

02-24: Rates for Income Tax, IS/JSA/ESA/SPC Benefit Rates and Social Security Contributions Rates from April 2024

Introduction	1
Uprating	
Benefit rates	2
Housing costs non-dependant deduction IS/JSA(IB)/ESA(IR)/SPC	3
Third party deductions for miscellaneous accommodation costs	4
Statutory guarantee payments	5
Social Security Contributions	
Class 1 contributions	6
Class 2 contributions	7
Small profits and lower profits threshold	8 -9
Class 4 contributions	10
Class 4 rate	11
Income Tax	
Rates	12 - 13
Annotations	
Contacts	

Introduction

1. This memo contains details about the income tax and the Social Security contribution rates for 2024/2025 and the increase in some IS/JSA/ESA/SPC benefit rates from 08.04.24. The rates are introduced by the Social Security Benefits Up-rating Order 2023 ([SI 2024/242](#)), the Social Security (Contributions) (Limits and Thresholds, National Insurance Funds Payments and Extension of Veterans Relief) Regulations 2024 ([SI 2024/249](#)) and the Social Security Benefit Up-rating Regulations 2024 ([SI 2024/386](#)). This memo also contains guidance on the Employment Rights (Increase of Limits) Order 2024 ([SI 2024/213](#)) which come into effect from 08.04.24.

UPRATING

Benefit rates

2. Any new rates of IS/JSA/ESA/SPC will apply from the first day of the first benefit week which commences on or after 08.04.24. 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 – IS/JSA/ESA/SPC

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

Gross weekly income	Deduction
less than £176.00	£19.30
£176.00 to £255.99	£44.40
£256.00 to £333.99	£60.95
£334.00 to £444.99	£99.65
£445.00 to £553.99	£113.50
£554.00 or more	£124.55

[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](#)

Third party deductions for miscellaneous accommodation costs.

4 When a third-party deduction for miscellaneous accommodation costs is determined, the amount allowed for personal expenses for a person in certain accommodation increases to £31.75.

[1 SS \(C&P\) Regs, Sch 9, para 4\(2A\)](#)

Statutory Guarantee Payments

5 The limit on amount of a guarantee payment payable¹ increases to;

£38.00 in respect of any day.

[1 Employment Rights Act 1996, s31\(1\)](#)

SOCIAL SECURITY CONTRIBUTIONS

Class 1 contributions

6. From 08.04.24 the earnings limits¹ remain as follows;

LEL	£123 weekly
UEL	£967 weekly

[1 C&B Act 92, s5](#)

Class 2 contributions.

7. The ordinary Class 2 rate¹ remains at £3.45 per week.

The share fisherman rate remains at £4.10

[1 C&B Act 92, s11\(2\); 2 s11\(4\)](#)

Small profits and lower profits thresholds

8. The lower profits threshold remains at £12,570¹.

9. The small profits threshold remains² at £6,725.

1 [C&B Act 92, s11\(4\)\(a\)](#); 2 [s11\(4\)\(b\)](#)

Class 4 contributions.

10. The rates for Class 4 contributions¹ are;

Lower level	£12,570 per year
Higher level	£50,270 per year

1 [C&B Act 92 s15\(3\)\(a\), 18\(1\)\(c\)\(1A\)\(1\)](#)

Class 4 rate¹.

11.

£12,570 to £50,270	8 %
Above £50,270	2 %

1 [C&B Act 92, s15\(3ZA\)](#)

Income Tax

12. The rates for tax are:

Basic rate of 20%	From £12,570 to £50,270
Higher rate 40%	From £50,271 to £125,140
Additional rate	Above £125,140

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Annotations

The number of this memo, DMG Memo 02/24 should be noted at paragraphs;

[Appendix 4 to Chapter 23](#), [Appendix 2 & 3 to Chapter 26](#), [Appendix 1 & 2 to Chapter 27](#), [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 [4/19](#) Requesting case guidance from DMA Leeds for all benefits.

DMA Leeds: April 2024

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