



Tax Year April 2016 to 2017

The new tax year will begin on Wednesday 6th April 2016. There will be some changes to various rates that may affect your pay. This guide will provide you with an outline of those changes.

Income Tax allowances

Income Tax Allowance	2015-16 To April 5th 2015	2016-17 To April 6th 2016
Personal Allowance	£10,600	£11,000
Income limit on personal allowance	£100,000	£100,000

Income Tax rates and taxable bands

Rate	2015-16 To April 5th 2016	2016-17 To April 6th 2017
Basic rate: 20%	£0 - £31,785	£0 - £32,000
Higher rate: 40%	£31,786 - £150,000	£32,000.01 - £150,000
Additional rate: 45%	Over £150,000	Over £150,000

The Standard Tax Code will be 1100L

This reflects £11,000 personal allowance.

This reflects £11,000 personal allowance. If your current tax code has an 'L' suffix and we do not receive a new tax coding from HMRC for you then your code will automatically be uplifted by 40 points.

For Example: tax code 1060L would become 1100L
tax code 125L would become 165L

Only tax codes with suffix L, M and N will be automatically updated – all other tax codes will remain the same unless we are notified otherwise by HMRC. M suffix codes will be updated by 44 points. N suffix codes will be updated by 36 points.

The week one / month one basis of the tax code will be removed from all codes irrespective of the suffix.





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National Insurance Contributions

£ per week	2015-16 To April 5th 2016	2016-17 From April 6th 2017
Lower earnings limit, primary Class 1	£112	£112
Upper earnings limit, primary Class 1	£815	£827
Primary threshold	£155	£155
Secondary threshold	£156	£156
Employee's primary Class 1 rate between primary threshold and upper earnings limit	12%	12%
Employee's primary Class 1 rate above upper earnings limit	2%	2%

There are no changes in the % rates payable for employees or employers however there are some slight changes in the thresholds.

Student loan recovery

Rate or threshold	2015-16 To April 5th 2015	2016-17 From April 6th 2016
Employee earnings threshold at which repayment of student loans begin <i>Plan 1: Students that started before 01.09.2012</i>	£17,335 per year £1,444.58 per month £333.36 per week	£17,495 per year £1,457 per month £336 per week
Employee earnings threshold at which repayment of student loans begin <i>Plan 2: Students that started after 01.09.2012</i>		£21,000 per year £1,750 per month £403 per week
	9%	9%





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National Living Wage

From 1st April 2016 workers in the UK aged over 25 will be entitled to receive the National Living Wage of £7.20 per hour

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www.genieumbrella.com

helpme@genieumbrella.com

01296 489242

