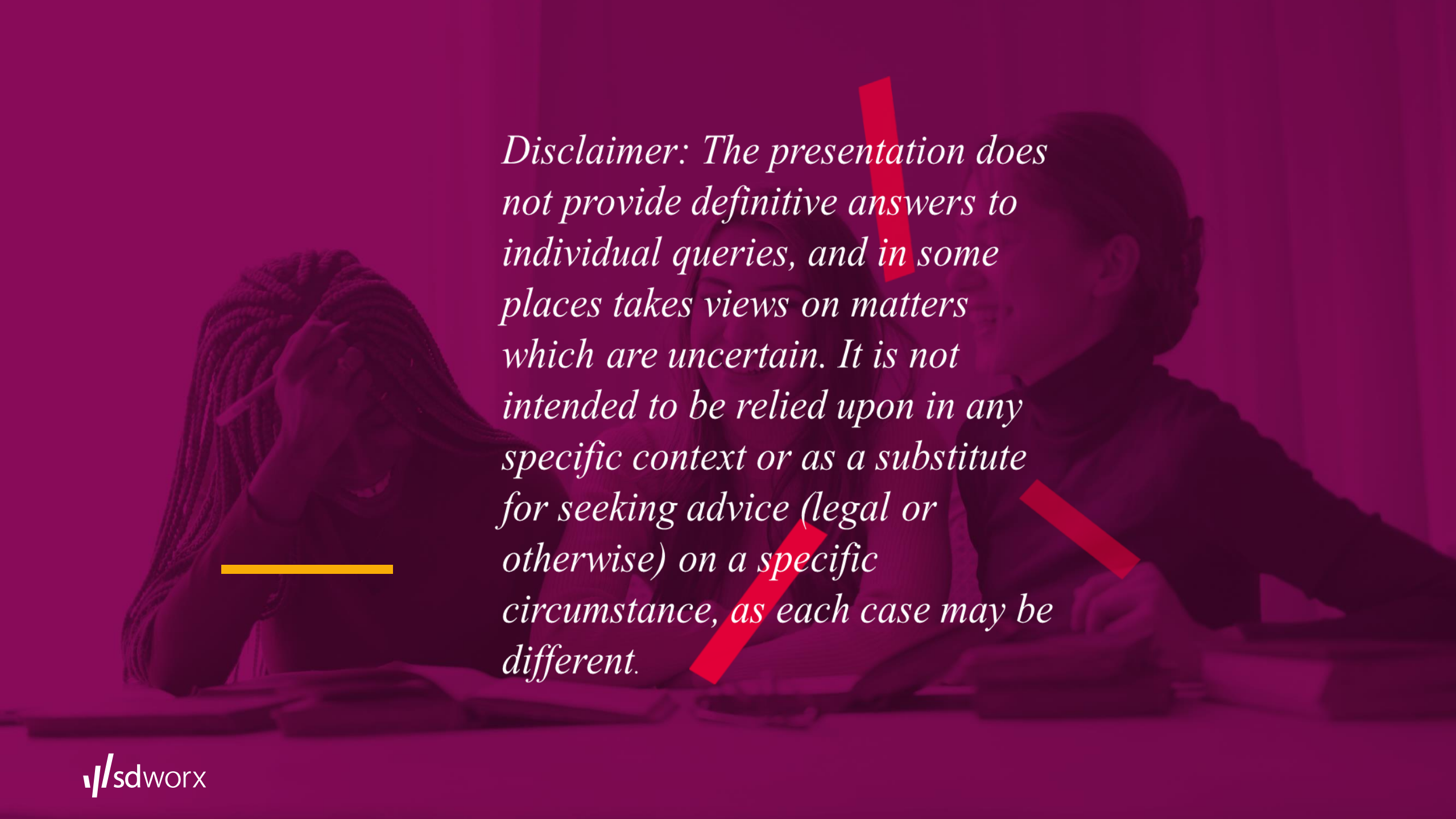




# SD Worx

Legislation update 2022



*Disclaimer: The presentation does not provide definitive answers to individual queries, and in some places takes views on matters which are uncertain. It is not intended to be relied upon in any specific context or as a substitute for seeking advice (legal or otherwise) on a specific circumstance, as each case may be different.*

# Welcome

Introduction & agenda

Tax

National Insurance

Statutory Payments

National Minimum Wage

Pension AE

Student Loans

Attachments & Arrestments

What's new



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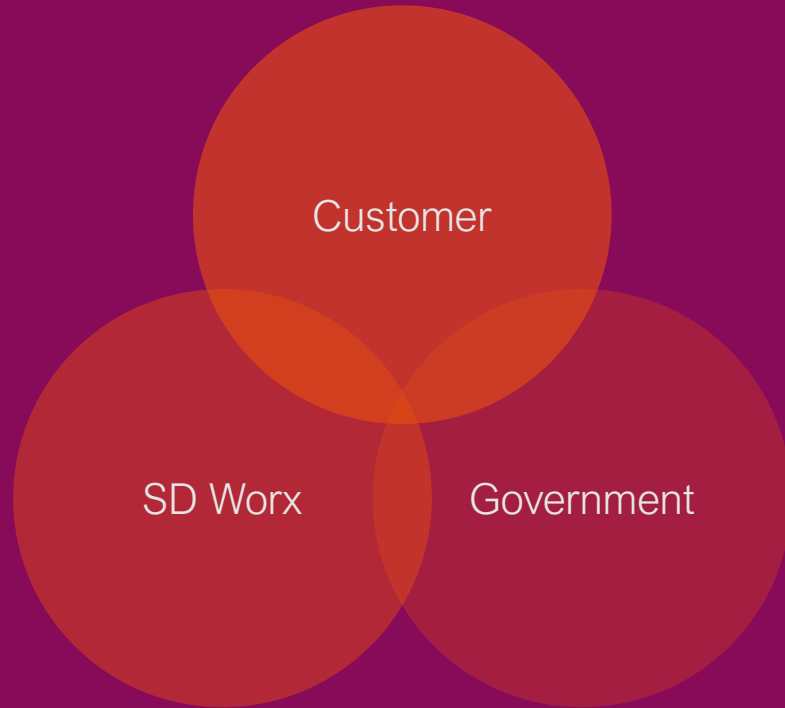
- Honorary Chairman, BCS Payroll Specialist Group (The Chartered Institute for IT)
- Chair, IReeN the electronic exchange with government user network

- HMRC: RBSG; EPG, BIB
- HMRC/DWP/BEIS: SPCG
- HMRC/BEIS/SLC: CSL
- Pension PIP and Pension BIB

# Thinking & acting outside in.

## Agility.

## Connecting.



Customers



Educate



Risk



Compliance

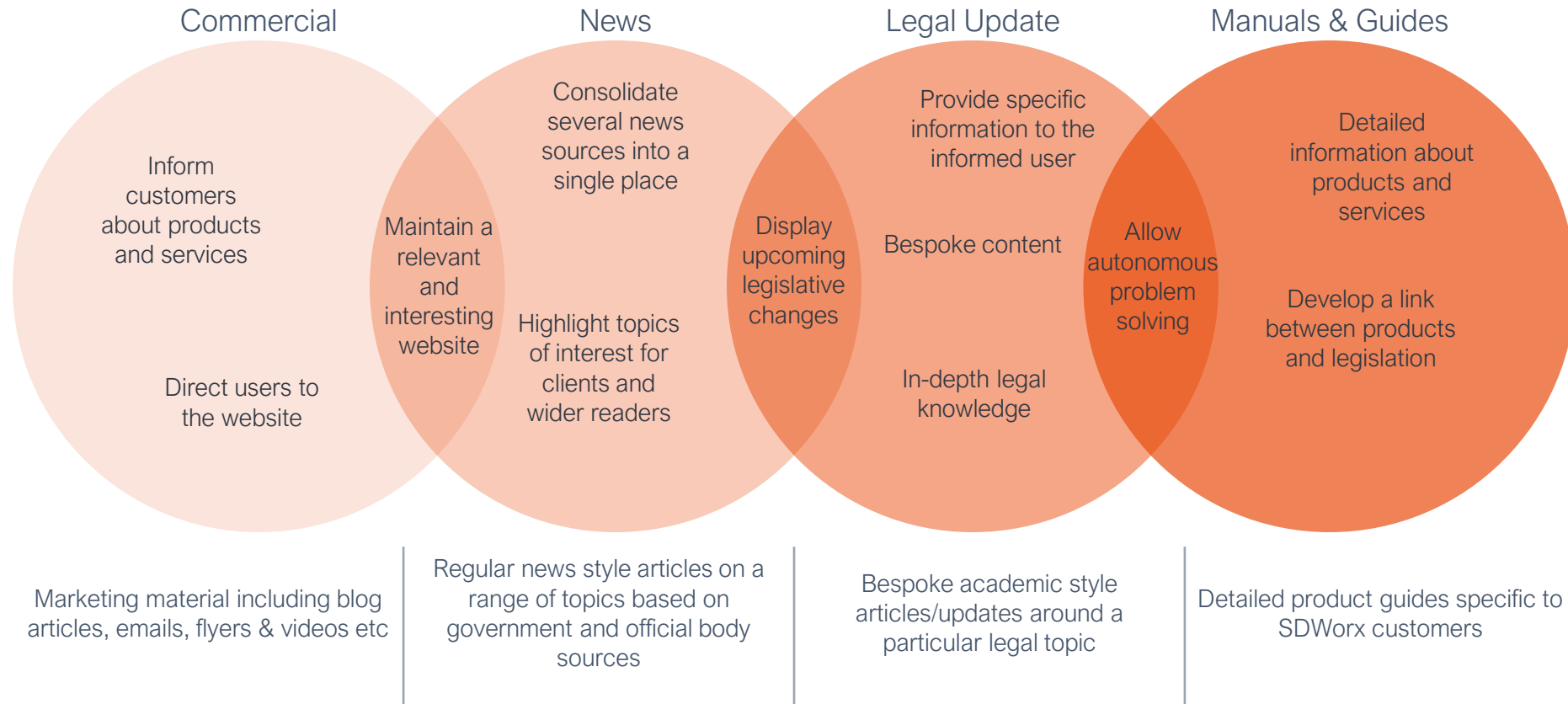


Prioritise



Opportunity

# Delivery of UK Knowledge



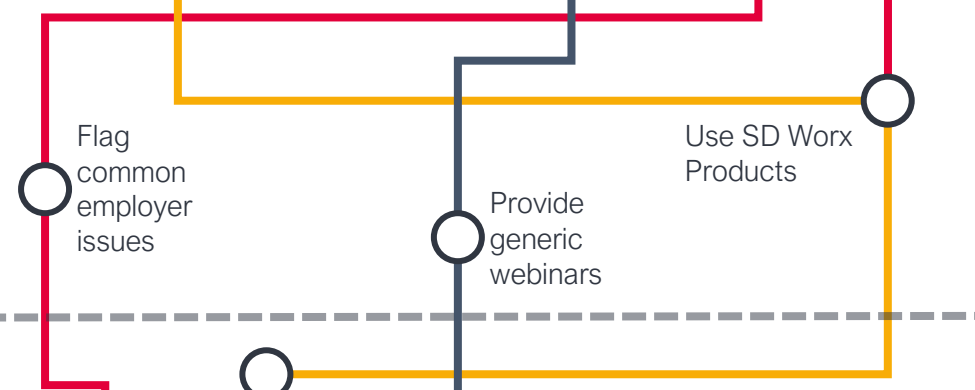
# Knowing the customer journey

*"Companies need to understand the journey their customer goes through, as the aim of customer intimacy revolves around forming long-term connections; they should have a journey map."*

## New beginnings.



## Developing.



## Advanced.



## Full integration.



Visit [sdworx.co.uk](https://sdworx.co.uk)

Visit Trustworx

Visit [payhr.uk](https://payhr.uk)

# Income Tax : Allowances and uplifts

A UK matter (not devolved)

Personal Allowance frozen at £12,570

No tax code uplifts in 2022

Indicated as being frozen until April 2026



# Income Tax: England and Northern Ireland

## rUK Tax bandwidths and rates – effective date 6<sup>th</sup> April 2022 (no change)

Basic Rate	20%	£1 - £37,700
Higher Rate	40%	£37,701 - £150,000
Additional Rate	45%	£150,001 and above



# Income Tax: Scotland

## Scottish Tax bandwidths and rates – effective from 6<sup>th</sup> April 2022

Starter Rate	$10\% + 9\% = 19\%$	£1 - <b><u>£2,162</u></b>
Basic Rate	$10\% + 10\% = 20\%$	<b><u>£2,163 - £13,118</u></b>
Intermediate Rate	$10\% + 11\% = 21\%$	<b><u>£13,119</u></b> - £31,092
Higher Rate	$30\% + 11\% = 41\%$	£31,093 - £150,000
Additional Rate	$35\% + 11\% = 46\%$	£150,001 and above



# Income Tax: Wales

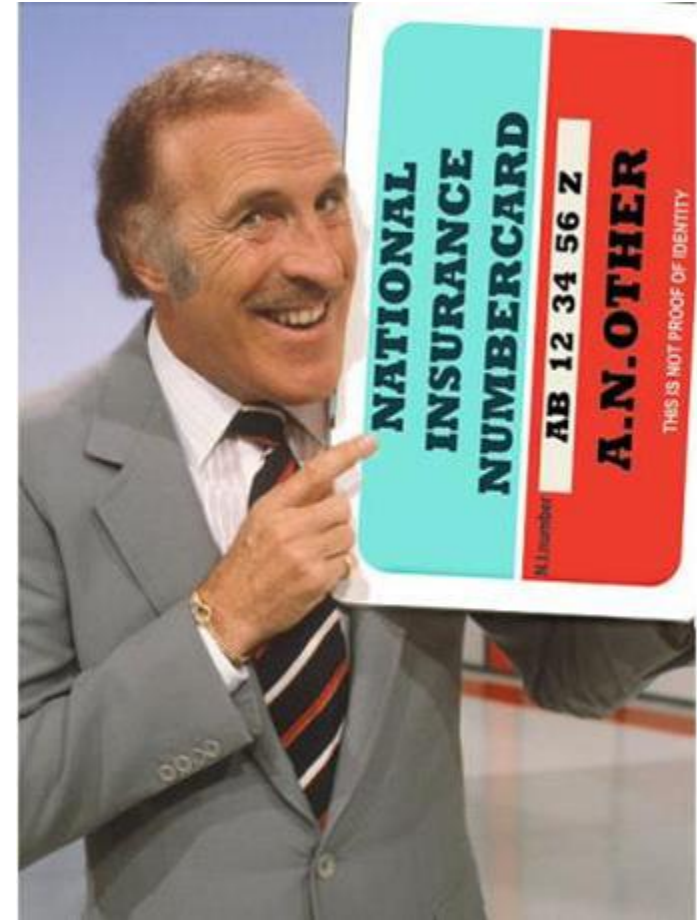
## Welsh Tax bandwidths and rates – effective date 6<sup>th</sup> April 2022

Basic Rate	$10\% + 10\% = 20\%$	£1 - £37,700
Higher Rate	$10\% + 30\% = 40\%$	£37,701 - £150,000
Additional Rate	$10\% + 35\% = 45\%$	£150,001 and above



# National Insurance – bands and thresholds

Threshold/limit	Weekly (£)	2 Weekly (£)	4 Weekly (£)	Monthly (£)	Annual (£)
LEL	123	246	492	533	6,396
PT	190	380	760	823	9,880
ST	175	350	700	758	9,100
FUST	481	962	1,924	2,083	25,000
UEL	967	1,934	3,867	4,189	50,270
UST	967	1,934	3,867	4,189	50,270
AUST	967	1,934	3,867	4,189	50,270
VUST	967	1,934	3,867	4,189	50,270



# National Insurance – Health & Social Care Levy

First year added to NICs:

Class 1 primary

Class 1 secondary

Class 1A – terms and sport

Class 1A – P11Db

Class 1B – PSA

Makes Salary Sacrifice more attractive

Payslip pretty please =



**1.25% uplift in NICs funds NHS, health & social care**

# National Insurance – Health & Social Care Levy

For employer who payroll and have a notional 13.8% calculation – this will need to be revised to 15.05% for 2022/2023 tax year and onwards.

Employer who share employer NIC salary sacrifice savings with employees – they may want to review the share rate.

And what about the future H&SCL



# NICs Holiday for Employers of Veterans (NHEV)

The relief applies from April 2021, however HMRC were unable to ready their systems in time for real time operations and employers will be expected to pay NICs as normal and undertake a reclaim process for the 2021/2022 tax year.

For the 2022/2023 tax year a new NIC category letter 'V' is introduced.



Name	Engine code
Veterans NI End Date (required for Veterans)	E089

# V

# Freeports Employer NICs Relief (FENR).

3 years of employer  
NIC relief for new jobs  
in Free Ports

For the 2022/2023 tax  
year new NIC category  
letters 'F', 'I', 'S' and 'L'  
are introduced.

# FISL

Name	Engine code
Freeport NI End Date (required for Freeport cases)	E091

- **F - (standard category letter),**
- **I - (married women & widows entitled to pay reduced NICs),**
- **S - (employees over the state pension age)**
- **L - (employees who can defer paying 13.25% NICs and pay only 3.25% because they are already paying it in another job).**

# National Insurance – Contributions

	Primary Contributions (employee)					Secondary Contributions (Employer)			
	A/F/H/M/V	B/I	C/S	J/L/Z	X	A/B/C/J	H/M/V/Z	F/I/L/S	X
Below LEL	Nil								
LEL to PT	0%		Nil	0%	Nil	N/A			
PT to UEL / UST / AUST	13.25% (12%)	7.10% <b>(5.85%)</b>		3.25% (2%)					
LEL to ST	N/A					0%	0%	0%	Nil
ST to FUST						15.05% (13.8%)		15.05% (N/A)	
FUST to UEL / UST / AUST / VUST									
Above UEL / UST / AUST / VUST	3.25% (2%)		Nil	3.25% (2%)	Nil	15.05% (13.8%)			

# National Insurance – Mariners

	Primary Contributions (employee)				Secondary Contributions (Employer)		
	R/G/Y	T	W	Q/P	R/T/W/Q	G/Y/P	
Below LEL	Nil						
LEL to PT	0%		Nil	0%	N/A		
PT to UEL / UST / AUST	<b>13.25%</b> (12%)	<b>7.10%</b> (5.85%)		<b>3.25%</b> (2%)			
LEL to ST	N/A				0%	0%	
ST to FUST					14.55% (13.3%)		
FUST to UEL / UST / AUST / VUST							
Above UEL / UST / AUST / VUST	<b>3.25%</b> (2%)		Nil	<b>3.25%</b> (2%)	14.55% (13.3%)		

# National Minimum Wage

The NLW and NMW rates from 1 April 2022 are:

	Rate from April 2022	Current rate (April 2021 to March 2022)	Increase
National Living Wage	£9.50	£8.91	6.6%
21-22 Year Old Rate	£9.18	£8.36	9.8%
18-20 Year Old Rate	£6.83	£6.56	4.1%
16-17 Year Old Rate	£4.81	£4.62	4.1%
Apprentice Rate	£4.81	£4.30	11.9%
Accommodation Offset	£8.70	£8.36	4.1%



# National Minimum Wage - the implications

Increasing risk of NMW breach - Salary Sacrifice schemes

- Bikes
- Childcare
- Pension
- Other

Consider recalculation of SMP

Employer bulleting February 2022



# National Minimum Wage - the implications

## Impact of the change to National Minimum Wage on Statutory Maternity Pay

### Statutory Maternity Pay

Since 6 April 2005 it has been necessary for employers to re-calculate a woman's entitlement to Statutory Maternity Pay (SMP) if a woman is awarded a pay rise (or would have been awarded a pay rise had she not been on maternity leave) which takes effect at any time between the start of the period used to calculate her SMP and the end of her maternity leave. The earnings-related part (which is 6 weeks for most women but for some will be 26 weeks) must go up to take account of that pay rise.

SMP must also be re-calculated to reflect pay rises taking effect before the start of the relevant period but where the earnings used in the calculation had not at the time of the calculation been adjusted to reflect that pay rise.

If such a recalculation results in SMP entitlement for the first time, then the employer will only be liable to pay SMP to the extent that any sum exceeds Maternity Allowance paid by the Department for Work and Pensions.



# Applying SMP Alabaster

## So how is an alabaster rise applied?

The pay engine needs to be told about the rise. This can be expressed as a percentage or cash increase or a new rate to reflect the rise. The automated SMP calculation then takes care of the SMP back-payment and any future payments due.

There are 3 options to apply a relevant rise for automated adjustment:

Engine code	Description
M741	Increase by a cash amount the Average Earnings used for SMP
M743	Increase by a percentage the Average Earnings used for SMP
M745	Update the Average Earnings used for SMP

# Statutory Parental Leave: SMP, SAP, SPP, ShPP, SPBP

Effective Date	Weekly Earnings Threshold	SMP/SAP Higher Rate (6 weeks)	SMP/SAP Lower Rate (33 weeks)	SPP Rate (1 or 2 weeks)	ShPP Rate (up to 39 weeks)	SPBP (up to 2 weeks)
Sunday 3 <sup>rd</sup> April 2022	£123 (Weekly LEL)	90% of Average Weekly Earnings	£156.66 or 90% of AWE if less	£156.66 or 90% of AWE if less	£156.66 or 90% of AWE if less	£156.66 or 90% of AWE if less

+ SPBP extended to Northern Ireland from April 2022 (prior GB only – now whole of UK)

Recovery =

Effective Date	Standard Recovery	Class 1 NICs threshold for SER	SER recovery	Compensation
6 <sup>th</sup> April 2011	92%	£45,000	100%	3%

# Statutory Sick Pay (SSP)

Effective Date	Weekly Earnings Threshold	SSP Weekly Rate	Percentage Threshold Scheme
Wednesday 6 <sup>th</sup> April 2022	£123 (Weekly LEL)	£99.35	0%

COVID related SSP from QD 1 legal basis expires midnight 24<sup>th</sup> March 2022

# Pension AE Thresholds – Frozen & late



“Into the unknown -  
Arghhharghhaaaa

## Proposed Thresholds for 2022/23

The current (2021/22) and proposed (2022/23) automatic enrolment thresholds are displayed in Table 1.

**Table 1 – Current and proposed automatic enrolment thresholds**

	Trigger	Lower limit qualifying earnings band	Upper limit qualifying earnings band
Current (2021/22)	£10,000	£6,240	£50,270
Proposed (2022/23)	£10,000	£6,240	£50,270

# Student and Postgraduate Loan repayments

Loan Type	2021/2022		2022/2023	
	Annual Threshold	Rate	Annual Threshold	Rate
Plan 1	£ 19,895	9%	£ 20,195	9%
Plan 2	£ 27,295	9%	£ 27,295	9%
Postgraduate	£ 21,000	6%	£ 21,000	6%
Plan 4 (Scotland)	£25,000	9%	£ 25,375	9%

**Frozen**

**2022-2023 STUDENT  
LOAN REPAYMENT  
THRESHOLDS  
CONFIRMED**

# Attachments and Arrestments

Scottish Earnings Arrestment triennial review (diligence against earnings)

- New tables apply to all current and new orders from 6<sup>th</sup> April 2022



CABINET STATEMENT

## Written Statement: Updating Earnings Thresholds for Council Tax Recovery

Applies only to **new orders** issued from 1<sup>st</sup> April 2022

Rebecca Evans MS, Minister for Finance and Local Government

First published: 9 February 2022

Last updated: 9 February 2022

**Yet to be developed as confirmation is very late**

# Compliance enhancements

New directors indicators for those whose directorship has ended and are now an employee

C (annual method)

F (alternate method)

Expat S.690 engine code T220

Now works with net to gross



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Visit Trustworx

Visit [payhr.uk](https://payhr.uk)



# Time for any further questions...

Is there anything you'd like to ask?



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**Thank you!**

---

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