

Budget

2009/10

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Payroll, HR and Time & Labour Management Solution Providers



Personal Allowances

	2008/09	2009/10
Personal allowance (age under 65)	£6,035	£6,475
Personal allowance (age 65-74)	£9,030	£9,490
Personal allowance (age 75 & over)	£9,180	£9,640
Blind person's allowance	£1,800	£1,890
Married couple's allowance (age less than 75 & born before 6 th April 1935)	£6,535	£6,865
Married couple's allowance (age 75 & over)	£6,625	£6,965
Married couple's allowance – minimum amount	£2,540	£2,670
Income limit for age-related allowance	£21,800	£22,900

Emergency Tax Code

The new emergency tax code from 6th April 2009 will be 647L, which can be operated either cumulatively or non-cumulatively as applicable.

Income Tax Rates 2008 to 2010

per year	Percentage 2008/09	2008/09	Percentage 2009/10	2009/10
Basic rate:	20%	£0-£34,800	20%	£0-£37,400
Higher rate:	40%	Over £34,800	40%	Over £37,400

Corporation Tax on Profits

£ per year (unless stated)	2008/09	2009/10
Small companies' rate: 21%	£0-£300,000	£0-£300,000
Marginal relief:	£300,001 - £1,500,000	£300,001 - £1,500,000
Main rate: 28%	£1,500,001 or more	£1,500,001 or more

The proposed increase in the small company rate to 22% has been deferred to 2010.

Class 1 NIC Rates and Limits 2009/10

Pay Period	LEL	ET	UAP	UEL
Weekly	£95	£110	£770	£844
Monthly	£412	£476	£3,337	£3,656
Annual	£4,940	£5,715	£40,040	£43,875

Class 1

NIC Percentage Rates

	Employee's NIC percentage up to UAP	Employee's NIC percentage between UAP and UEL	Employee's NIC percentage over UEL	Employee's NIC Rebate LEL to ET	Employer's NIC Rebate LEL to ET	Employer's NIC percentage up to UAP	Employer's NIC percentage between UAP and UEL	Employer's NIC percentage over UEL
Not Contracted Out								
A	11%	11%	1%	0%	0%	12.8%	12.8%	12.8%
B	4.85%	4.85%	1%	0%	0%	12.8%	12.8%	12.8%
C	0%	0%	0%	0%	0%	12.8%	12.8%	12.8%
J	1%	1%	1%	0%	0%	12.8%	12.8%	12.8%

Contracted Out Salary Related Scheme (COSR)

D	9.4%	11%	1%	1.6%	3.7%	9.1%	12.8%	12.8%
E	4.85%	4.85%	1%	0%	3.7%	9.1%	12.8%	12.8%
L	1%	1%	1%	1.6%	3.7%	9.1%	12.8%	12.8%

Contracted Out Money Purchase Scheme (COMP)

F	9.4%	11%	1%	1.6%	1.4%	11.4%	12.8%	12.8%
G	4.85%	4.85%	1%	0%	1.4%	11.4%	12.8%	12.8%
S	1%	1%	1%	1.6%	1.4%	11.4%	12.8%	12.8%

Class 1A

Paid by	Tax Year in which the benefit was provided	Percentage	Payment Due
Employer only NI on most taxable benefits	2008/09	12.8%	17 th July or 22 nd if paying electronically

Class 1B

Employer only NI due on PAYE Settlement Agreements	2008/09	12.8%	19 th October or 22 nd if paying electronically
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Other Classes of NI

	2008/09	2009/10
Class 2 rate	£2.30	£2.40
Class 3 rate	£8.10	£12.05
Class 4 lower profits limit	£5,435	£5,715
Class 4 upper profits limit	£40,040	£43,875
Class 4 rate between lower profits limit and upper profits limit	8%	8%
Class 4 rate above upper profits limit	1%	1%

PAYE Threshold

The new weekly PAYE tax threshold will be £125 per week, £540 per month.

Statutory Payments
Statutory Sick Pay

	2008/09	2009/10
Minimum average weekly earnings	£90 per week	£95 per week
Standard weekly rate from 6 th April 2009	£75.40	£79.15

Statutory Maternity, Paternity & Adoption Pay

The increase to the statutory payment rates, percentages and thresholds for SMP, SPP and SAP, are effective for payment of entitlement weeks starting on or after 6th April 2009, and are as follows:

SMP, SPP & SAP	2008/09	2009/10
Higher rate of SMP for first 6 weeks	90% of average weekly earnings	90% of average weekly earnings
Standard rate of SMP for the next 33 weeks	The lesser of £117.18 or 90% of average weekly earnings	The lesser of £123.06 or 90% of average weekly earnings
Statutory Paternity Pay 2 weeks @	The lesser of £117.18 or 90% of average weekly earnings	The lesser of £123.06 or 90% of average weekly earnings
Statutory Adoption Pay 39 weeks @	The lesser of £117.18 or 90% of average weekly earnings	The lesser of £123.06 or 90% of average weekly earnings
Minimum qualifying average	£90 p.w. for babies due from 20 July 2008 onwards	£95 p.w. for babies due from 19 July 2009 onwards
Percentage of payment recoverable	92%	92%
Percentage of payment recoverable under Small Employer's Relief	104.5%	104.5%
Qualifying NIC Annual Threshold	£45,000	£45,000

Pension Scheme Allowances

(Replaces the Pensions Earnings Cap from 6th April 2006)

	2008/09	2009/10
Annual Allowance	£235,000	£245,000
Lifetime Allowance	£1,650,000	£1,750,000

Childcare Scheme

From 6th April 2006 employers can provide childcare vouchers of up to £55 per week tax and NI free.

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Statutory Redundancy

From 1st February 2009 the maximum week's pay for the calculation of statutory redundancy pay is £350 per week. The Budget announced that the rate will increase to £380 from a date yet to be confirmed.

Company Cars
Company Car Scale Charge Calculator

G/Km of CO ₂	Percentage of list price 2008/09 and 2009/10	G/Km of CO ₂	Percentage of list price 2008/09 and 2009/10
135*	15*	190	26*
140	16*	195	27*
145	17*	200	28*
150	18*	205	29*
155	19*	210	30*
160	20*	215	31*
165	21*	220	32*
170	22*	225	33**
175	23*	230	34***
180	24*	235	35****
185	25*		

*Vehicles with 120g/km or less will be taxed at a rate of 10% of the list price from 2008/2009

** Add 3% for diesel fuel

*** Add 2% for diesel fuel

**** Add 1% for diesel fuel

***** Maximum charge – no diesel fuel supplement.

If the CO₂ emissions figure for the car does not end in "0" or "5", round down to the nearest 5g/Km

Car Fuel Benefit

The multiplier figure used to determine the car fuel charge for company cars from 6th April 2008 is £16,900 which is multiplied by the appropriate percentage that has been used to calculate the car benefit according to CO₂ emissions.

National Minimum Wage

Age	From 1 st October 2007	From 1 st October 2008
Adult rate	£5.52	£5.73
18 to 21 years old	£4.60	£4.77
16 to 17 years old	£3.40	£3.53



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