

## RATES FOR INCOME TAX, UC BENEFIT RATES AND SOCIAL SECURITY CONTRIBUTIONS FROM APRIL 2019

Introduction	1
Up-rating	
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 allowance – increase of earnings limit	15
Annotations	
Contacts	

### INTRODUCTION

1. This memo contains details about the income tax and the Social Security contribution rates for 2019/2020 and the increase in UC benefit rates from 8.4.19. The rates are introduced by the Welfare Benefits Up-rating Order 2019 (SI 2019/480), the Social Security (Contributions) (Re-rating) Consequential Amendment Regulations

2019 (SI 2019/555), and the Social Security (Contributions) (Rates, Limits and Thresholds Amendments and National Insurance Funds Payments) Regulations 2019 (SI 2019/262). This memo also contains guidance on the Employment Rights (Increase of Limits) Order 2019 (SI 2019/324) which come into effect from 6.4.19.

## UPRATING

### Benefit rates

2. New rates of UC will apply from the first day of the first assessment period which commences on or after 8.4.19. 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 a deduction from the allowable housing costs. Where applicable (see ADM F3140) the rate of deduction is £73.89

### Earned income – work allowance

4. The appropriate work allowance is<sup>1</sup>

<b>1. Higher work allowance</b>	<b>Amount</b>
Single claimant -	
responsible for a child or qualifying young person and/or has limited capability for work	£503
Joint claimants -	
responsible for one or more children or qualifying young persons and/or where one or both have limited capability for work <sup>1</sup>	£503
<b>2. Lower work allowance</b>	
Single claimant -	
responsible for one or more children or qualifying young persons and/or has limited capability for work	£287
Joint claimants -	

responsible for one or more children or qualifying young persons and/or where one or both have limited capability for work <sup>1</sup>	£287
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*1 UC Regs, reg 22*

## **SOCIAL SECURITY CONTRIBUTIONS**

### **Class 1 contributions**

5. From 8.4.19 the new earnings limits are as follows:

LEL - £118 weekly

UEL - £962 weekly

### **Class 2 contributions**

6. The ordinary Class 2 rate is £3.00 per week.

The share fisherman rate is £3.65.

### **Small profits threshold**

7. The small profits threshold limit is £6,363.

### **Class 4 contributions**

8. The rates for Class 4 contributions are:

Lower level - £8,424 per year

Higher level - £50,000 per year

### **Class 4 rate**

9. £8,632 to £50,000 - 9%

Above £50,000 - 2%



## INCOME TAX

### Allowances

10. The rates for allowances are

Personal allowance	-	£12,500
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11. Rates

The rates for tax are

Basic rate of 20%	-	£12,500 to £50,000
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Higher rate 40%	-	over £50,000
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Additional rate 45%	-	over £150,000
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## EMPLOYMENT RIGHTS – INCREASE OF LIMITS

12. From 6.4.19 the rates for the maximum weekly amount and statutory guarantee payments increase<sup>1</sup>.

*1 The Employment Rights (Increase of Limits) Order 2019, art 1(1)*

### The maximum weekly amount

12. The maximum weekly amount from 6.4.19 is increased from £508 to £525<sup>1</sup>.

*1 The Employment Rights (Increase of Limits) Order 2019, Sch, para 8*

### Statutory guarantee payments

13. The daily rate of the statutory guarantee payment from 6.4.19 is increased from £28 to £29<sup>1</sup>.

*1 The Employment Rights (Increase of Limits) Order 2019, Sch, para 4*



## CARER'S ALLOWANCE – INCREASE OF EARNINGS LIMIT

14. The Carer's allowance weekly earnings limit from 8.4.19 is increased from £120 to £123<sup>1</sup>.

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

## ANNOTATIONS

Please annotate the number of this memo (Memo ADM 06/19) against the following ADM paragraphs: F3140, 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 DMG 23/16](#) - Obtaining legal advice and guidance on the Law.

DMA Leeds: March 2019

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