

2019-20 TAX YEAR

TAX	Annual	Monthly	Weekly	Employee Rate	Employer Rate
Tax Free Allowance	£12,500.00	£1,041.67	£240.38		
NATIONAL INSURANCE	Annual	Monthly	Weekly	Employee Rate	Employer Rate
Lower Earnings Limit	£6,136.00	£512.00	£118.00	0.00%	0.00%
Primary Threshold	£8,632.00	£719.00	£166.00	12.00%	Not Applicable
Secondary Threshold	£8,632.00	£719.00	£166.00	Not Applicable	13.80%
Upper Earnings Limit	£50,000.00	£4,167.00	£962.00	2.00%	13.80%

AUTO ENROLMENT	Annual	Monthly	Weekly
Auto Enrolment trigger (aged between 22 and 65)	£10,000.00	£833.33	£192.31
Auto Enrolment Qualifying Earnings threshold	£6,136.00	£512.00	£118.00
Auto Enrolment Qualifying Earnings upper limit	£50,000.00	£4,167.00	£962.00

If using Qualifying Earnings to calculate pension contributions, minimum contributions are 5% employee and 3% employer with effect from 6th April 2019.

STATUTORY MATERNITY PAY (SMP) *Employer can recover 92% or 103% (for small employers) of statutory amount paid, by reducing their PAYE bill.*
 First 6 weeks 90% of Average Weekly Earnings
 Further 33 weeks Lesser of 90% of Average Weekly Earnings or £148.68 per week

STATUTORY PATERNITY PAY (SPP) *Employer can recover 92% or 103% (for small employers) of statutory amount paid, by reducing their PAYE bill.*
 Maximum of 2 weeks (to be taken consecutively) Lesser of 90% of Average Weekly Earnings or £148.68 per week

STATUTORY ADOPTION PAY (SAP) *Employer can recover 92% or 103% (for small employers) of statutory amount paid, by reducing their PAYE bill.*
 First 6 weeks 90% of Average Weekly Earnings
 Further 33 weeks Lesser of 90% of Average Weekly Earnings or £148.68 per week

STATUTORY SHARED PARENTAL PAY (ShPP) *Employer can recover 92% or 103% (for small employers) of statutory amount paid, by reducing their PAYE bill.*
 Maximum of 37 weeks Lesser of 90% of Average Weekly Earnings or £148.68 per week

STATUTORY SICK PAY (SSP) *From 6th April 2016, employers can no longer recover SSP from HMRC.*
 Maximum of 28 weeks £94.25 per week

NATIONAL MINIMUM WAGE RATES	Effective from 1st April 2019
25 and over	£8.21 per hour
21 to 24	£7.70 per hour
18 to 20	£6.15 per hour
Under 18	£4.35 per hour
Apprentice	£3.90 per hour

DEFINITIONS

TAX

What is Tax Free Allowance?

This is the amount of income that you can earn in a pay period without paying tax.

NATIONAL INSURANCE

What is Lower Earnings Limit?

This is the minimum amount that an employee must earn to qualify for certain state benefits (e.g. basic state pension) but not pay any national insurance.

What is Primary Threshold?

This is the threshold at which an employee starts to pay National Insurance at 12% (if the employee is aged between 16 and below state pension age).

What is Secondary Threshold?

This is the threshold at which the employer starts to pay National Insurance at 13.8% (if the employee is aged 21 and over).

What is Upper Earnings Limit?

This is the threshold above which an employee pays 2% National Insurance contributions but the employer continues to pay 13.8%.

AUTO ENROLMENT

What is Auto Enrolment trigger?

This is the earnings amount at which an employee who is aged between 22 and 65 must be automatically enrolled into a qualifying pension scheme.

What are Qualifying Earnings?

This is the band of earnings that will be used for calculating pension contributions. Qualifying Earnings include salary, bonus, commission, statutory payments and overtime.

What is Auto Enrolment Qualifying Earnings threshold?

This is the earnings threshold at which pension contributions will be calculated from. Amounts below the Qualifying Earnings threshold are ignored for calculating the amount that the employee and employer will pay into the pension scheme.

What is Auto Enrolment Qualifying Earnings upper limit?

This is the earnings maximum at which pension contributions will be calculated up to. Amounts above the Qualifying Earnings upper limit are ignored for calculating the amount that the employee and employer will pay into the pension scheme.

Remember, you can always email info@questfp.co.uk if you do not wish to hear from us in future.