



## **Rates and bands for NI, PAYE and Statutory Payments**

**2020-21 tax year**

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**2020-21 tax year**  
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## National Insurance rates and earnings limits

	LEL	PT	ST	UEL	UST	AUST
Weekly	120	183	169	962	962	962
2 weekly	240	366	338	1,924	1,924	1,924
4 weekly	480	731	676	3,847	3,847	3,847
Monthly	520	792	732	4,167	4,167	4,167
Quarterly	1,560	2,375	2,197	12,500	12,500	12,500
6 Monthly	3,120	4,750	4,394	25,000	25,000	25,000
Annual	6,240	9,500	8,788	50,000	50,000	50,000

*LEL = Lower Earnings Limit, PT = Primary Threshold, ST = Secondary Threshold, UEL = Upper Earnings Limit, UST = Upper Secondary Threshold, AUST = Apprentice Upper Secondary Threshold*

## Employee's and employer's NI contributions

Employee's NI contributions				
Letter	Earnings below LEL	Earnings at or above LEL up to and including PT	Earnings above PT up to and including UEL UST AUST	Balance of earnings above UEL UST AUST
A	NIL	0%	12%	2%
B	NIL	0%	5.85%	2%
C	NIL	NIL	NIL	NIL
H	NIL	0%	12%	2%
J	NIL	0%	2%	2%
M	NIL	0%	12%	2%
Z	NIL	0%	2%	2%
Employer's NI contributions				
Letter	Earnings below LEL	Earnings at or above LEL up to and including ST	Earnings above ST up to and including UEL UST AUST	Balance of earnings above UEL UST AUST
A	NIL	0%	13.8%	13.8%
B	NIL	0%	13.8%	13.8%
C	NIL	0%	13.8%	13.8%

Employer's NI contributions				
H	NIL	0%	0%	13.8%
J	NIL	0%	13.8%	13.8%
M	NIL	0%	0%	13.8%
Z	NIL	0%	0%	13.8%

*C = Pensioners, H = Apprenticeships Under 25, J = Deferment, M = Under 21, Z = Under 21 – Deferment*

## Income Tax rates and bands - Rest of the UK

		2019-20	2020-21
Basic rate	20%	1-37,500	1-37,500
Higher rate	40%	37,501-150,000	37,501-150,000
Additional rate	45%	Over 150,000	Over 150,000

## Income Tax rates and bands - Welsh

		2019-20	2020-21
Basic rate	20%	1-37,500	1-37,500
Higher rate	40%	37,501-150,000	37,501-150,000
Additional rate	45%	Over 150,000	Over 150,000

## Income Tax rates and bands - Scottish

	6 April 2020-21		11 May 2020-21	
Starter rate	19%	1-2,049	19%	1-2,085
Basic rate	20%	2,050-12,444	20%	2,086-12,658
Intermediate rate	21%	12,445-30,930	21%	12,659-30,930
Higher rate	41%	30,931-150,000	41%	30,931-150,000
Top rate	46%	Over 150,000	46%	Over 150,000

*Note: the Scottish thresholds (and rates) applicable from 6 April 2020 are unchanged. However, the thresholds for the starter rate and basic rate have been uplifted and apply from 11 May 2020, for which a further set of Scottish tax tables is available for Opera 3 customers.*

## Tax allowances

	2019-20	2020-21
Personal Allowance	12,500	12,500
Marriage Allowance	1,250	1,250

## Tax codes

From 6 April 2020 there are no changes in the personal allowance, so the emergency tax code remains as 1250L.

## Statutory Payments rates

For employees with average weekly earnings of £120.00 or more:

- SSP - from 6 April 2020, the standard weekly rate for sickness absence is £95.85.
- SMP & SAP - for payment weeks starting on or after Sunday 5 April 2020, the standard rate is £151.20. For the first six weeks of payment, the amount paid to an employee is 90% of the employee's average weekly earnings (the earnings-related rate). For the remaining weeks, it will be the lesser of the standard rate or the earnings-related rate (90% of the employee's average weekly earnings).
- SPP & ShPP - for payment weeks starting on or after Sunday 5 April 2020, the standard rate is £151.20. The weekly rate paid to an employee will be the lesser of the standard rate or the earnings-related rate (90% of the employee's average weekly earnings).
- SPBP (Statutory Parental Bereavement Pay) – this is a new statutory payment that is being introduced in April 2020. For payment weeks starting on or after Sunday 5 April 2020, the standard rate is £151.20. The weekly rate paid to an employee will be the lesser of the standard rate or the earnings-related rate (90% of the employee's average weekly earnings).

## Small Employers Relief

The recovery and compensation rates for Small Employers Relief (SER) and the classification of a small business have not changed.

- Employers who qualify for SER are those with a total annual Class 1 NICs including primary (employee) and secondary (employer) liability of £45,000 or less.
- Employers who qualify for SER can recover 100% of statutory payments (SMP, SPP, ShPP, SAP and SPBP) paid to their employees plus 3% compensation.
- Employers who do not qualify for SER can recover 92% of the statutory payments paid to their employees.

## Student and Postgraduate Loan thresholds

From 6 April 2020, the annual Student and Postgraduate Loan thresholds are:

- Student Loan plan 1: £19,390 (was £18,935)
- Student Loan plan 2: £26,575 (was £25,725)
- Postgraduate Loan: £21,000.

The deduction rate for Student Loans is unchanged at 9%.

The deduction rate for Postgraduate Loans is 6%.

## Thresholds for Auto Enrolment

Auto Enrolment Thresholds for the 2020-21 tax year.

PRP	Weekly	2 Weekly	4 Weekly	Monthly	Yearly
Lower level	120	240	480	520	6240
Earnings trigger	192	384	768	833	10,000
Upper level	962	1,924	3,847	4,167	50,000

*PRP = Pay Reference Period, Lower level = Lower level of qualifying earnings, Earnings trigger = Earnings trigger for automatic enrolment, Upper level = Upper level of qualifying earnings*

The total minimum Auto Enrolment contribution remains unchanged at 8% - with the employer contributing at least 3%.

## Thresholds for termination and sporting testimonial payments

From 6 April 2020, the Class 1A NI Employers NICs thresholds and rate for termination and sporting testimonial payments are:

	2020-21
Termination payments threshold	30,000
Sporting testimonial payments threshold	100,000.00
Class 1A NI contribution rate applicable on the amount of termination and sporting testimonial payments paid to employees which exceed their associated threshold	13.80%

## Employment Allowance

From 6 April 2020, the Employment Allowance will be £4,000.

## Apprenticeship Levy

From 6 April 2020, the Apprenticeship Levy Allowance is £15,000.

The deduction for the Apprenticeship Levy is charged at a rate of 0.5%



## Other user guides

Opera 3 guides are available in the User Guides section at [docs.pegasus.co.uk](https://docs.pegasus.co.uk).

Guide	Description
Installation guide	This guide instructions for the installation and upgrades of Opera 3.
Checklists guide	This guide describes the steps necessary to upgrade to Pegasus Opera 3 (2.70.00) and Pegasus Scheduler (2.20.10), and then complete the payroll year-end and start the new tax year.
Software Requirements guide	This guide lists the editions of Microsoft Office, Microsoft SQL Server, Microsoft Windows Server, Microsoft Windows desktop, web browsers and Microsoft .NET supported for Opera 3 and Pegasus Web Xchange.
SQL Server Licensing guide	This guide explains the licensing options for different editions of Microsoft SQL Server. It explains how to calculate the number of CALs (Client Access Licences) required for Pegasus products that use Microsoft SQL Server for the datastore.