

Tax Rates and Thresholds for 2019-20

England and Northern Ireland

PAYE tax rates and thresholds	2019 to 2020
Employee personal allowance	£240 per week £1,042 per month £12,500 per year
English and Northern Irish basic tax rate	20% on annual earnings above the PAYE tax threshold and up to £37,500
English and Northern Irish higher tax rate	40% on annual earnings from £37,501 to £150,000
English and Northern Irish additional tax rate	45% on annual earnings above £150,000

Scotland

PAYE tax rates and thresholds	2019 to 2020
Employee personal allowance	£240 per week £1,042 per month £12,500 per year
Scottish starter tax rate	19% on annual earnings above the PAYE tax threshold and up to £2,049
Scottish basic tax rate	20% on annual earnings from £2,050 to £12,444
Scottish intermediate tax rate	21% on annual earnings from £12,445 to £30,930
Scottish higher tax rate	41% on annual earnings from £30,931 to £150,000
Scottish top tax rate	46% on annual earnings above £150,000

Wales

PAYE tax rates and thresholds	2019 to 2020
Employee personal allowance	£240 per week £1,042 per month £12,500 per year
Welsh basic tax rate	20% on annual earnings above the PAYE tax threshold and up to £37,500
Welsh higher tax rate	40% on annual earnings from £37,501 to £150,000
Welsh additional tax rate	45% on annual earnings above £150,000

NIC Thresholds & Rates

Class 1 National Insurance Thresholds

Class 1 National Insurance thresholds	2019 to 2020
LEL	£118 per week £512 per month £6,136 per year
Primary Threshold (PT)	£166 per week £719 per month £8,632 per year
Secondary Threshold (ST)	£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

Class 1 National Insurance Rates

Employee (primary) contribution rates:

National Insurance category letter	Earnings at or above LEL up to and including PT	Earnings above the PT up to and including UEL	Balance of earnings above UEL
A	0%	12%	2%
B	0%	5.85%	2%
C	nil	nil	nil
H (Apprentice under 25)	0%	12%	2%
J	0%	2%	2%
M (under 21)	0%	12%	2%
Z (under 21 - deferment)	0%	2%	2%

Employer (secondary) contribution rates:

National Insurance category letter	Earnings at or above LEL up to and including ST	Earnings above ST up to and including UEL/UST/AUST	Balance of earnings above UEL/UST/AUST
A	0%	13.80%	13.80%
B	0%	13.80%	13.80%
C	0%	13.80%	13.80%
H (Apprentice under 25)	0%	0%	13.80%
J	0%	13.80%	13.80%
M (under 21)	0%	0%	13.80%
Z (under 21 - deferment)	0%	0%	13.80%

Class 1A National Insurance Rate for Expenses and Benefits

National Insurance class	2019 to 2020 rate
Class 1A	13.8%

Employment Allowance

Since 6th April 2014, a NIC Employment Allowance is available to claim by eligible employers.

The Employment Allowance for tax year 2019-20 remains at **£3,000**.

Since 6th April 2016 single-director companies are not eligible to claim the National Insurance Contributions Employment Allowance. The main reason for this change is to make the Employment Allowance more focused on businesses that are creating and sustaining employment and as a result where a director is the sole employee of a limited company this company is excluded from availing of the Employment Allowance. These regulations apply in England, Wales, Scotland and Northern Ireland.

Eligibility

You can claim the Employment Allowance if:

- *you are a business or charity (including community amateur sports clubs) paying employers' Class 1 National Insurance*
- *you employ a care or support worker*

The Employment Allowance is to be set against an employer's liability for secondary Class 1 National Insurance Contributions (NICs) only, not against other NICs such as primary (employee's) Class 1, Class 1A or Class 1B contributions.

You cannot claim the Employment Allowance, however, if you:

- employ someone for personal, household or domestic work (eg a nanny or gardener) - unless they're a care or support worker
- already claim the allowance through a connected company or charity
- are a service company working under 'IR35 rules' and your only income is the earnings of the intermediary (such as your personal service company, limited company or partnership)
- are a public authority, this includes; local, district, town and parish councils

- carry out functions either wholly or mainly of a public nature (unless you have charitable status), for example:

NHS services, General Practitioner services, the managing of housing stock owned by or for a local council, providing a meals on wheels service for a local council, refuse collection for a local council, prison services, collecting debt for a government department

You do not carry out a function of a public nature, if you are:

- *providing security and cleaning services for a public building, such as government or local council offices*
- *supplying IT services for a government department or local council*

National Minimum Wage and National Living Wage

The hourly rate for the minimum wage depends on an employee's age and whether they are an apprentice.

Employees must be at least:

- *school leaving age to get the **National Minimum Wage***
- *aged 25 or over to get the **National Living Wage** (the minimum wage will apply for workers aged 24 and under)*

Apprentices are entitled to the apprentice rate if they're either:

- *aged under 19*
- *aged 19 or over and in the first year of their apprenticeship*

Apprentices are entitled to the minimum wage for their age if they:

- *are aged 19 or over **and***
- *have completed the first year of their apprenticeship*

Rates effective from 1st April 2019

These rates are for the National Living Wage and the National Minimum Wage. The rates change every April:

Category of worker	Hourly rate
Aged 25 and above (national living wage rate)	£8.21
Aged 21 to 24 inclusive	£7.70
Aged 18 to 20 inclusive	£6.15
Aged under 18 (but above compulsory school leaving age)	£4.35
Apprentices aged under 19	£3.90
Apprentices aged 19 and over, but in the first year of their apprenticeship	£3.90

Mileage Allowance Payments (MAPs)

Mileage Allowance Payments (MAPs) are what you pay your employees for using their own vehicle for business journeys.

You can pay your employees an 'approved amount' of MAPs each year without having to report them to HMRC. To work out the 'approved amount', multiply your employee's business travel miles for the year by the rate per mile for their vehicle.

Current MAP rates as per HMRC:

Type of vehicle	Rate per business mile 2019 to 2020
Car	For tax purposes: 45 pence for the first 10,000 business miles in a tax year, then 25 pence for each subsequent mile For National Insurance purposes: 45 pence for all business miles
Motorcycle	24 pence for both tax and National Insurance purposes and for all business miles
Cycle	20 pence for both tax and National Insurance purposes and for all business miles