liabilities were less than £100,000 in the previous tax year.

Company Cars

For vehicles first registered before 6th April 2020 with a 0kg/km rate, the company car percentage will increase from 1% to 2%. Vehicles first registered on or after 6th April 2020 will increase by 1%. These rates will be frozen for the next 2 tax years (2023-24 and 2024-25)

Further information

Follow this link to find out more information

[Autumn Budget and Spending Review 2021: documents - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/94222/Autumn_Budget_and_Spending_Review_2021_documents.pdf)