

## Tax Year 2022/2023

### NEWSLETTER - Important Updates

**Updates on the following:**

- National Minimum Wage & National Living Wage
- Student Loan Thresholds
- National Insurance Uplift and Health & Social Care Levy
- Statutory Sick Pay (SSP)
- Statutory Maternity, Paternity, Adoption, Shared Parenting & Statutory Parental Bereavement Leave

**National Minimum Wage & National Living Wage**

The National Minimum Wage and Living Wages will increase as of April 2022. Paying someone less than this per hour is against the law and as law will require you show hours worked where the employees pay is dependent on the hours.

Year	23 and over	21 to 22	18 to 20	Under 18	Apprentice
April 2021 (current rate)	£8.91	£8.36	£6.56	£4.62	£4.30
	23 and over	21 to 22	18 to 20	Under 18	Apprentice
<b>April 2022 (new rate)</b>	<b>£9.50</b>	<b>£9.18</b>	<b>£6.83</b>	<b>£4.81</b>	<b>£4.81</b>

**Student Loan Thresholds**

**Student Loan Thresholds**  
 The annual thresholds have been updated in line with legislation for 2022/2023.

- Plan Type 1 increased from £19,895 to £20,195
- Plan Type 2 is £27,295
- Plan Type 4 increased from £25,000 to £25,375
- Postgraduate Student Loans remains at £21,000
- Student Loan rate is 9%
- Postgraduate Loan rate is 6%

## National Insurance Uplift and Health & Social Care Levy

The levy will be a 1.25% tax on earnings for employees, the self-employed and employers. It will tax earnings in the same way as National Insurance contributions (NICs), except that it will also apply to the earnings of those over state pension age. It will come into force in the tax year starting in April 2023. Before the levy is introduced all three rates of NICs will increase by 1.25 percentage points, in April 2022. This has the same effect as the levy, except that it will not apply to earnings over state pension age. NICs rates will then return to their current levels in April 2023, when the levy comes into effect, as set out in the table.

The combination of employee NICs and employer NICs means that the tax charged on earnings of employees will rise by twice as much as the increase in tax on the earnings of self-employed people. National Insurance contributions and health and social care levy rates

Year	Employee (Main rate)	Employee (Higher Rate)	Employer
April 2021 (NIC rates)	12%	2%	13.8%
<b>April 2022 (NIC rates)</b>	<b>13.25%</b>	<b>3.25%</b>	<b>15.05%</b>
April 2023 (NIC rates)	12%	2%	13.8%
April 2023 (Levy)	1.25%	1.25%	1.25%

## Statutory Sick Pay (SSP)

The same weekly SSP rate applies to all employees. However, the amount you must actually pay an employee for each day they're off work due to illness (the daily rate) depends on the number of 'qualifying days' (QDs) they work each week.

Rounded daily rates	Number of QDs in week
£14.20	7
£16.56	6
£19.87	5
£24.84	4
£33.12	3
£49.68	2
£99.35	1

## Statutory Maternity, Paternity, Adoption, Shared Parenting Pay & Statutory Parental Bereavement Leave

Type of payment or recovery	2022 to 2023 rate
<a href="#">SMP</a> - weekly rate for first 6 weeks	90% of the employee's average weekly earnings
SMP - weekly rate for remaining weeks	£156.66 or 90% of the employee's average weekly earnings, whichever is lower
<a href="#">Statutory Paternity Pay (SPP)</a> - weekly rate	£156.66 or 90% of the employee's average weekly earnings, whichever is lower
<a href="#">Statutory Adoption Pay (SAP)</a> - weekly rate for first 6 weeks	90% of employee's average weekly earnings
SAP - weekly rate for remaining weeks	£156.66 or 90% of the employee's average weekly earnings, whichever is lower
<a href="#">Statutory Shared Parental Pay (ShPP)</a> - weekly rate	£156.66 or 90% of the employee's average weekly earnings, whichever is lower
<a href="#">Statutory Parental Bereavement Leave (SPBP)</a> - weekly rate	£156.66 or 90% of the employee's average weekly earnings, whichever is lower
SMP/SPP/ShPP/SAP - proportion of your payments you can <a href="#">recover from HMRC</a>	92% if your total Class 1 National Insurance (both employee and employer contributions) is above £45,000 for the previous tax year  103% if your total Class 1 National Insurance for the previous tax year is £45,000 or lower