

07-22 Income Tax Rates, IS/JSA/ESA/SPC Benefit Rates and Social Security Contributions Rates from April 2022

Contents	Paragraphs
Introduction	1
Up-rating	
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 Profit 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 2022/2023 and the increase in some IS/JSA/ESA/SPC benefit rates from 11.4.22. The rates are introduced by the [Social Security Benefits Up-rating 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 6.4.22.

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 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 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 appropriate¹ (see [DMG 23756](#), [DMG 44586](#) or [DMG 78500 et seq.](#)). The new rates of deduction are:

Gross weekly income	Deduction
less than £154.00	£16.45
£154.00 to £223.99	£37.80
£224.00 to £291.99	£51.85
£292.00 to £388.99	£84.85
£389.00 to £483.99	£96.60
£484.00 or more	£106.05

¹ IS Regs, Sch 3, para 18; JSA Regs, Sch 2, para 17; ESA Regs, Sch 6, para 19;
SPC regs, Sch II, para 14

Statutory Guarantee Payments

4. Limit on amount of a guarantee payment payable¹ increases to

£31.00 in respect of any day

¹ Employments Rights Act 1996, s 31(1)

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

Rates

10. The rates for tax remain unchanged and are

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

ANNOTATIONS

Please annotate the number of this memo (Memo DMG 07/22) against the following DMG paragraphs:

[Appendix 4 to Chapter 23](#), [Appendix 2 & 3](#) to Chapter 26, [Appendix 1 & 2](#) to Chapter 27, [33413](#), [Appendix 3 to Chapter 44](#), [46223](#), [Appendix 2 & 3](#) to Chapter 49, [60051](#), [Appendix 1](#) to Chapter 78, [79422](#).

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: April 2022