

# Payroll: What's new for 2019/2020?

## An overview of the changes for the upcoming tax year

The new rates and allowances for the 2019/2020 tax year have been released. Here is a brief overview of the changes for the upcoming tax year.

### Tax

The Employee Personal Allowance is increasing to £12,500.00. Therefore the emergency tax code will be 1250L. All tax codes with an L suffix need to be increased by 65 after the 6th April 2019. For all other tax codes a P9 notice will be issued by HMRC.

PAYE Tax Rates and Thresholds	2019 TO 2020
Employee personal allowance	£240 per week £1,042 per month £12,500 per year
UK basic tax rate	20% on annual earnings above the PAYE tax threshold and up to £37,500
UK Higher tax rate	40% on annual earnings from £37,501 to £150,000
UK additional tax rate	45% on annual earnings above £150,000

### National Insurance:


The percentage rates have not changed from the 2018/2019 tax year, however some of the earnings limits and thresholds have.


PAYE Tax Rates and Thresholds	2019 TO 2020
LEL	£118 per week £512 per month £6,136 per year
Primary Threshold (PT) - Employees start to pay NI contributions	£166 per week £719 per month £8,632 per year
Secondary Threshold (ST) - Employers start to pay NI contributions	£166 per week £719 per month £8,632 per year
Upper Secondary Threshold (under 21) (UST)	£962 per week £4,167 per month £50,000 per year
Apprentice Upper Secondary Threshold (apprentice under 25) (AUST)	£962 per week £4,167 per month £50,000 per year
Upper Earnings Limit (UEL)	£962 per week £4,167 per month £50,000 per year

Continued overleaf

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## Contact us

For further information, please contact a member of our payroll team.

## Contact Us

Tracey Simpson  
Payroll Services Director



T: 01772 821 021  
E: [tracey.simpson@mooreandsmalley.co.uk](mailto:tracey.simpson@mooreandsmalley.co.uk)

[mooreandsmalley.co.uk](http://mooreandsmalley.co.uk)

## Employment Allowance

This allowance remains at £3,000. If this allowance was claimed in the 2018/2019 tax year it will automatically be claimed for the 2019/2020 tax year unless HMRC are advised otherwise. The allowance does not apply if the sole employee is a Director.

## Statutory Payments

The Statutory Sick Pay rate is increasing to £94.25 per week. This rate applies to sickness from the 6th April 2019. Statutory Sick Pay can no longer be recovered by the Employer.

Statutory Maternity Pay, Statutory Adoption Pay and Statutory Paternity Pay rate for 2019/2020 will be £148.68. This rate applies for any pay weeks on or commencing after the 1st April 2019.

The Shared Parental Pay rate is also set at £148.68.

The rate of recovery on Statutory Payments for Parents remains at 92%, or 103% for employers who previous year's Class 1 National Insurance amount is £45,000 or less.

## National Living Wage & National Minimum Wage

The National Living Wage and National Minimum Wage rates will increase on the 6th April 2019.

Age	2019
25 and over	£8.21
21 to 24	£7.70
18 to 20	£6.15
Under 18	£4.35
Apprentice	£3.90

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