

Department for Work and Pensions

DECISION MAKING AND APPEALS

Decision Makers Guide

Volume 3

Amendment 58 – June 2019

1. This letter provides details on Amendment 58; the changes have already been incorporated in to the Intranet and Internet versions of the DMG.
2. PDF amendment packages are also available on the Internet (see link below). These can be printed with the amended pages being reproduced in full. Each page will contain the amendment number in the footer.

<https://www.gov.uk/government/publications/decision-makers-guide-vol-3-subjects-common-to-all-benefits-staff-guide>

Note: When printing PDF packages set the print properties to Duplex/Long Edge in order to produce double sided prints.

3. Amendment 58 affects chapters 15 and 16. The changes:

Chapter 15 – 2019 figures added to Appendices 1, 2 and 6.

Chapter 16 - update the earnings limits at DMG 16222.
4. If using a PDF amendment package remove the sheets as stated in the left hand column of the Remove and Insert table below and insert the new sheets as stated in the right hand column (note the record of amendments at the back of the Volume).

Remove

Chapter 15

Appendix 1 – Appendix 2 (3 pages)
Appendix 6 (1 page)

Chapter 16

16220 – 16249 (1 page)

Insert

Chapter 15

Appendix 1 – Appendix 2 (3 pages)
Appendix 6 (1 page)

Chapter 16

16220 – 16249 (1 page)

Appendix 1

Notional deductions for income tax (see DMG 15650 - 15680)

Income tax allowances

1. The personal income tax allowance for someone under 65 is as follows.

	12/13	13/14	14/15	15/16	16/17	17/18	18/19	19/20
	£	£	£	£	£	£	£	£
Personal under 65	8,105	9,440	10,000	10,600	11,000	11,500	11,850	12,500

Basic rates of tax

2. Income tax is payable on taxable income.

Note: there are different rates for Scotland from 18/19 – see 3 below.

	£	
11/12	- 1 – 35,000	at basic rate of 20%
12/13	- 1 – 34,370	at basic rate of 20%
13/14	- 1 – 32,010	at basic rate of 20%
14/15	- 1 – 31,865	at basic rate of 20%
15/16	- 1 – 31,785	at basic rate of 20%
16/17	- 1 – 32,000	at basic rate of 20%
17/18	- 1 – 33,500	at basic rate of 20%
18/19	- 1 – 34,500	at basic rate of 20%
19/20	- 1 – 37,500	at basic rate of 20%

3. Scottish Income Tax Rates

18/19	-	1 – 13,850	at starter tax rate of 19%
	-	13,851 – 24,000	at basic rate of 20%
	-	24,001 – 43,430	at intermediate rate of 21%
19/20	-	1 – 14,549	at starter rate of 19%
	-	14,550 – 24,944	at basic rate of 20%
	-	24,945 – 43,430	at intermediate rate of 21%

Appendix 2

Notional deductions for Social Security contributions (see DMG 15681 et seq)

Class 1 contributions

1. The Class 1 SS contribution for any week or month is based on the percentage rate appropriate to the band that the estimated gross earnings fall.

Earnings Bands 11/12

Earnings

1. £139 or less weekly

Percentage rates

NIL

2. £139.01 or more weekly to UEL

12%

3. £817.01 weekly and above

2%

Earnings Limits 11/12

Lower earnings limit

weekly £102

Upper earnings limit

weekly £817

Earnings Bands 12/13

Earnings

1. £146 or less weekly

Percentage rates

NIL

2. £146.01 or more weekly to UEL

12%

3. £817.01 weekly and above

2%

Earnings Limits 12/13

Lower earnings limit

weekly £107

Upper earnings limit

weekly £817

Earnings Bands 13/14

Earnings

1. £149 or less weekly

Percentage rates

NIL

2. £149.01 or more weekly to UEL

12%

3. £797.01 weekly and above

2%

Earnings Limits 13/14

Lower earnings limit

weekly £109

Upper earnings limit

weekly £797

Earnings Bands 14/15

Earnings

1. £153 or less weekly

Percentage rates

NIL

2. £153.01 or more weekly to UEL

12%

3. £805.01 weekly and above

2%

Earnings Limits 14/15

Lower earnings limit

weekly £111

Upper earnings limit

weekly £805

Earnings Bands 15/16

Earnings	Percentage rates
1. £155 or less weekly	NIL
2. £155.01 or more weekly to UEL	12%
3. £815.01 weekly and above	2%

Earnings Limits 15/16

Lower earnings limit weekly £112
Upper earnings limit weekly £815

Earnings Bands 16/17

Earnings	Percentage rates
1. £155 or less weekly	NIL
2. £155.01 or more weekly to UEL	12%
3. £827.01 weekly and above	2%

Earnings Limits 16/17

Lower earnings limit weekly £112
Upper earnings limit weekly £827

Earnings Bands 17/18

Earnings	Percentage rates
1. £157 or less weekly	NIL
2. £157.01 or more weekly to UEL	12%
3. £866.01 weekly and above	2%

Earnings Limits 17/18

Lower earnings limit weekly £113
Upper earnings limit weekly £866

Earnings Bands 18/19

Earnings	Percentage rates
1. £162 or less weekly	NIL
2. £162.01 or more weekly to UEL	12%
3. £892.01 weekly and above	2%

Earnings Limits 18/19

Lower earnings limit weekly £116
Upper earnings limit weekly £892

Earnings Bands 19/20

Earnings	Percentage rates
1. £166 or less weekly	NIL
2. £166 or more weekly to UEL	12%
3. £962 weekly and above	2%

Earnings Limits 19/20

Lower earnings limit weekly £118
Upper earnings limit weekly £962

Class 2 contributions

1. The weekly rates of Class 2 contributions are as follows.

	13/14	14/15	15/16	16/17	17/18	18/19	19/20
	£	£	£	£	£	£	£
Ordinary Class 2 rate	2.70	2.75	2.80	2.80	2.85	2.95	3.00
Share fisherman rate	3.35	3.40	3.40	3.45	3.50	3.60	3.65

Small earnings exception/Small profits threshold

1. The rates of the small earnings exception and small profits threshold are as follows.

	12/13	13/14	14/15	15/16	16/17	17/18	18/19	19/20
	£	£	£	£	£	£	£	£
Earnings limit	5,595	5,725	5,885	5,965	5,965	6,025	6,205	6,365

Class 4 contributions

2. The weekly rates of Class 4 contributions are as follows.

	12/13	13/14	14/15	15/16	16/17	17/18	18/19	19/20
	£	£	£	£	£	£	£	£
Lower level	7,605	7,755	7,956	8,060	8,060	8,164	8,424	8,632
Higher level	42,475	41,450	41,865	42,358	43,000	45,000	46,350	50,000
Percentage rate (taxable profits between lower & higher levels)	9%	9%	9%	9%	9%	9%	9%	9%
Percentage rate (taxable profits over higher level)	2%	2%	2%	2%	2%	2%	2%	2%

Appendix 6

Maximum weekly amount (See DMG 15262 - 15263)

Amounts specified in section 227(1) of the Employment Rights Act 1996.

From 1.2.05	280
From 1.2.06	290
From 1.2.07	310
From 1.2.08	330
From 1.2.09	350
From 1.10.09	380
From 1.2.11	400
From 1.2.12	430
From 1.2.13	450
From 6.4.14	464
From 6.4.15	475
From 6.4.16	479
From 6.4.17	489
From 6.4.18	508
From 6.4.19	525

Earnings

Earnings - child dependants

16220 Where the claimant is one of two persons who are

1. spouses living together **or**
2. an unmarried couple who are LTAMC

and the other person had earnings in the benefit week before that in which the increase is to be paid, the amount of the increase may be reduced by those earnings¹.

Note: For IIDB purposes, this also applies to civil partners living together or a same-sex couple who are LTAMC².

*1 SS CB Act 92, s 80(3)-(7) & 90(b); SS Ben (Dep) Regs, Sch 2, para 2A - 2C;
2 SS CB Act 92, Sch 7, para 4(3)(a)(ii)*

16221 The benefits affected¹ are

1. IBST(H)
2. RP
3. IBLT
4. SDA
5. IIDB (with US)
6. CA.

1 SS CB Act 92, s 80(2) & 90(b) & Sch 7, para 4

16222 Where the claimant's partner had earnings of £240 or more in the benefit week before that in which the increase is to be paid, no increase will be paid for the first child or qualifying young person¹. After this, the rule operates in steps of £32. For each multiple of £32 by which the earnings exceed £240, the increase for a further child or qualifying young person will not be payable².

*1 SS CB Act 92, s 80(4)(a) & Sch 7, para 4(4)(a); WR Act 09, s 37(1); SS Ben (Dep) Regs, Sch 2, para 2B(a);
2 SS CB Act 92, s 80(4)(b) & Sch 7, para 4(4)(b); WR Act 09, s 37(1); SS Ben (Dep) Regs, Sch 2, para 2B(b)*

Example

A claimant is living with his wife and they have three children.

Earnings in previous week	Increase payable for
Nil to £239	three children
£240 to £271	two children
£272 to £303	one child
£304 or more	no children.

The DM's decision does not remove entitlement but only affects the payment of CDIs.

16223 Earnings affect payment of the increase from

1. the pay-day (for IIDB (with US), RP and CA) **and**
2. the period of seven days ending on the day benefit is due to be paid (for IB and SDA)

following the week in which the earnings are calculated.

Earnings for less than a week

16224 When considering the earnings rule the DM should consider the **total** earnings in the previous week. Where the claimants partner does not work for a full week, the earnings from the days worked may still affect the whole benefit to be paid in the next week. If that person works only one day but on that day earns more than the prescribed weekly amount, no increase is paid in the next week.

Occupational and personal pensions

16225 Payments of occupational and personal pension are taken into account when calculating earnings unless savings provisions apply (see DMG Chapter 15).

16226 - 16249