

GoldPay

Legislation Guide

April 2022

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Dear Customer

All standard rates and parameters for Tax/NI/Statutory Payments rates, AE parameters, etc. are up to date in the payroll software for the 2022/2023 tax year, as are the standard reports.

This guide details other legislation resulting in changes to the payroll software. Please see the **Release Notes** within your software for further details of how these are applied.

National Insurance

NI Holidays for Veterans Employer's NIC Relief

From April 2021, HMRC announced that there would be a reduction in Employer National Insurance contributions for veterans for twelve consecutive months from the first day of their first civilian employment after leaving the regular armed forces. HMRC has introduced an NI category letter V and the Veteran's Upper Secondary Threshold (VUST) to cater for the new relief.

If claiming for this relief from April 2021 to March 2022, this needs to be claimed retrospectively from April 2022 onwards. HMRC requires you to pay the Employer National Insurance contributions for veterans for this period in the usual manner.

From April 2022 onwards, the relief can be processed using the software and reported to HMRC via RTI.

Freeports Employer's NIC Relief

From April 2022, HMRC announced that there would be a reduction in Employer National Insurance contributions for employees working in freeports in their first three years of employment. HMRC has introduced NI category letters F, I, S, and L and the Freeport Upper Secondary Threshold (FUST) to cater for the new relief.

Following these changes in legislation, we have made the following software amendments:

- Include new NI letters:
 - V – standard category for Veterans
 - F – standard category for employees working in a Freeport
 - I – married women or widows entitled to pay reduced NI working in a Freeport
 - S – employees over state pension age working in a Freeport
 - L – employees entitled to defer paying full NI rate working in a Freeport
- Add new earnings thresholds for Veteran's Upper Secondary Threshold (VUST) and Freeport Upper Secondary Threshold (FUST)
- Add new Date of Veteran's First Civilian Employment date field
- Add Working in a Freeport tick box

Health and Social Care Levy

On 7th September 2021, the Government announced a new 1.25% Health and Social Care Levy to fund investment in the NHS and social care. For the 2022/2023 tax year, the new levy; is added to National Insurance contributions for working-age employees, self-employed people, and employers.

From April 2023, the Health and Social Levy will be separate from National Insurance contributions.

Attachment of Earnings – Council Tax (Wales)

From the tax year 2022/2023, a new Council Tax Attachment of Earnings Order (AEO); is introduced in Wales. The thresholds are higher than the existing Council Tax Attachment of Earnings Orders and apply to Wales only.

The Welsh Government introduced the new Council Tax AEO to maintain fairness in the system and reflect changes to the cost of living.

Deduction Rates

Weekly Net Earnings	Rate from April 2022	Monthly Net Earnings	Rate from April 2022
Not exceeding £105	0%	Not exceeding £430	0%
£105 - £190	3%	£430 - £780	3%
£190 - £260	5%	£780 - £1050	5%
£260 – £320	7%	£1050 – £1280	7%
£320 - £505	12%	£1280 - £2010	12%
£505 – £715	17%	£2010 – £2860	17%
Exceeding £715	50%	Exceeding £2860	50%

Earnings Arrestment (Scotland)

We have updated the thresholds for the Earnings Arrestment (Scotland) Attachment of Earnings in line with legislation for 2022/2023.

Deduction Rates

Weekly Net Earnings	Rate from April 2022	Monthly Net Earnings	Rate from April 2022
Not exceeding £130.73	0%	Not exceeding £566.51	0%
£130.73 - £472.54	£4.00 or 19% of earnings exceeding £130.73, whichever is the greater	£566.51 - £2047.65	£15.00 or 19% of earnings exceeding £566.51, whichever is the greater
£472.54 - £710.42	£64.94 or plus 23% of earnings exceeding £472.54	£2047.65 - £3078.47	£281.42 plus 23% Of earnings exceeding £2047.65
Exceeding £710.42	£119.66 plus 50% of earnings exceeding £710.42	Exceeding £3078.47	£518.51 plus 50% of earnings exceeding £3078.47

Student Loan Thresholds

We have updated the annual thresholds in line with legislation for 2022/2023.

- Plan Type 1 increased from £19,895 to £20,195
- Plan Type 2 remains at £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 Minimum Wage and National Living Wage

From 1st April 2022, HMRC has revised the National Minimum Wage (NMW) and National Living Wage (NLW) age brackets and rates.

National Minimum & Living Wage – Age	Rate from April 2021	National Minimum & Living Wage – Age	Rate from April 2022
23 and over	£8.91	23 and over	£9.50
21–22	£8.36	21–22	£9.18
18–20	£6.56	18–20	£6.83
16–17	£4.62	16–17	£4.81
Apprentice Rate	£4.30	Apprentice Rate	£4.81

Useful numbers

HMRC online service helpdesk			HMRC employer helpline	
Tel:	0300 200 3600		Tel:	0300 200 3200
Fax:	0844 366 7828		Tel:	0300 200 3211 (new business)
Email:	helpdesk@ir-efile.gov.uk			