



Payroll: What's new for 2018/2019?

An overview of the changes for the upcoming tax year

The new rates and allowances for the 2018/2019 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 £11,850.00. Therefore the emergency tax code will be 1185L. All tax codes with an L suffix need to be increased by 35 after the 6th April 2018. For all other tax codes a P9 notice will be issued by HMRC.

PAYE Tax Rates and Thresholds	2018 to 2019
Employee personal allowance	£228 per week £988 per month £11,850 per year
UK basic tax rate	20% on annual earnings above the PAYE tax threshold and up to £34,500
UK higher tax rate	40% on annual earnings from £34,501 to £150,000
UK additional tax rate	45% on annual earnings above £150,000

National Insurance:

The percentage rates have not changed from the 2017/2018 tax year, however some of the earnings limits and thresholds have.

Class 1 National Insurance Thresholds	2018 to 2019
LEL	£116 per week £503 per month £6,032 per year
Primary Threshold (PT) - Employees start to pay NI contributions	£162 per week £702 per month £8,424 per year
Secondary Threshold (ST) - Employers start to pay NI contributions	£162 per week £702 per month £8,424 per year
Upper Secondary Threshold (under 21) (UST)	£892 per week £3,863 per month £46,350 per year
Apprentice Upper Secondary Threshold (apprentice under 25) (AUST)	£892 per week £3,863 per month £46,350 per year
Upper Earnings Limit (UEL)	£892 per week £3,863 per month £46,350 per year

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Employment Allowance

This allowance remains at £3,000. If this allowance was claimed in the 2017/2018 tax year it will automatically be claimed for the 2018/2019 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 £92.05 per week. This rate applies to sickness from the 6th April 2018. Statutory Sick Pay can no longer be recovered by the Employer.

Statutory Maternity Pay, Statutory Adoption Pay and Statutory Paternity Pay rate for 2018/2019 will be £145.18. This rate applies for any pay weeks on or commencing after the 1st April 2018.

The Shared Parental Pay rate is also set at £145.18.

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 2018.

Age	April 2018
25 and over	£7.83
21 to 24	£7.83
18 to 20	£5.90
Under 18	£4.20
Apprentice	£3.70

Student Loans

The threshold for Plan 1 will rise to £18,330, and the threshold for Plan 2 £25,000.

Contact us

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

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