



01/12/2021 – Rates and Allowances for 2022-23 tax year

The below details the changes in rates and allowances that have been announced so far, for the tax year from 6th April 2022.

Income Tax (England)

The income tax Personal Allowance will remain unchanged at £12,570.

The higher rate threshold will remain at £50,270.

The threshold for the additional rate remains at £150,000.

Tax rates do not change - they stay at 20% (Basic Rate), 40% (Higher Rate) and 45% (Additional Rate).

The above rates and limits are expected to remain unchanged until April 2026.

National Insurance

From April 2022, both Employee's and Employer's National Insurance rates will increase by 1.25%. This is to fund the Health and Social Care Levy (HSCL), the additional income from this increase will be spent on the NHS and social care. Therefore, Employee's National Insurance will increase from 12% to 13.25%, and Employer's will increase from 13.8% to 15.05%.

The increase will also apply to self-employed National Insurance.

From April 2023, the National Insurance rate will decrease back to current rates (Employee 12% and Employer 13.8%), and the Health and Social Care Levy will be shown as a separate contribution on payslips and self-employed income statements. Also from April 2023, people who are still working beyond State Pension Age, whose earnings are not currently subject to National Insurance contributions, will pay the 1.25 HSCL on any earnings above the threshold (but will still be exempt from NI deductions).

The Lower Earnings Limit will increase from £120 per week to £123 per week.

The Primary Threshold (for employees) will increase from £184 to £190 per week.

The Secondary Threshold (for employers) will increase from £170 to £175 per week.

The Upper Earnings limit does not change (£967 per week).

Employment Allowance (claimed by eligible employers to reduce their Employer's National Insurance bill) will remain at £4000 for the year.

Statutory Payments

These changes are effective from 3rd April 2022.

The weekly rate of Statutory Sick Pay (SSP) will increase to £99.35

The first 6 weeks of Statutory Maternity Pay (SMP) and Statutory Adoption Pay (SAP) is paid at 90% of the average weekly earnings. The rate for the remaining 33 weeks will increase to £156.66 (or 90% of the average weekly earnings if this is lower).

The rates for Statutory Paternity Pay (SPP), Statutory Parental Bereavement Pay (SPBP) and Statutory Shared Parental Pay (ShPP) will increase to £156.66 per week (or 90% of the average weekly earnings if this is lower).

National Minimum Wage

With effect from 1st April 2022, the National Living Wage (for employees aged 23 and over) and the National Minimum Wage will increase as follows:

AGE ➡	23 and over	21 to 22	18 to 20	Under 18	Apprentice*
April 2021 to March 2022	£8.91	£8.36	£6.56	£4.62	£4.30
From 1 st April 2022	£9.50	£9.19	£6.83	£4.81	£4.81

*Apprentice rate only applicable for apprentices who are under 19 years of age, or in the first year of their apprenticeship