

Tax Fact Card 2019/2020



National Insurance Contributions 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

Category Letter	Employee Earnings above PT to UEL	Employee Earnings above UEL	Employee Earnings above ST to UEL	Employee Earnings above UEL
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 aged under 25)	12%	2%	0%	13.8%
J (deferment)	2%	2%	13.8%	13.8%
M (under 21)	12%	2%	0%	13.8%
Z (deferment for employees under 21)	2%	2%	0%	13.8%

Class 1A

Payable by employers for benefits provided to employees in the 2019/2020 tax year, at a rate of 13.8% on most taxable benefits. Applicable even where benefits have been processed through the payroll in 2018/2019.

Contribution Deadlines

If posted	19 July
If electronic payment used	22 July

Class 1B

Paid by employers for PAYE settlement agreements in 2018/2019, at a rate of 13.8% on most taxable benefits.

Contribution Deadlines

If posted	19 October
If electronic payment used	22 October

Other classes of NI

Class 2 flat rate for self-employed	£3.00
Class 2 small earnings exception per year	£6,365
Special Class 2 rate for share fishermen	£3.65
Special Class 2 rate for volunteer development workers	£5.90
Class 3 Voluntary	£15.00
Class 4 lower profits limit per year	£8,632
Class 4 upper profits limit per year	£50,000
Class 4 rate between lower profits limit and upper profits limit	9%
Class 4 rate above upper profits limit	2%

UK Income Tax Rates

	%	Earnings range
Basic rate	20	£1 to £37,500
Higher rate	40	£37,501 to £150,000
Additional Rate	45	£150,001 and above

Scottish Income Tax Rates

	%	Earnings range
Starter rate	19	£12,500 - £14,549
Basic rate	20	£14,550 - £24,944
Intermediate rate	21	£24,945 - £43,430
Higher Rate	41	£43,431 - £150,000

Personal Income Tax Allowances

Personal Allowance*	£12,500
Marriage Allowance	£1,250
Blind Person's Allowance	£2,450
Dividend Allowance	£2,000
Personal Savings Allowance for basic rate taxpayers	£1,000
Personal Savings Allowance for higher rate taxpayers	£500

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

Maximum amount of Married Couple's Allowance	£8,915
Minimum amount of Married Couple's Allowance	£3,450
Income limit for Married Couple's Allowance	£29,600

*A Personal Allowance goes down by £1 for every £2 that an individual's adjusted net income is over £100,000, meaning that an individual's allowance is zero if their income is £125,000 or higher.

Tax Codes

Code	Effect
OT	Deducts 20% at the basic rate, 40% at the higher rate and 45% at the additional rate, with no Personal Allowance.
BR	Deducts tax at a flat rate of 20%, with no Personal Allowance.
D0	Deducts tax at a flat rate of 40%, with no Personal Allowance.
D1	Deducts tax at a flat rate of 45%, with no Personal Allowance.
L	Entitles the employee to the basic Personal Allowance.
M	Ensures that the employee receives a transfer of 10% of their partner's Personal Allowance
N	Means that the employee has transferred 10% of their Personal Allowance to their partner.
NT	Deducts zero tax on this income.
S	Deducts tax according to the Scottish rate of Income Tax.

Student Loan Deductions

There will be an additional loan deduction – the original Student Loan will be known as Plan 1, with an Earnings Threshold of £18,935. The new Loan type will be Plan 2 with an Earnings Threshold of £21,000. A revised Starter Checklist will ask which plan graduates are on – if the employee does not know, then employers must use Plan 1 until HMRC inform otherwise.

Student Loan Deductions are payable at a rate of 9%.

National Minimum and National Living Wage

April 2019

25 and over	£8.21
15-24	£7.70
Development rate (inc 18-20 year olds)	£6.15
Under 18 but over compulsory school age	£4.35
Apprentices under 19 or in first year	£3.90

Statutory Maternity Pay & Statutory Adoption Pay

Minimum average earnings	£118
Standard Rate	Lesser of £148.68 and 90% of average weekly earnings
Higher Rate	90% of average weekly earnings

Statutory Sick Pay (SSP)

Minimum average earnings	£118
Standard Rate	£94.25

SMP, SAP, OSPP & ShPP Recovery (PAYE Scheme)

Class 1 NICs paid	Amount recoverable
Over £45,000	92% of the total of all payments made in the same tax month
£45,000 and under	100% of the total of all payments, in addition to a further amount as compensation (compensation rate = 3% for tax year 2010-11 and onwards)

Statutory Redundancy Pay*

Time Period	Redundancy Pay
Each complete year of service between the ages of 18 and 21	Half a week's pay
Each complete year of service between the ages of 22 and 40	1 week's pay
Each complete year of service between the ages of 41 and 65	1.5 week's pay

*Employees are only eligible for Statutory Redundancy Pay if they have worked for the employer for 2 years or longer.

Child Care Vouchers

	2019/20 (Basic Rate)	2016/17 (Higher Rate)	2016/17 (Additional Rate)
Weekly Limit	£55	£28	£25
Monthly Equivalent	£243	£124	£110

From 28th April 2017, a new Tax Free Childcare Scheme will kick into effect (where, for every 80p the parents put into an account, the Government will put in 20p). This will not require any input from employers and will prevent employees from entering into a CCV scheme.

Pension Scheme Allowances

Annual allowance*	£40,000
Lifetime allowance	£1,055,000

Relief on the contribution is granted at the taxpayer's marginal rate of tax.

*The annual allowance will be reduced by £1 for every £2 by which an individual's income exceeds £150,000, subject to a maximum reduction of £30,000. Pension input periods are now aligned to tax years (this became effective on 8 July 2015).

Employment Allowances

Annual allowance	£3,000
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Single Director-only payrolls, where the Director is the only employee, are no longer eligible.

Company Cars

CO2 Band	Percentages	
	Petrol	Diesel
0-50	16	20
51-75	19	23
76-94	22	26
95-99	23	27
100-104	24	28
105-109	25	29
110-114	26	30
115-199	27	31
120-124	28	32
125-129	29	33
130-134	30	34
135-139	31	35
140-144	32	36
145-149	33	37
150-154	34	37
155-159	35	37
160-164	36	37
165-169	37	37
170-174	37	37
175-179	37	37
180-184	37	37
185-189	37	37
190 and above	37	37

The Diesel Supplement has increased to 4%.

Car Fuel Benefits

The charge to tax for fuel provided for private use in a company car is based on the same percentages as above, multiplied by a value of £24,100.

Van and Van Fuel Benefits

The Van Benefit Charge has increased to £3,430 for 2019/2020 and the Van Fuel Benefit to £655pa.

Vans which do not emit CO2 when driven incur a van benefit charge of £2058.



Advisory Fuel Rates for Company Cars

These rates apply to all journeys on or after 1 March 2019.

Engine Size	Petrol	LPG
1400cc or less	11p	7p
1401cc to 2000cc	14p	8p
Over 2000cc	21p	13p

Engine Size	Diesel
1600cc or less	9p
1601cc to 2000cc	10p
Over 2000cc	13p

These rates are reviewed on a quarterly basis (in March, June, September and December) by HMRC; for the most up-to-date rates, it is recommended that you refer to the HMRC website at www.hmrc.gov.uk.

Private Vehicles

	Per mile	Notes
Cars First 10,000	45p	Use 45p for NICs regardless of business miles
Additional business miles	25p	
Motor cycles	24p	
Pedal cycles	20p	
Passenger payments	5p	Only if paid by employer

Payrolling Benefits in Kind 2019/2020

Employers can decide whether to payroll their Benefits in Kind (BIK) for the 2019/20 Tax Year. All BIKs can be payrolled, except Living Accommodation, Credit Cards & Vouchers and Beneficial Loans. Employers can choose which benefits to payroll and which employees to exclude (e.g. because they are on long term sick leave or sabbatical with no pay – or because the employee does not want to have benefits payrolled).

In order to payroll BIKs for 2019/20, employers must have registered with HMRC before 5 April 2019; any current dispensation will cease on this date.

Expenses Exemptions

Dispensations are replaced by Expenses Exemptions (excluding for benefits which are payrolled – see 'Payrolling Benefits in Kind 2017/18'). Employers must decide what does not need to go on a P11D as a business expense and ensure they have an expense policy.

Every effort is made to ensure the accuracy of the information in this booklet. However, it should not be relied upon to replace specific professional advice or reference to actual legislation.

The information contained in this booklet is based upon the Budget Statement which may be altered in the course of its passage through Parliament.

No responsibility for loss occasioned by any person acting or refraining from action as a result of the information contained in this booklet can be accepted by the firm.

Trivial Benefits

Trivial Benefits are all benefits amounting to under £50 including VAT. Cash cannot be categorised as a Trivial Benefit, but gift vouchers can. Trivial Benefits must be available to all employees.

Homeworker Tax Free Allowances

HMRC continue to allow employers to pay £4 per week tax free, to compensate for the additional domestic costs incurred when an employee works regularly from home. This equates to £18 where paid monthly.

Useful Websites

Department for Work and Pensions	www.dwp.gov.uk
HM Revenue and Customs (HMRC)	www.hmrc.gov.uk
Directgov	www.directgov.uk

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www.dataplancharity.co.uk

Tel: 03331 123456

Dataplan Payroll Ltd, 1 Prince Albert Gardens,
Grimsby, DN31 3AG