

03-24: Rates for Income Tax, UC Benefit Rates and Social Security Contributions from April 2024

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Introduction

1. This memo contains details about the income tax and the Social Security contribution rates for 2023/2024 and the increase in UC benefit rates from 08.4.24. The rates are introduced by the Social Security Benefits Up-rating Order 2024 ([SI 2024/242](#)) and 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. New rates of UC will apply from the first day of the first assessment period 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

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. Where applicable ([see ADM F3140](#)) the rate of deduction is £91.47

1 [UC Regs, Sch 4, para 14\(1\)](#)

Earned income – work allowance

4. The appropriate work allowance is¹

1. Higher work allowance	Amount
Single claimant -	
responsible for a child or qualifying young person and/or has limited capability for work	£673
Joint claimants -	

responsible for one or more children or qualifying young persons and/or where one or both have limited capability for work	£673
2. Lower work allowance	
Single claimant -	
responsible for one or more children or qualifying young persons and/or has limited capability for work	£404
Joint claimants -	
responsible for one or more children or qualifying young persons and/or where one or both have limited capability for work	£404

1 [UC Regs, reg 22](#)

Transitional SDP element

5. [M6761](#) gives guidance on the transitional SDP element included in the first assessment period (AP) of an award of UC. For awards of UC where the first AP begins on or after 08.04.24, the amounts are

1. for a single claimant¹

1.1 £140.97 if the LCWRA element is included **or**

1.2 £334.81 if the LCWRA element is not included **or**

2. for joint claimants²

2.1 £475.79 if the higher SDP rate³ was payable **or**

2.2 £140.97 if **2.1** does not apply and the LCWRA element is included for either of the claimants **or**

2.3 £334.81 if **2.1** does not apply and the LCWRA element is not included for either of the claimants.

1 [UC \(TP\) Regs, Sch 2 para 5\(a\); 2 para 5\(b\); 3 IS \(Gen\) Regs, Sch 2 para 15\(5\)\(b\);](#)

[JSA Regs 96, Sch 1 para 20\(6\)\(b\); ESA Regs 08, Sch 4 para 11\(2\)\(b\)](#)

Transitional SDP element – the Additional Amount

6. [ADM Memo 01/24](#) and [M6771](#) give guidance on the extra benefit (the ‘Additional Amount’) paid from 14.02.24, to certain UC claimants who are entitled to the transitional SDP element (or transitional SDP amount) and who were also previously entitled to an enhanced disability premium, a disability premium or a child disability premium/element in certain legacy benefits. From 08.04.24 the Additional Amount is:

1. for a single claimant;

1.1 with an enhanced disability premium, £89.63

1.2 with a disability premium, £183.52

1.3 with a disabled child premium or disabled child element, £188.86 per disabled child

2. for joint claimants;

2.1 with an enhanced disability premium, £128.04

2.2 with a disability premium, £262.48

2.3 with a disabled child premium, £188.86 per disabled child.¹

[1 UC TP Regs 2014, Sch 3 Para 5](#)

Third party deductions for miscellaneous accommodation costs

7 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 £31.75¹.

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

SOCIAL SECURITY CONTRIBUTIONS

Class 1 contributions

8. 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

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

The share fisherman rate² remains at £4.10

1 [C&B Act 92, s11\(2\)](#); 2 [The SS \(Contributions\) Regs 2001, reg 125\(c\)](#)

Small profits and lower profits thresholds

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

11. The small profits threshold² remains at £6,725

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

Class 4 contributions

12. The rates for Class 4 contributions¹ remain the same and 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

13.

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

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

INCOME TAX

Allowances

14. The rates for allowances remain unchanged and are

Personal allowance	- £12,570
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Rates

15. The rates for tax are:

Basic rate of 20%	- £12,571 to £50,270
Higher rate 40%	- £50,271 to £125,140
Additional rate 45%	- Above £125,140

employment rights – increase of limits

16. From 08.04.24 the rates for the maximum weekly amount and the statutory guarantee payments are;

The maximum weekly amount

17. The maximum weekly amount¹ from 08.04.24 is increased from £643 to £700.

¹ [The Employment Rights Act 1996, s186\(1\)\(a\)\(b\)](#)

Statutory guarantee payments

18. The daily rate of the statutory guarantee payment¹ from 08.04.24 increases to £38.

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

Carer's Allowance – Earnings limit

19. The Carer's allowance weekly earnings limit¹ from 08.04.24 increases to £151.

¹ [The Social Security \(Invalid Care Allowance\) Regulations, reg 8\(1\)](#)

ANNOTATIONS

Please annotate the number of this memo (Memo ADM 03/24) against the following ADM paragraphs: [F3140](#), [H4110](#) (heading), [M6761](#), [M6771](#), [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 [7/19](#) Requesting case guidance from DMA Leeds for all benefits.

DMA Leeds: April 2024