

# ink

Better at work

## Facts & Figures 2021/22



**WINNER**

CORPORATE ADVISER SMALL FIRM OF THE YEAR

HR

WORKPLACE PENSIONS

EMPLOYEE BENEFITS

PAYROLL

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### Pensions

Annual Allowance	£40,000
Lifetime Allowance	£1,073,100
Adjusted income threshold for Tapered Annual Allowance	£240,000 - £312,000
Tapered Annual Allowance (Adjusted income > £312,000)	£4,000
Money Purchase Annual Allowance	£4,000

Max. contribution is annual allowance plus unutilised allowances from the three previous tax years.

#### New State Pension (State pension reached after 06/04/16)

Full rate	£179.60 pw
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#### Auto Enrolment

(Qualifying  
earnings band)

£6,240 - £50,270

### Pension Minimum Contributions

Contribution Bases	Employer	Employee	Total
Qualifying Earnings	3%	5%	8%
Tier 1 (Basic Pay)	4%	5%	9%
Tier 2 (Own definition)	3%	5%	8%
Tier 3 (Total)	3%	4%	7%

### Tax Charges on payments from registered pension schemes

Type of charge	Rates
Lifetime allowance (applies to amount over the LTA)	55% - if lump sum 25% - if not lump sum
Annual allowance	Marginal rate tax
Unauthorised payments	40%
Unauthorised payments surcharge	15%
Overseas transfer	25%
Short service refund lump sum	20% on first £20k 50% on over £20k
Special lump sum death benefits	45%
Authorised surplus payments	35%
Scheme sanction charge	15% to 40%

### Earnings Thresholds

Expected earnings thresholds for 2021/22	Annual	1 Week	1 Month
Lower level of qualifying earnings	£6,240	£120	£520
Upper level of qualifying earnings	£50,270	£967	£4,189
Annual Earnings trigger for automatic enrolment	£10,000	£192	£833

### Inheritance Tax

Nil rate band (NRB)	£325,000
Residence nil rate band	£175,000
Rate of tax on excess	40%
Rate if at least 10% of net estate left to charity	36%
Lifetime transfers to and from certain trusts	20%

#### Gifts on Marriage or Civil Partnership

Parent	£5,000
Grandparent/remote ancestor	£2,500
Other	£1,000

#### Main Exemptions

Annual gifts per donor	£3,000
Small gifts per recipient	£250
Normal expenditure out of income	Exempt

### National Insurance Contributions

Class 1 Thresholds	Per Month	Per Year
Lower earnings limit	£520	£6,240
Primary threshold	£797	£9,568
Secondary threshold	£737	£8,840
Upper secondary threshold (under 21)	£4,189	£50,270
Upper earnings limit	£4,189	£50,270
Apprentice upper secondary threshold (under 25)	£4,189	£50,270

Statutory  
Sick Pay

Weekly rate

£96.35

## Statutory Payments

Type & Age Category	Hourly Rate
Aged 23+ (National Living Wage)	£8.91
Aged 21 to 22 inclusive	£8.36
Aged 18 to 20 inclusive	£6.56
Aged 16-17	£4.62
Apprentices aged 19+ in 1 <sup>st</sup> year of apprenticeship	£4.30

## Statutory Maternity Pay

First 6 weeks	90% of average weekly earnings
Next 33 weeks	Lower of £151.97pw* or 90% of average earnings

\*Same rate for other family leave: paternity, adoption, shared parental, parental bereavement. Period of entitlement differs based on family leave type.

### Family Leave Pay recoverable (based on previous tax year)

Class 1 NI total bill is above £45,001:	92%
Class 1 NI total bill is £45,000 or lower:	103%

## Statutory Sick Pay

Weekly SSP Rate	£96.35
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## Student Loans

Type of Loan	Rate / Threshold
Earnings threshold for SL Plan 1	£19,895 pa / £1,657.91 pm
Earnings threshold for SL Plan 2	£27,295 pa / £2,274.58 pm
Earnings threshold for SL Plan 4	£25,000 pa / £2,083.33 pm
Student loan deductions	9%
Earnings threshold for Postgrad loan	£21,000 pa / £1,750.00 pm
Postgraduate loan deductions	6%

## Tax Rates and Allowances

### UK-wide Tax Allowances

Personal allowance*	£12,570 pa
	£1,048 pm
	£242 pw
Income limit for personal allowance	£100,000
Blind person's allowance	£2,520
Marriage allowance	£1,260
Employment allowance	£4,000 pa

\*Allocated to primary income and to tax code.

### Income Tax Band

England, Wales (C Prefix) and NI		Scotland (S Prefix)	
20%	£1 - £37,700	19%	£1 - £2,097
40%	£37,701 - £150,000	20%	£2,098 - £12,726
45%	Over £150,000	21%	£12,727 - £31,092
		41%	£31,093 - £150,000
		46%	Over £150,000

**Personal Allowance**  
£12,570 pa

**The emergency tax code from 6 April 2021 - 1257L X**

## Capital Gains Tax

### Annual Exemption

Individuals	£12,300
Trusts	£6,150
Entrepreneurs' relief allowance	£1m
Investors' relief lifetime allowance	£10m

### Individuals and Trusts

Basic and starting rate taxpayers	10%
Higher and additional rate taxpayers	20%
Trusts and personal representatives	20%
Surcharge on residential property / carried interest	8%
Rate with entrepreneurs' / investors' relief applied	10%

## Tax Incentivised Investment

Individual Savings Account (ISA)	£20,000
Lifetime ISA	£4,000
Junior ISA	£9,000
NS&I Premium Bonds	£50,000

## Employment Risk: Fines & Penalties

### Unfair Dismissal

Maximum Basic Award	£16,320
Compensation Limit*	£89,493
Discrimination	Uncapped

\*e.g. applies to H&S breach; whistleblowing

**Maximum Statutory Redundancy Payment**  
£544 per week

We work in partnership with our clients, sharing our HR, Workplace Pensions, Employee Benefits and Payroll expertise so that they can build better businesses.



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01858 810200  
www.theinkgroup.co.uk  
hello@theinkgroup.co.uk