

10-22 Rates for Income Tax, UC Benefit Rates and Social Security Contributions from April 2022

Contents	Paragraphs
Introduction	1
Uprating	
Benefit Rates	2
Housing costs non-dependant contribution	3
Earned income- work allowance	4
Social Security Contributions	
Class 1 Contributions	5
Class 2 Contributions	6
Small Profits Threshold	7
Class 4 Contributions	8
Class 4 Rate	9
Income Tax	
Allowances	10 - 11
Employment Rights - Increase of Limits	12
The Maximum Weekly Amount	13
Statutory Guarantee Payments	14
Carer's Allowances - Earnings Limit	15
Annotations	
Contacts	

INTRODUCTION

1. This memo contains details about the income tax and the Social Security contribution rates for

2022/2023 and the increase in UC benefit rates from 11.4.22. The rates are introduced by the [Social Security Benefits Uprating Order 2022](#) (SI 2022/292) and the [Social Security \(Contributions\) \(Rates, Limits and Thresholds Amendments and National Insurance Funds Payments\) Regulations 2022](#) (SI 2022/232). This memo also contains guidance on the [Employment Rights \(Increase of Limits\) Order 2022](#) (SI 2022/182) which come into effect from 06.4.22.

UPRATING

Benefit rates

2. New rates of UC will apply from the first day of the first assessment period which commences on or after 11.4.22. DMs can find the new rates in the benefit uprating schedule and benefit desk aids and should bear them in mind when reading examples in the ADM that contain benefit rates.

Housing costs non-dependant contribution

3. Where a non-dependant lives with the claimant, a contribution may be appropriate. The contribution is made in the form of a deduction from the allowable housing costs¹. Where applicable ([see ADM F3140](#)) the rate of deduction is £77.87

1 UC Regs, Sch 4, para 14(1)

Earned income – work allowance

4. The appropriate work allowance is¹

1. Higher work allowance	Amount
Single claimant -	
responsible for a child or qualifying young person and/or has limited capability for work	£573
Joint claimants -	
responsible for one or more children or qualifying young persons and/or where one or both have limited capability for work	£573
2. Lower work allowance	
Single claimant -	
responsible for one or more children or qualifying young persons and/or has limited capability for work	£344

Joint claimants -	
responsible for one or more children or qualifying young persons and/or where one or both have limited capability for work	£344

1 UC Regs, reg 22

SOCIAL SECURITY CONTRIBUTIONS

Class 1 contributions

5. From 11.4.22 the new earnings limits¹ are as follows:

LEL -	£123 weekly
UEL -	£967 weekly (no change)

1 C & B Act 92, s 5

Class 2 contributions

6. The ordinary Class 2 rate¹ increases to £3.15 per week.

The share fisherman rate² remains at £3.70

1 C & B Act 92, s 11(2); 2 s 11(4)

Small profits threshold

7. The small profits threshold limit¹ increases to £6,725

1 C & B Act 92, s 13(1)

Class 4 contributions

8. The rates for Class 4 contributions¹ are:

Lower level	-	£9,880 per year
Higher level	-	£50,270 per year (no change)

1 C & B Act 92 s 15(3)(a), 18(1)(c)(1A)(1)

Class 4 rate¹

9.

£9,880 to £50,270	-	9%
Above £50,270	-	2%

1 C & B Act 92, s 15(3ZA)

INCOME TAX

Allowances

10. The rates for allowances remain unchanged and are

Personal allowance	-	£12,570
--------------------	---	---------

11. Rates

The rates for tax remain unchanged and are

Basic rate of 20%	-	£12,571 to £50,270
Higher rate 40%	-	over £50,270
Additional rate 45%		over £150,000

Employment Rights – increase of limits

12. From 11.4.22 the rates for the maximum weekly amount and the statutory guarantee payments increase.

The maximum weekly amount

13. The maximum weekly amount¹ from 11.4.22 is increased from £544 to £571.

¹ The Employment Rights Act 1996, s 186(1)(a)(b)

Statutory guarantee payments

14. The daily rate of the statutory guarantee payment¹ from 11.4.22 increases to £31.

Carer's Allowance – earnings limit

15. The Carer's allowance weekly earnings limit¹ from 11.4.22 increases to £132.

1 The Social Security (Invalid Care Allowance) Regulation, reg 8(1)

Annotations

Please annotate the number of this memo (Memo ADM 10/22) against the following ADM paragraphs:

[F3140](#), [H4110](#) (heading) [Appendix 2 of Chapter S2](#), [Appendix 2 of Chapter V4](#).

Contacts

If you have any queries about this memo, please write to Decision Making and Appeals (DMA) Leeds, 3E zone E, Quarry House, Leeds. Existing arrangements for such referrals should be followed, as set out in Memo [7/19](#) Requesting case guidance from DMA Leeds for all benefits.

DMA Leeds: April 2022