

Letters of law: Our roundup of new and upcoming legislation

Nick Clarke

zellis user
summit

What are we going to cover?



Looking back

Reminder of what 2022
has brought



Here and now

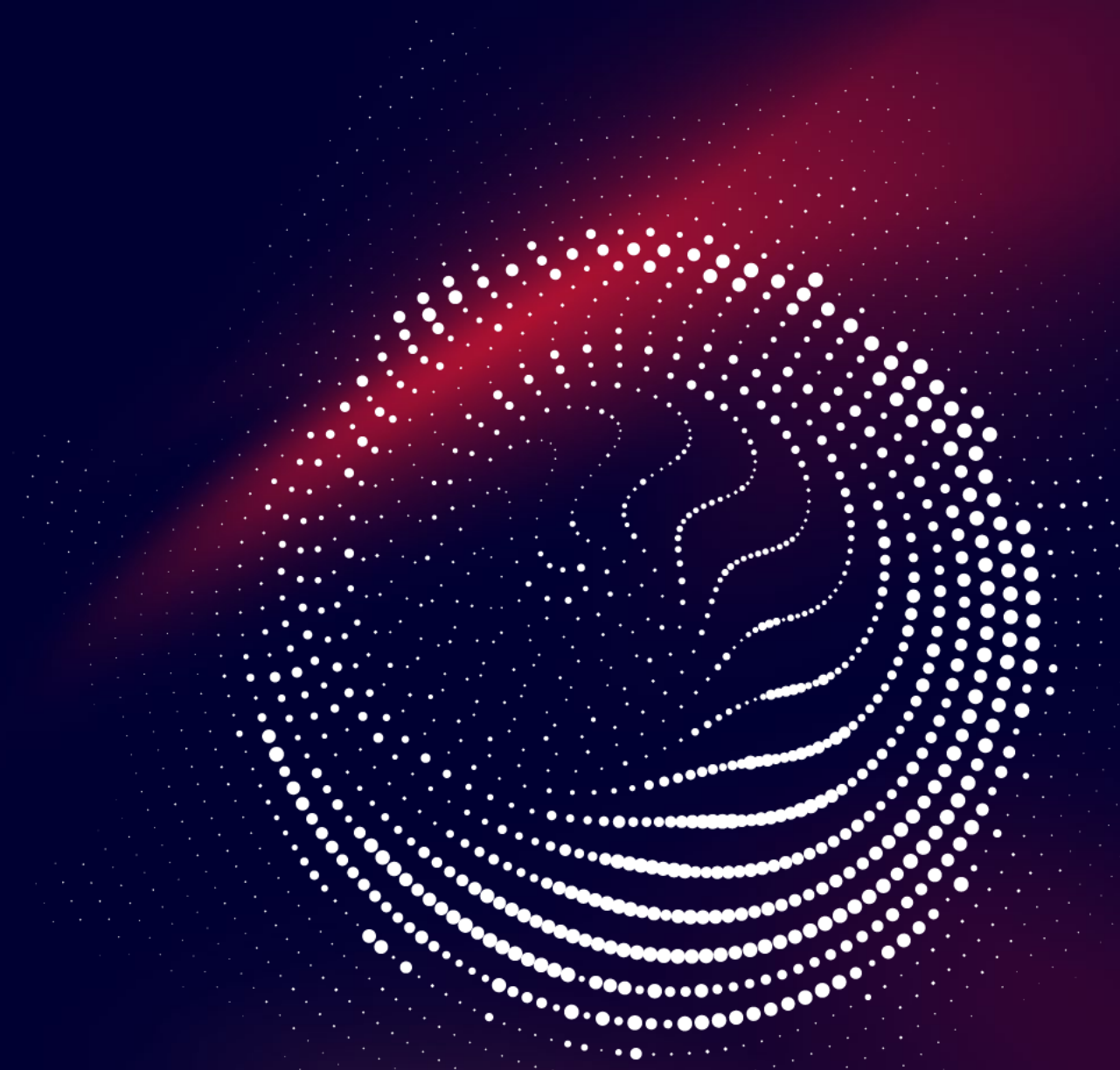
In-year changes and
Autumn statement



Looking ahead

New tax year changes
horizon scanning

What a year!



1.25% HEALTH AND SOCIAL CARE LEVY

raising ringfenced funds for health and social care



Looking back (UK)

- Increase in NI contribution rates by 1.25% points for Health & Social Care Levy
- Introduction of new national insurance categories for Freeport workers and Veterans
 - 5 new categories
 - New thresholds and parameters



HM Government

1 *East Midlands Airport*

2 *Felixstowe and Harwich*

3 *Humber Region*

4 *Liverpool City Region*

5 *Plymouth*

6 *Solent*

7 *Teeside*

8 *Thames*



Looking back (UK)



HM Government

- Increase in NI contribution rates by 1.25% points for Health & Social Care Levy
- Introduction of new national insurance categories for Freeport workers and Veterans
 - 5 new categories
 - New thresholds and parameters

Category	Description
V	Veteran – standard category
F	Freeport – standard category
I	Freeport – married women & widows entitled to pay reduced NICs
S	Freeport – employees over the state pension age
L	Freeport – employees who can defer paying 12% NICs and pay only 2% because they are already paying it in another job

Freeport Upper Secondary Threshold (FUST) Employers NICS Example*



Veterans Upper Secondary Threshold (VUST) Employers NICS Example*



* For illustrative purposes only

Looking back (UK)



HM Government

Annual changes for 2022-23 tax year:

- P60
- P11d
- SL1 student loan start notice processing
- National minimum wage and salary sacrifice
- Gender pay gap absences
- Average holiday pay

Looking back (Ireland)



An Roinn Dlí agus Cirt
Department of Justice

Gender pay gap reporting

- Employers must choose a snapshot date of their employees in June each year
- The reporting period is the 12-month period immediately preceding and including the snapshot date
- The GPG reporting requirement will have a phased introduction for employers over three increments



* For illustrative purposes only

Looking back (Ireland)



An Roinn Dlí agus Cirt
Department of Justice

Gender pay gap reporting

- Employers must choose a snapshot date of their employees in June each year
- The reporting period is the 12-month period immediately preceding and including the snapshot date
- The GPG reporting requirement will have a phased introduction for employers over a three-year period
- The Gender Pay Gap Information Act 2021 requires employers to publish:
 - The mean and median hourly wage gap, data on bonus pay and benefits in kind
 - The mean and median pay gaps for part-time employees and for employees on temporary contracts
 - The proportions of male and female employees in the lower, lower-middle, upper-middle, and upper quartile pay bands
 - An employer statement setting out the reasons for the GPG in their company and what measures are being taken or proposed to be taken by the employer to eliminate or reduce that pay gap.



Here and now

2022-23 in year NI changes

- July – primary threshold changed
- November – reduction of employee and employer 1.25%age points
- Remember – remove those payslip messages!



1.25% HEALTH AND SOCIAL CARE LEVY

raising ringfenced funds for health and
social care



UK Government Autumn Statement

Key announcements

- Personal allowance threshold frozen for a further two years at £12,570 (until 2028)
- Additional rate of income tax threshold reduced from £150,000 to £125,140
- Married couples' and blind person's allowances raising in line with inflation
- National Insurance contributions secondary threshold frozen at £9,100 (until 2028)
- National Insurance lower earnings limit fixed 2023/24
- Employment allowance remains at £5,000
- Company car tax rates are being set until April 2028
- National living wage set to rise from £9.50 to £10.42



Looking ahead

Looking ahead (Ireland)



An Roinn Fiontar,
Trádála agus Fostaíochta
Department of Enterprise,
Trade and Employment

Statutory sick pay

- Summary
 - 3 days entitlement from 1st January 23 rising to 10 days in 2026
 - 13 weeks service, medical certificate from GP
 - 70% of normal wages up to maximum €110 per day
- Bill delayed
- Regulations due end of November
- Effective 1st January 2023!
- Temporary reporting solution in design

Looking ahead (Ireland)

Benefits in kind

From January 2023, company cars will be calculated with reference to CO2 emissions

Benefit in Kind for Company Cars					
Annual business travel (kms)	Vehicle Categories – CO2 emission (g/km)				
	A	B	C	D	E
	<= 59 g/km	60 - 99 g/km	100 - 139 g/km	140 – 179 g/km	180 g/km +
% of Original Market Value (Electric car is reduced by €35,000 before calculating BIK)					
Up to 26,000	22.5	26.25	30	33.75	37.5
26,001 – 39,000	18	21	24	27	30
39,001- 52,000	13.5	15.75	18	20.25	22.5
52,001 or over	9	10.5	12	13.5	15

Looking ahead (Ireland)

Changes to statutory parameters & rates

Parameter	New value
Tax standard rate cut off points (all)	Increased by €3,200
PRSI class AX (higher threshold)	€424
PRSI class AL (lower and higher thresholds)	€424.01 - €441
PRSI class AL employer rate	8.8%
PRSI class AL	Tapered employee credit does not apply
PRSI class A1	€441
USC annual income band for 2% rate	€22,920
National minimum wage under 18 years	€7.91
National minimum wage aged 18 years	€9.04
National minimum wage aged 19 years	€10.17
National minimum wage aged 20 years or over	€11.30

Looking ahead (Ireland)

Annual submission/form updates

- ROI Legislative changes for SMART PAYE
- Changes to form ASC60
- Unique employment ID

Looking ahead (UK)

- Health and social care levy – **reversed**
- Off-payroll working (IR35) repeal - **reversed**
- Basic rate change to 19% - **delayed indefinitely (?)**



HM Government

Looking ahead (UK)

- RTI/FBI changes
- P60
- P11d and P46 (Car)
- NHS pension changes
- NMW unmeasured workers
- Teachers' Pensions MCR multi academy trusts
- Alignment of NMW & salary sacrifice
- Automated updates of statutory tables



HM Government

Looking ahead (UK)

UK rates and thresholds 2023/24



HM Government

Legislation items	Status	Details
UK tax allowance	Frozen	£12,570
UK tax rates	No change	20% (basic), 40% (higher), 45% (additional)
UK tax bands	Change for additional rate of tax	£125,140
Scottish income tax rates	Pending	Expected on 15 December
Welsh income tax rates	Same as UK (TBC)	
National insurance thresholds	Frozen	
National insurance rates	Frozen	
Health & Social care levy	Reversed	
Employment allowance	No change	£5,000
Statutory payment rates	Pending	
Automatic enrolment thresholds	Pending	
Student loans plan 1& 2	Confirmed	
National minimum wage/living wage	Confirmed	23 year old and above £10.42

Looking ahead (UK)

UK rates and thresholds 2023/24



HM Government

Age	NMW (UK) rates
23 year olds or over	£10.42
21-22 year olds	£10.18
18-20 year olds	£7.49
16-17 year olds	£5.28
Apprentice	£5.28
Accommodation offset	£9.10

SL Type	Thresholds	Deductions
Plan1	£22,015	9% (TBC)
Plan2	£27,295	9% (TBC)
Postgraduate Loan	Pending	6% (TBC)
Plan 4	Pending	9% (TBC)

Annual Income	Tax rates
Annual allowance	£12,570
Up to 37,000	20%
37,001 – 125,140	40%
From 125,141	45%

Looking ahead (Isle of Man & Gibraltar)



- Isle of Man T14 change
- Gibraltar P7 change



Horizon scanning

Horizon scanning



Carer's leave



Investment zones



Future of BACS



Third rate of tax in Ireland



Non-taxable pay return in Ireland



Simplification - pay related social insurance (Ireland)



Pensions

Horizon scanning



Day 1 right for up-to 5 days unpaid leave in a year



Investment zones to boost economical growth



PayUK are intending to make changes to file formats



Rumours of an additional tax rate in Ireland



Requirement to submit non-taxable pay to Revenue



Proposed simplification of PRSI

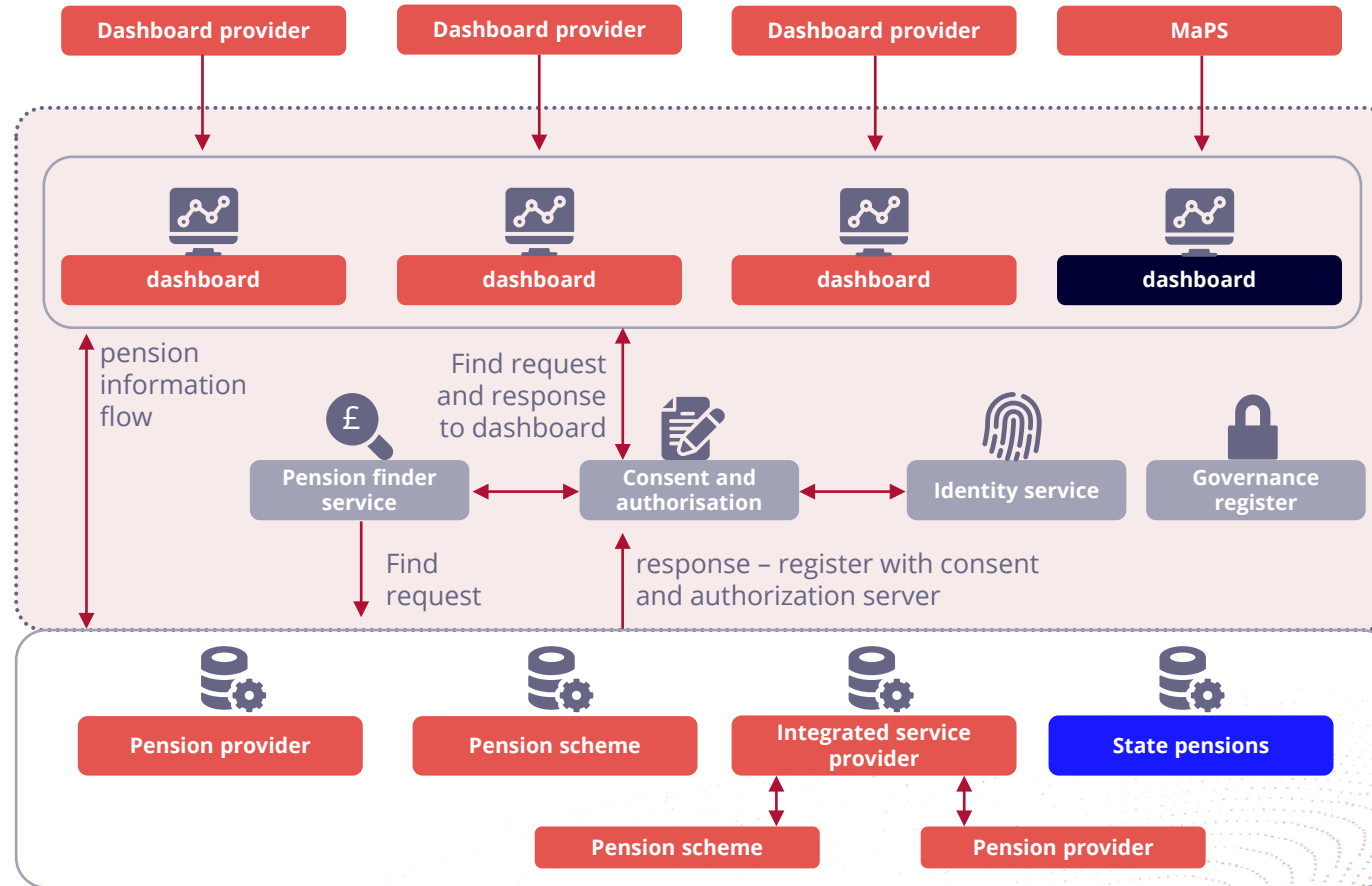


Lots of changes proposed for pensions

Pension dashboards



How dashboards will work



MaPS Dashboard Maps

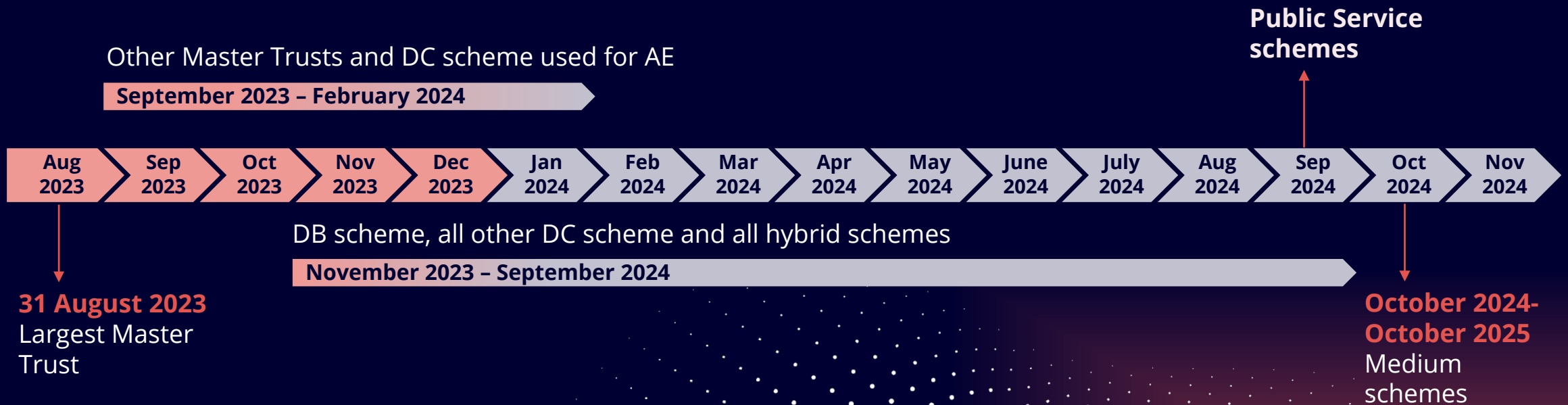
Digital architecture- PDP

Dashboard/pension providers and scheme - Industry

State pension - DWP

Ecosystem, governance framework (technical, security, design, accessibility, performance and user experience standards) - PDP to set up and monitor

Staging timeline



Automatic enrolment 10 years on



The Pensions Regulator

New activity & focus

- Large employers
- Geographical areas
- The GIG economy
- Accuracy of records

Common errors

- Incorrect tax relief
- Pay elements
- AE letters
- Opt-ins
- Maternity processes

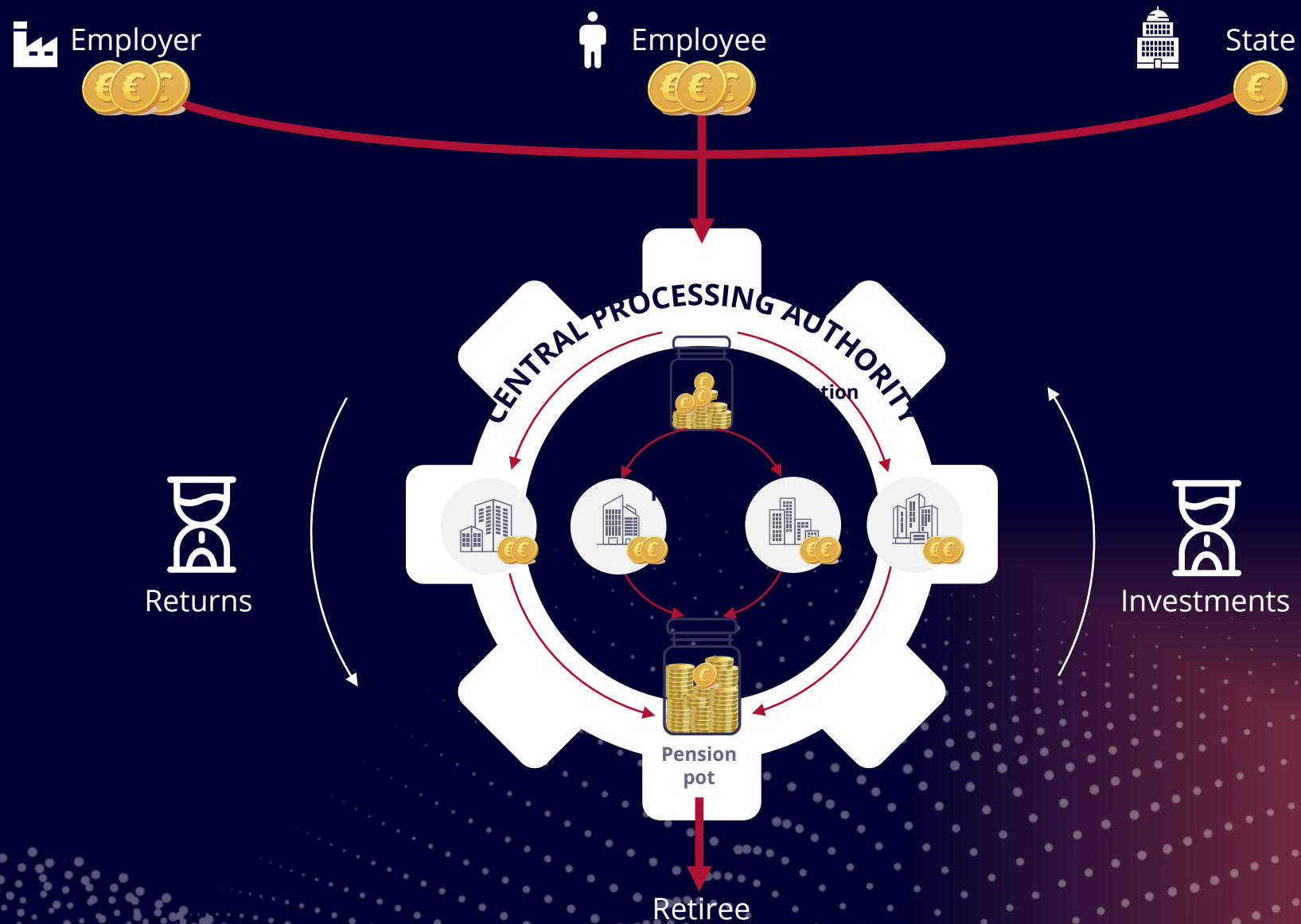
Automatic enrolment (Ireland)



An Roinn Coimirce Sóisialaí
Department of Social Protection

- Employees aged between 23 and 60, earning over €20,000 across employments, not already enrolled in an occupational pension scheme will be automatically enrolled
- Other employees outside of this criteria can choose to opt in
- Employees will be free to opt-out of the system at the end of a minimum membership period
- Employees will be free to suspend making contributions at any time
- There will be a choice from a range of four retirement savings funds
- 2 year re-enrolment cycle after which they may opt-out or suspend again
- Employers will be required to match employee contributions up to a cap

Auto-enrolment process



Contribution timelines



An Roinn Coimirce Sóisialaí
Department of Social Protection

Year 1



1.5%

Year 2



1.5%

Year 3



0.5%

In year 1 to 3, the employee and employer will each pay 1.5% of a person's gross earnings into the pension pot and the State will pay 0.5%

Year 4



3%

Year 5



3%

Year 6



1%

In year 4, the contribution rate will be 3% for the employer and employee, and 1% for the State

Year 7



4.5%

Year 8



4.5%

Year 9



1.5%

In years 7 to 9, the contribution rates will be 4.5% for the employer and employee, and 1.5% for the State

Year 10



6%



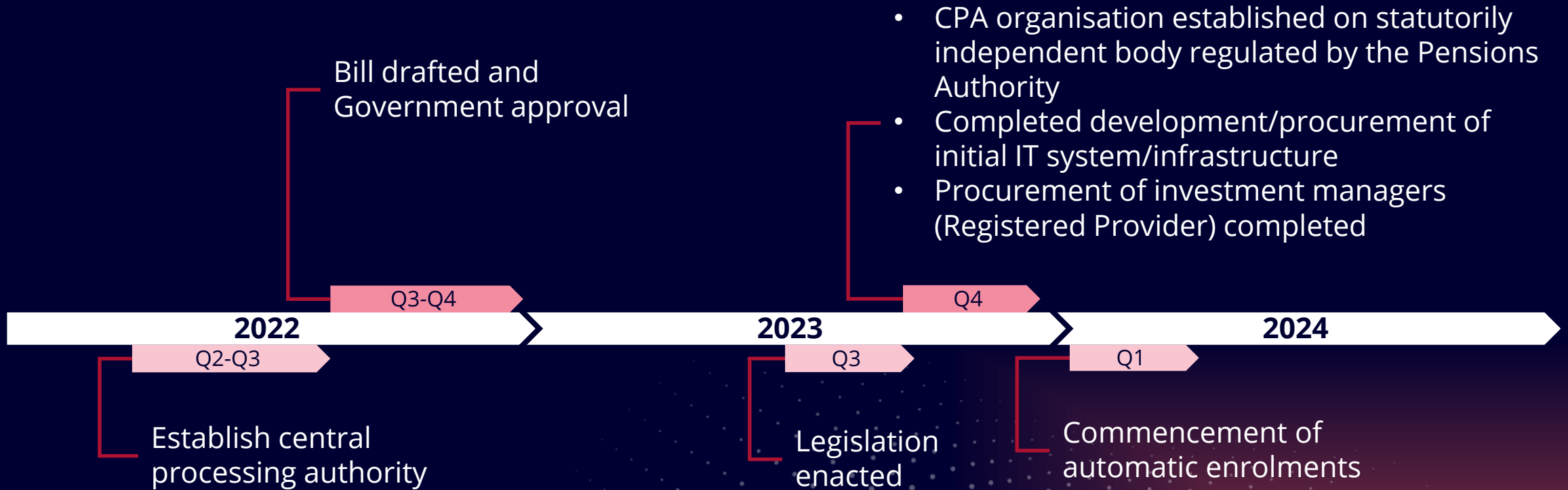
6%



2%

From year 10 onwards, the contribution rates will be 6% for the employer and employee, and 2% for the State

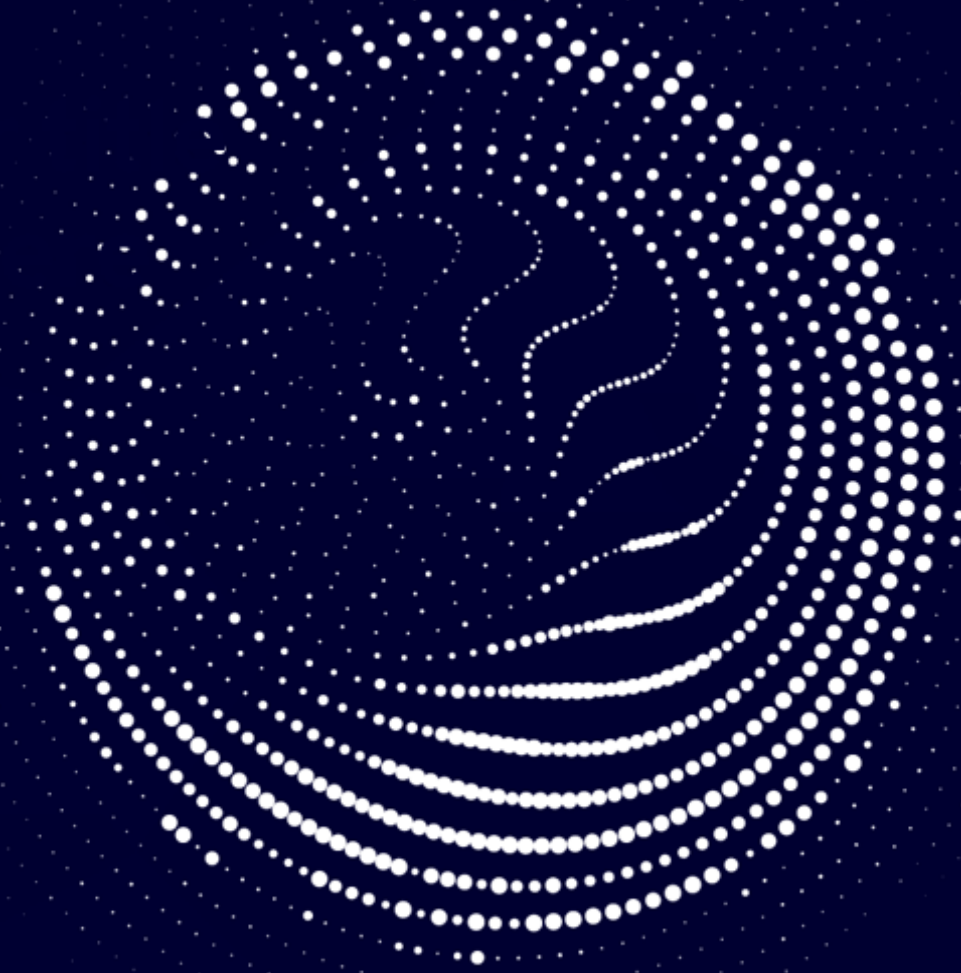
Automatic enrolment (Ireland)



Guernsey Secondary Pension - AE



- Draft regulations [after] November 2022
- Commencing October 2023
- Withing three months of employment, employee should be auto enrolled:
 - Age is between 16 and 65
 - Earning above the lower earnings limit
 - Not in a qualifying pensions scheme
- Exception: Employees in full time education
- 3 year cyclical re-enrolment cycles
- Ability to opt-in/out
- 2% in year 1 rising to 10% in year 7 (combined employee, employer values)



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22-23 November • The ICC
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