



01/05/2023 – Payroll Update for the 2023-24 tax year

Income Tax (England & Wales)

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 decreased to £125,140.

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

National Insurance

For the 2023 –24 tax year, National Insurance rates are as follows:

- Employee's National Insurance – 12%
- Employer's National Insurance – 13.8%

Earnings in excess of the Upper Earnings Limit will attract Employee's National Insurance at 2%.

Earnings in excess of the Upper Earnings Limit will attract Employer's National Insurance at 13.8%.

The Lower Earnings Limit - £123 per week.

The Primary Threshold - £242 per week.

The Secondary Threshold - £175 per week.

The Upper Earnings limit - £967 per week.

Employment Allowance remains at £5000 for the year.

Statutory Payments

These changes are effective from Sunday 2nd April 2023.

The weekly rate of Statutory Sick Pay (SSP) will increase to £109.40 (£21.88 per day for an employee who works 5 qualifying days in a week).

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 £172.48 (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 £172.48 per week (or 90% of the average weekly earnings if this is lower).

National Minimum Wage

With effect from 1st April 2023, the National Living Wage (for employees aged 23 and over) and the National Minimum Wage will increase to the following:

AGE ➡	23 and over	21 to 22	18 to 20	16 to 17	Apprentice*
From 1st April 2023	£10.42	£10.18	£7.49	£5.28	£5.28

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

Student Loans and Post Graduate Loans

Earnings Threshold for Student Loan Plan 1 £22,015 per year

Earnings Threshold for Student Loan Plan 2 £27,295 per year

Earnings Threshold for Student Loan Plan 4 £27,660 per year

Deduction Rate for all Student Loans 9%

Earnings Threshold for Post Graduate Loans £21,000 per year

Deduction Rate for Post Graduate Loans 6%

Payrolling of Benefits

The deadline for registering with HMRC to process taxable benefits and expenses via the payroll, instead of submitting P111Ds, is 6th April 2023 for benefits relating to the 2023-24 Tax Year.

Auto Enrolment

Earnings Threshold for enrolling employees remains at £10,000 per year (£533 per month / £192 per week).