

Virtual Meeting

20 January 2022



Welcome & Introductions

IReeN

HMRC Update

Paula Wyatt, Leonardo Kellaway, Steve Mayne

- HMRC

- Freeports
- Veterans
- SDS Team update
- Health & Social Care Levy

Pensions & TPR Update

Andy Nicholls – The Pensions Regulator

Payroll in 2022 – A CIPP summary

Sam Johnson - CIPP

IReeN updates/Air & Share

IReeN committee





Payroll Update 2022

Tax Thresholds 2022/23

- Personal Allowance
£12570
- Standard Tax Code

Earnings Banding from	Earnings Banding to	Tax Payable
£1	£37,700	20%
£37,701	£150,000	40%
£150,000	Unlimited	45%

Frozen
until
2026



Tax Thresholds 2022/23

- Scotland

Earnings Banding from	Earnings Banding to	Tax Payable
£1	£2,162	19%
£2,162	£13,118	20%
£13,118	£31,092	21%
£31,092	£150,000	41%
£150,000	Unlimited	46%

Wales has capacity to change % but not the thresholds, currently the same as rUK..



National Insurance 2022/23

Class 1

	Weekly	Monthly	Annual
Lower Earnings Limit	£123	£533	£6,396
Primary Threshold	£190	£823	£9,880
Secondary Threshold	£175	£758	£9,100
Freeport Upper Secondary Threshold	£481	£2,083	£25,000
Upper Earnings Limit	£967	£4,189	£50,270
Upper Secondary Threshold (UST)	£967	£4,189	£50,270
Apprentice UST	£967	£4,189	£50,270
Veteran's Upper Secondary Threshold	£967	£4,189	£50,270

Employment Allowance

£4000



Health and Social Care Levy

- Included in National Insurance in 2022-23
- 1.25% increase impacts employees and employers
- Payslip message:
 - *“1.25% uplift in NICs funds NHS, health and social care.”*



National Insurance 2022/23

Category	When to Use	Employees (LEL to PT)	Employees (PT to UEL)	Employees (Above UEL)	Employers (LEL to ST)	Employers (ST to UEL)	Employers (Above UEL)
A	Standard Category Letter	0%	13.25%	3.25%	0%	15.05%	15.05%
B	Married woman and widows entitled to pay reduced NI (scheme close in 1977)	0%	7.1%	3.25%	0%	15.05%	15.05%
C	Reached state pension age	Nil	Nil	Nil	0%	15.05%	15.05%
H	Apprentice under age 25	0%	13.25%	3.25%	0%	0%	15.05%
J	Deferred National Insurance – Paying it in another job (CA2700)	0%	3.25%	3.25%	0%	15.05%	15.05%
M	Aged under 21	0%	13.25%	3.25%	0%	0%	15.05%
Z	Deferred National Insurance – aged under 21 (CA2700)	0%	3.25%	3.25%	0%	0%	15.05%
X	Employees who do not have to pay NI e.g. under 16s, employee deceased	Nil	Nil	Nil	Nil	Nil	Nil

National Insurance 2022/23 New Codes

Category	When to Use	Employees	Employees	Employees	Employers	Employers	Employers	Employers
		(LEL to PT)	(PT to UEL)	(Above UEL)	(LEL to ST)	(ST to FUST)	(FUST to UEL)	(Above UEL)
Freeport employers and...								
F	Standard Category Letter	0%	13.25%	3.25%	0%	0%	15.05%	15.05%
I	Married woman and widows entitled to pay reduced NI (scheme close in 1977)	0%	7.1%	3.25%	0%	0%	15.05%	15.05%
S	Reached state pension age	Nil	Nil	Nil	0%	0%	15.05%	15.05%
L	Deferred National Insurance – Paying it in another job (CA2700)	0%	3.25%	3.25%	0%	0%	15.05%	15.05%

Eligibility:

- Employer is an eligible freeport within the UK
- New hire after April 2022 (max 3 years)
- Not worked for the employer (or connected business) in previous 24 months
- 60% working time spent within the freeport tax site.

National Insurance 2022/23 New Code

Category	When to Use	Employees (LEL to PT)	Employees (PT to UEL)	Employees (Above UEL)	Employers (LEL to ST)	Employers (ST to UEL)	Employers (Above UEL)
V	Eligible Veteran	0%	13.25%	3.25%	0%	0%	15.05%

Eligibility

- Employee is a veteran (at least one day in the regular armed forces)
- First year of civilian employment
- Maintain records that evidence the employee is a qualifying veteran

2021-22

- Submit claim via RTI through FPS amendment; or
- Submit claim via letter to HMRC if software not retrospective

Statutory Payments 2022/23

Statutory Sick Pay

Unrounded daily rates	Qualifying days in week	1 day to pay	2 days to pay	3 days to pay	4 days to pay	5 days to pay	6 days to pay	7 days to pay
£14.1928	7	£14.20	£28.39	£42.58	£56.77	£70.96	£85.16	£99.35
£16.5583	6	£16.56	£33.12	£49.67	£66.23	£82.79	£99.35	
£19.87	5	£19.87	£39.74	£59.61	£79.48	£99.35		
£24.8375	4	£24.84	£49.68	£74.51	£99.35			
£33.1167	3	£33.12	£66.23	£99.35				
£49.675	2	£49.68	£99.35					
£99.35	1	£99.35						

SSP1 form updated in January 2021

Coronavirus and SSP



Waiting Days

SSP payable from 1st qualifying day if employee off work because of coronavirus and forms a period of incapacity to work.



SSP Reclaim

- Reopened 21 December 2021
- Reclaim up to 2 weeks SSP
- PAYE scheme created on or before 30 Nov 2021
- Had fewer than 250 employees on 30 Nov 2021 (across all PAYE schemes)
- Claims opened on 19 Jan 2022

19 Jan 2022 "*The self-isolation regulations expire on March 24, at which point I very much expect not to renew them. Indeed, were the data to allow, I'd like to seek a vote in this House to bring that date forward.*" Boris Johnson, PM

Statutory Payments 2022/23

- Applicable from Sunday 3 April 2022

Payment Type	Rate
Statutory Maternity Pay**	£156.66*
Statutory Paternity Pay	£156.66*
Statutory Adoption Pay**	£156.66*
Statutory Shared Parental Pay	£156.66*
Statutory Parental Bereavement Pay	£156.66*

*or 90% of the employee's AWE, which ever is lower

**rate for first 6 weeks is 90% of AWE



Student Loans

Loan Type	Annual Threshold	Rate
Plan 1	£20,195	9%
Plan 2	£27,295	9%
Plan 4	£25,375	9%
Post Graduate	£21,000	6%

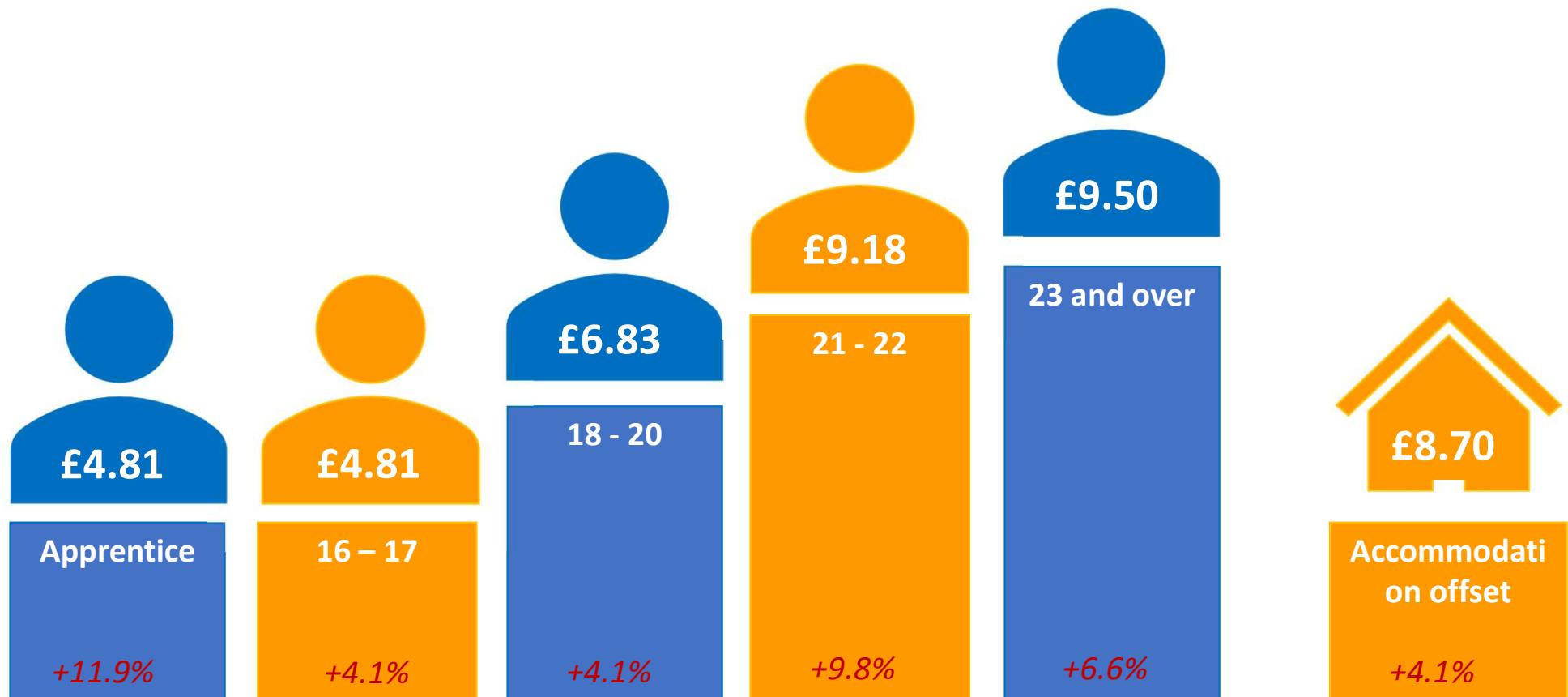
Reminder:

- Plan 4 was introduced in April 2021 Scottish students





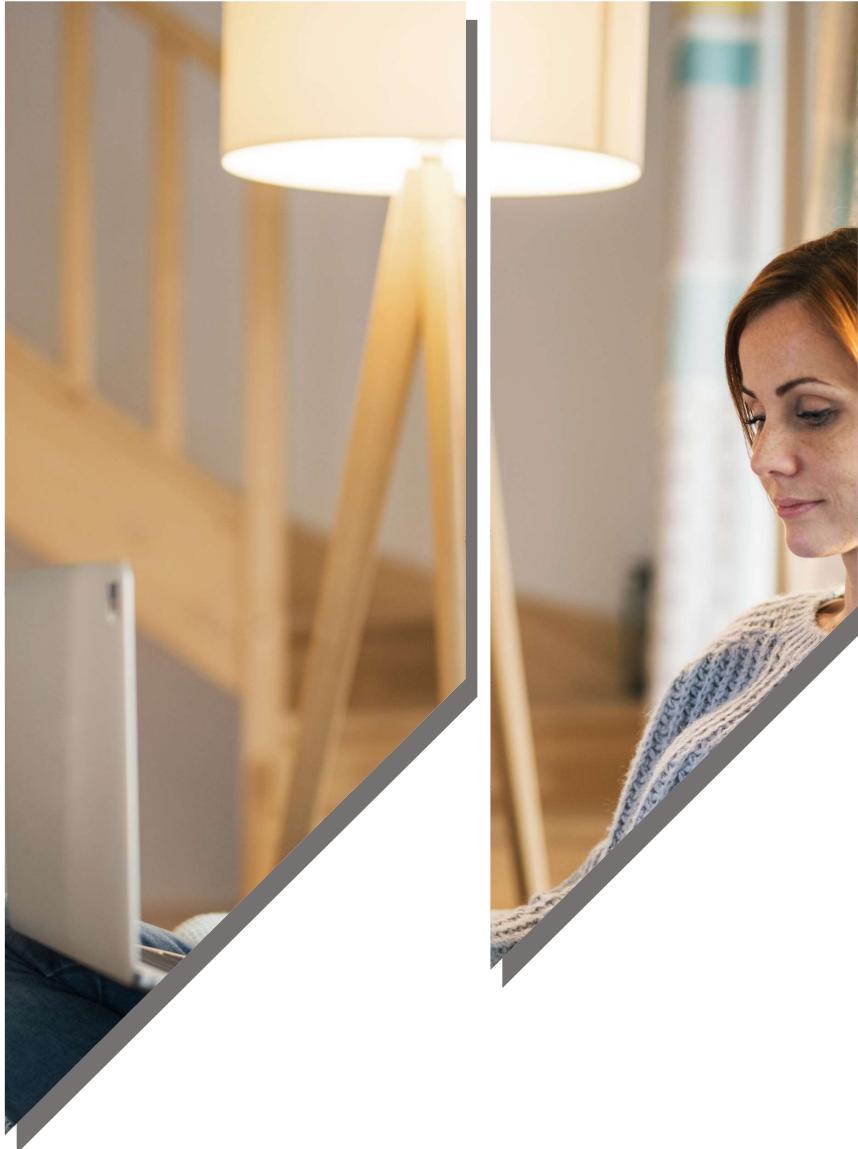
Minimum Wage – 1 April 2022



Working from Home

- Employer payment for reasonable costs incurred when working from home.
- Section 316 ITEPA 2003 exemption
- Broad definition, employee must work at home regularly
- £6 per week paid tax free

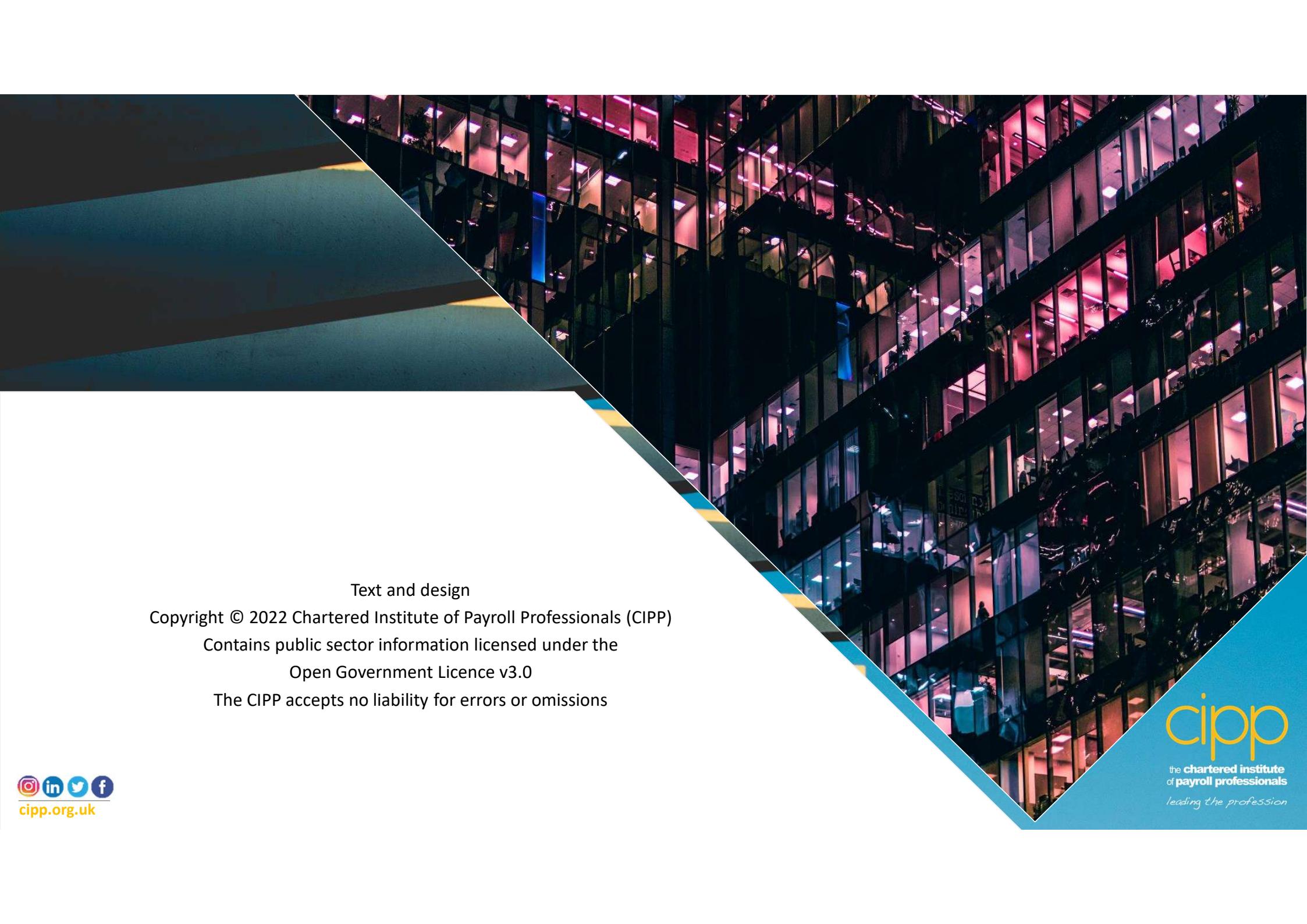
- Employee tax relief for working from home
- Section 336 ITEPA 2003
- Demonstrate the expenses has been incurred wholly, exclusively and necessarily in the performance of the duties of employment.
- Guidance notes include:
“at no time...is the employee able to choose between working at the employer’s premises or elsewhere”
“it is unreasonable to expect employee to travel to employer premises on a daily basis”
- Examples can be found
[EIM32790 - Employment Income Manual - HMRC internal manual - GOV.UK
\(www.gov.uk\)](https://www.gov.uk/government/publications/eim32790-employment-income-manual)



Auto-enrolment Thresholds

- Awaiting 2022/23 AE thresholds.
- Private members bill:
 - Extend AE to 18 years +
- - Remove the lower qualifying earnings threshold
- Second reading 25 February 2022





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Air & Share



Misbalances?

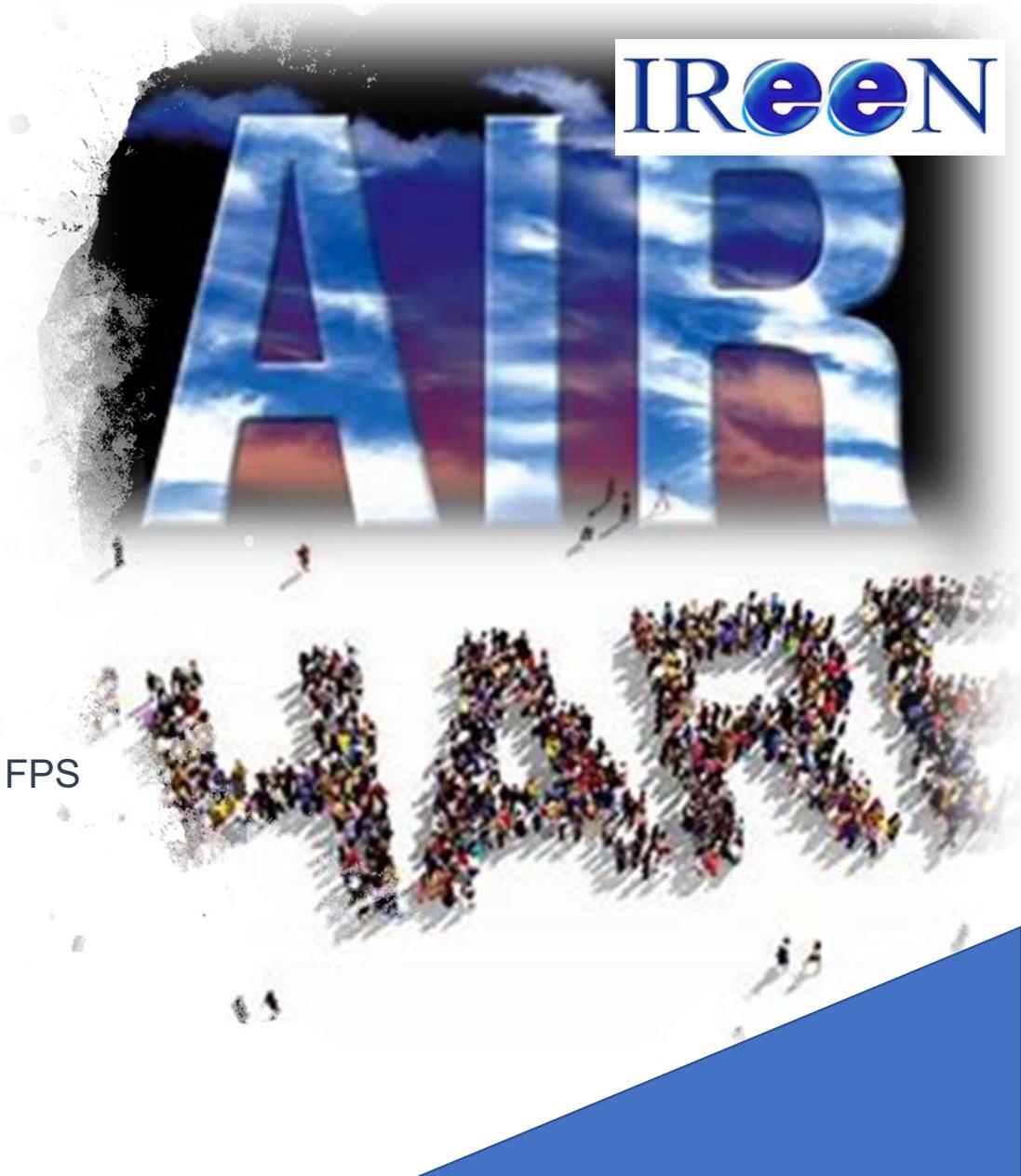
Duplicates?

HMRC fund allocations?

Data Quality challenges

Making corrections via YTD on FPS

IReeN is here to help



Virtual Meeting

Don't forget to sign up
on www.ireen.net for
the latest payroll news

The logo for IREEN features the word "IREEN" in a bold, blue, sans-serif font. The letter "E" is stylized with a large, prominent blue circle that has a slight gradient and a metallic, reflective texture, giving it a three-dimensional appearance. The other letters "I", "R", "E", and "N" are in a smaller, standard blue font.