

**INCOME TAX RATES, IS/JSA/ESA/SPC BENEFIT RATES,  
AND SOCIAL SECURITY CONTRIBUTIONS RATES FROM  
APRIL 2017.**

<b>Contents</b>	<b>Paragraphs</b>
Introduction	1
Uprating	
Benefit Rates	2
Housing costs non-dependant deductions IS/JSA(IB)/ESA(IR)/SPC	3
Statutory guarantee payments	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	
Rates	10
Annotations	
Contacts	

**INTRODUCTION**

- 1 This memo contains details about the income tax and the Social Security contribution rates for 2017/2018 and the increase in some IS/JSA/ESA/SPC benefit rates from 10.4.17. The rates are introduced by the Social Security Benefits Up-rating Order

2017 (SI 2017/260), the Social Security (Contributions) (Rates, Limits and Thresholds Amendments and National Insurance Funds Payments) Regulations 2017 (SI 2017/415). The Employment Rights (Increase of Limits) Order 2017 (SI 2017/175) and The Social Security (Contributions) (Re-rating) Consequential Amendment Regulations 2017 (SI 2017/416)

## UPRATING

### Benefit rates

- 2 Any new rates of IS/JSA/ESA/SPC benefit will apply from the first day of the first benefit week to commence on or after 10.4.17. DMs can find the new rates in benefit desk aids and should bear them in mind when reading examples in the DMG that contain benefit rates.

### Housing costs non-dependant deductions - IS/JSA(IB)/ESA(IR)/SPC

- 3 Where a non-dependant lives with the claimant, a deduction from the allowable housing costs may be appropriate (see [DMG 23756](#), [DMG 44586](#) or [DMG 78500 et seq.](#)). See [Appendix 7](#) to DMG Chapter 23 for details of previous rates appropriate to IS/JSA, [Appendix 5](#) to DMG Chapter 44 for details of previous rates appropriate to ESA and [Appendix 4](#) to DMG Chapter 78 for details of previous rates appropriate to SPC. The new rates of deduction are:

Gross weekly income	Deduction
less than <b>£136.00</b>	£14.80
£136.00 to <b>£199.99</b>	£34.00
£200.00 to <b>£258.99</b>	£46.65
£259.00 to <b>£345.99</b>	£76.35
£346.00 to <b>£429.99</b>	£86.95
<b>£430.00</b> or more	£95.45

### Statutory guarantee Payments

- 4 Limit on amount of guarantee payment payable

£27.00 in respect of any day

## SOCIAL SECURITY CONTRIBUTIONS

### **Class 1 contributions**

5 From 10.4.17 the new earnings limits are as follows:

LEL - £113 weekly

UEL - £866 weekly

### **Class 2 contributions**

6 The ordinary Class 2 rate is £2.85 per week.

The share fisherman rate is £3.50.

### **Small profits threshold**

7 The small profits threshold limit is £6,025.

### **Class 4 contributions**

8 The rates for Class 4 contributions are:

Lower level - £8,164 per year

Higher level - £45,000 per year

### **Class 4 rate**

9 £8,164 to £45,000 - 9%

Above £45,000 - 2%

## **INCOME TAX**

### **Rates**

10 The rates for tax are

Basic rate of 20% - up to £33,500

Higher rate 40% - over £33,500

Additional rate 45% - over £150,000

## **ANNOTATIONS**

Please annotate the number of this memo (Memo DMG 5/17) against the following DMG paragraphs:

Appendix 7 to Chapter 23, Appendix 2 & 3 to Chapter 26, Appendix 1 & 2 to Chapter 27, 33413, Appendix 5 to Chapter 44, 46223, Appendix 2 & 3 to Chapter 49, 60051, Appendix 4 to Chapter 78, 79422.

## **CONTACTS**

If you have any queries about this memo, please write to Decision Making and Appeals (DMA) Leeds, 1S25, Quarry House, Leeds. Existing arrangements for such referrals should be followed, as set out in Memo DMG 03/13 - Obtaining legal advice and guidance on the Law.

**DMA Leeds: March 2017**

**The content of the examples in this document (including use of imagery) is for illustrative purposes only**