

**RATES FOR INCOME TAX, IS/JSA/ESA/SPC BENEFIT  
RATES AND SOCIAL SECURITY CONTRIBUTIONS FROM  
APRIL 2015**

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## INTRODUCTION

- 1 This memo contains details about the income tax and the Social Security contribution rates for 2015/2016 and the increase in IS/JSA/ESA/SPC benefit rates from 6.4.15. The rates are introduced by the [Welfare Benefits Up-rating Order 2015](#) (SI 2015/30), the [Social Security Up-rating order 2015](#) (SI 2015/457), the [Social Security \(Contributions\) \(Re-rating and National Insurance Funds Payments\) Order 2015](#) (SI 2015/588), and the [Social Security \(Contributions\) \(Limits and Thresholds\) \(Amendment\) Regulations 2015](#) (SI 2015/577). This memo also contains guidance on the [Employment Rights \(Increase of Limits\) Order 2015](#) (SI 2015/226) and the [Social Security \(Invalid Care Allowance\) \(Amendment\) Regulations 2015](#) (SI 2015/162).

## UPRATING

### Benefit rates

- 2 New rates of IS/JSA/ESA/SPC benefits will apply from the first day of the first benefit week to commence on or after 6.4.15. DMs can find the new rates in benefit desk aids and should bear them in mind when reading examples in the DMG that contain benefit rates.

### Trade disputes

- 3 For IS, the relevant sum from the first day of the first benefit week which begins on or after 6.4.15, is £40.50<sup>1</sup>.

*1 C & B Act, s 126(7)*

- 4 For JSA, the prescribed sum from the first day of the first benefit week which begins on or after 6.4.15, is £40.50<sup>1</sup>.

*1 JSA Regs, reg 172*

### Housing costs non-dependant deductions - IS/JSA(IB)/ESA(IR)/SPC

- 5 Where a non-dependant lives with the claimant, a deduction from the allowable housing costs may be appropriate (see [DMG 23756](#), [DMG 44586](#) or [DMG 78500 et seq.](#)). See [Appendix 7](#) to DMG Chapter 23 for details of previous rates appropriate to IS/JSA, [Appendix 5](#) to DMG Chapter 44 for details of previous rates appropriate to

ESA and [Appendix 4](#) to DMG Chapter 78 for details of previous rates appropriate to SPC.

Gross weekly income	Deduction
less than <b>£129.00</b>	£14.55
£129.00 to <b>£188.99</b>	£33.40
£189.00 to <b>£245.99</b>	£45.85
£246.00 to <b>£327.99</b>	£75.05
£328.00 to <b>£407.99</b>	£85.45
<b>£408.00</b> or more	£93.80

### Third party deductions for miscellaneous accommodation costs

- 6 The amount for personal expenses for the purposes of deductions for miscellaneous accommodation costs is<sup>1</sup>
1. for a single person, £24.00
  2. for a couple where both members are in accommodation where deductions for miscellaneous accommodation costs are appropriate, £24.00 each
  3. in the case of a polygamous marriage, where more than one member of the marriage is in accommodation where deductions for miscellaneous accommodation costs is appropriate, £24.00 for each member in the accommodation.

*1 SS (C & P) Regs, Sch 9, para 4(2A); SS Benefits Up-rating Regulations 2011, SI 2011 No. 830*

## SOCIAL SECURITY CONTRIBUTIONS

### Class 1 contributions

- 7 From 6.4.15 the new earnings limits are as follows:

LEL - £112 weekly

UEL - £815 weekly

### Class 2 contributions

- 8 The ordinary Class 2 rate is £2.75 per week.

The share fisherman rate is £3.40.

## Small profits threshold

- 9 The small profits threshold limit is £5,885.

## Class 4 contributions

- 10 The rates for Class 4 contributions are:

Lower level	-	£8,060 per year
Higher level	-	£42,358 per year

## Class 4 rate

- |    |                   |   |    |
|----|-------------------|---|----|
| 11 | £8,060 to £42,358 | - | 9% |
|    | Above £42,385     | - | 2% |

## INCOME TAX

### Allowances

- 12 The rates for allowances are

Personal	-	under 65	£10,600
	-	65-74	£10,600
	-	75 and over	£10,660
Married couple	-	over 75	£8,355

- 13 Rates

The rates for tax are

Basic rate of 20%	-	up to £31,785
Higher rate 40%	-	over £31,785
Additional rate 45%	-	over £150,000

## **EMPLOYMENT RIGHTS – INCREASE OF LIMITS**

- 14 From 6.4.15 the rates for the maximum weekly amount and statutory guarantee payments increase<sup>1</sup>.

*1 The Employment Rights (Increase of Limits) Order 2015, art 1(1)*

### **The maximum weekly amount**

- 15 The maximum weekly amount from 6.4.15 is increased from £464 to £475<sup>1</sup>.

*1 The Employment Rights (Increase of Limits) Order 2015, Sch, para 8*

### **Statutory guarantee payments**

- 16 The daily rate of the statutory guarantee payment from 6.4.15 is increased from £25 to £26<sup>1</sup>.

*1 The Employment Rights (Increase of Limits) Order 2015, Sch, para 4*

## **CARER'S ALLOWANCE – INCREASE OF EARNINGS LIMIT**

- 17 The Carer's allowance weekly earnings limit from 6.4.15 is increased from £102 to £110<sup>1</sup>

*1. The Social Security (Invalid Care Allowance) Regulation, reg 8(1).*

## **ANNOTATIONS**

Please annotate the number of this memo (Memo DMG 5/15) against the following DMG paragraphs:

Appendix 1, 2 & 6 to Chapter 15, Appendix 1 to Chapter 21, Appendix 7 to Chapter 23, Appendix 2 & 3 to Chapter 26, Appendix 1 & 2 to Chapter 27, 33413, Appendix 5 to Chapter 44, 46223, Appendix 2 & 3 to Chapter 49, 60051, Appendix 4 to Chapter 60, Appendix 4 to Chapter 78, 79422 and Appendix 1 & 2 to Chapter 86.

## **CONTACTS**

If you have any queries about this memo, please write to Decision Making and Appeals (DMA) Leeds, 1S25, Quarry House, Leeds. Existing arrangements for such

referrals should be followed, as set out in Memo DMG 03/13 - Obtaining legal advice and guidance from DMA Leeds.

**DMA Leeds: March 2015**