

PAYE and NICs rates and limits for 2012–13

Includes:

- PAYE thresholds and rates
- Emergency tax code
- Approved mileage allowance payments
- Class 1A National Insurance contributions (NICs) on benefits in kind
- Class 1B National Insurance contributions (NICs)
- NICs earnings limits, thresholds and rates
- Statutory Sick Pay (SSP)
- Statutory Maternity Pay (SMP)
- Ordinary Statutory Paternity Pay (OSPP)
- Additional Statutory Paternity Pay (ASPP)
- Statutory Adoption Pay (SAP)
- Funding of SMP, OSPP, ASPP and SAP
- National Minimum Wage
- Collection of Student Loans

Use from 6 April 2012

Updated 2 February 2012

Help and guidance

Help and guidance is available from the following sources.

The internet

For help with payroll go to www.hmrc.gov.uk/paye

For wider interactive business help go to www.businesslink.gov.uk/mynewbusiness

Online Services

For information and help using our Online Services go to www.hmrc.gov.uk/online

For more help contact the Online Services Helpdesk by:

- email helpdesk@ir-efile.gov.uk
- phone **0845 60 55 999**, or
- textphone **0845 366 7805**.

Basic PAYE Tools

The Basic PAYE Tools contains a number of calculators and most of the forms that you will need to help you run your payroll throughout the year including:

- a P11 Calculator that will work out and record your employee's tax, NICs and Student Loan deductions every payday, with a linked P32 *Employer Payment Record* that works out how much you need to pay us
- a range of other calculators to work out Student Loan deductions and statutory payments and a learning zone to help you understand these and other payroll topics
- an employer database to record your employees' details
- interactive forms such as the P11D Working Sheets.
- If you use the P11 Calculator in the Basic PAYE Tools you can file online your:
 - starter and leaver information P45 Part 1, P45 Part 3, P46 information and P46(Expat) information
 - Employer Annual Return (if you have up to and including nine employees) on the P11 Calculator at 5 April.

To download the Basic PAYE Tools, go to www.hmrc.gov.uk/paye/tools/basic-payee-tools.htm

Employer helplines

- Employer for **less than 3 years**, phone **0845 60 70 143**.
- Employer for **3 years or more**, phone **08457 143 143**.
- If you have a hearing or speech impairment and use a textphone, phone **0845 602 1380**.

Employer helpbooks and forms

Helpbooks and forms are available to download. Go to www.hmrc.gov.uk/paye/forms-publications.htm

Yr Iaith Gymraeg

I lawrlwytho ffurllenni a llyfrynnau cymorth Cymraeg, ewch i www.hmrc.gov.uk/cymraeg/employers/emp-pack.htm Os, yn eithriadol, nad oes gennych gysylltiad i'r rhyngwyd, cysylltwch â'r Ganolfan Gyswilt Cymraeg ar **0845 302 1489**.

Forms and guidance in Braille, large print and audio

For details of employer forms and guidance in Braille, large print or audio, phone the Employer Orderline on **08457 646 646** and ask to speak to the Customer Service Team.

In person

We offer free workshops covering some payroll topics. These workshops are available at locations throughout the UK. For more information:

- go to www.hmrc.gov.uk/bst or
- phone our Business Education & Support Team on **0845 603 2691**.

Employer Bulletin online

Employer Bulletins contain information and news for employers. We publish these several times a year. Go to www.hmrc.gov.uk/paye/employer-bulletin

Employer email alerts

We strongly recommend that you register to receive employer emails to prompt and direct you to:

- each new edition or news about the Basic PAYE Tools
- the Employer Bulletin
- important new information.

To register, go to www.hmrc.gov.uk/paye/forms-publications/register.htm

HM Revenue & Customs (HMRC)

If you have a query about your PAYE scheme:

- phone the Employer Helpline on **08457 143 143**, or
- write to:
HM Revenue & Customs
Customer Operations Employer Office
BP4009
Chillingham House
Benton Park View
NEWCASTLE
NE98 1ZZ

Please tell us your employer reference when you contact us. You will find it on correspondence from HMRC.

Real Time Information (RTI)

From April 2013, HMRC is introducing Real Time Information (RTI). Under RTI, employers and pension providers will send HMRC information when they pay their employees, instead of yearly. For more information go to www.hmrc.gov.uk/rti/index.htm

Your rights and obligations

Your Charter explains what you can expect from us and what we expect from you. For more information go to www.hmrc.gov.uk/charter

PAYE and NICs rates and limits for 2012–13

This helpbook gives details of:

- Pay As You Earn (PAYE) thresholds and rates
- Approved mileage allowance payments
- Class 1 National Insurance rates and earnings limits
- Class 1A National Insurance rate
- Class 1B National Insurance rate
- Statutory Sick Pay (SSP), Statutory Maternity Pay (SMP), Ordinary Statutory Paternity Pay (OSPP), Additional Statutory Paternity Pay (ASPP) and Statutory Adoption Pay (SAP) rates
- funding of SMP, OSPP, ASPP and SAP
- National Minimum Wage
- Collection of Student Loans.

If you are reading this helpbook following any 2012 Budget you must make sure that you are using the latest version.

If you use payroll software you will need to make sure that this has been updated to incorporate the new rates and limits included in this helpbook.

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Pay As You Earn (PAYE)

Thresholds

The PAYE thresholds (the level of earnings at which tax becomes payable) are: £156 weekly
£675 monthly.

Rates

| | | | |
|--------------------|-----------------|-------------|--------------------------|
| The tax rates are: | Basic rate | 20 per cent | from £1 to £34,370 |
| | Higher rate | 40 per cent | from £34,371 to £150,000 |
| | Additional rate | 50 per cent | £150,001 and above. |

K codes

Tax codes starting with a K have a regulatory limit of 50 per cent of an employee's gross pay in the pay period. This limit restricts the amount of tax that is taken from the employee's pay to make sure that they retain a certain amount of take home pay.

Emergency tax code

The emergency tax code is 810L

Deciding which tax code to use

To find out which tax code to use:

- go to www.hmrc.gov.uk/payee/employees/start-leave/ or
- use the information below together with the guidance on page 20 of the Employer Helpbook E13(2012) *Day-to-day payroll* under the heading '**Step 3 Deciding which tax code to use**'.

Step 3 – Deciding which tax code to use

- Confirm which tax year the P45 is for by checking the leaving date at item 4.
- Use the table below to find out which tax code to use. Find the date of leaving in column A, then follow the instructions in column B to decide which tax code to use.
- A tax code is normally made up of one or more numbers followed by a letter. If the tax code on the P45 has only a number, add a letter 'T' to the end of the code when you enter it on a P11 but **do not** alter the P45.

| A Date of leaving on P45 (item 4) | B Date employee started working for you |
|---|--|
| Employee's P45 has a date of leaving between 6 April 2012 to 5 April 2013 | Employee starts working for you on or after 6 April 2012 Use the tax code on the P45 and enter in Box L of the P11. |
| Employee's P45 has a date of leaving between 6 April 2011 to 5 April 2012 | Employee starts working for you during the period 6 April 2012 to 24 May 2012 Use the tax code on the P45 and add 63 to any tax code ending in L, for example 747L becomes 810L but do not carry forward any week 1/month 1 markings from the P45 and enter in Box L of the P11. Employee starts working for you on or after 25 May 2012 Use emergency tax code 810L on a week 1/month 1 basis and enter it in Box L of the P11. |
| Employee's P45 has a date of leaving before 6 April 2011 | Employee starts working for you during the period 6 April 2012 to 5 April 2013 Use emergency tax code 810L on a week 1/month 1 basis and enter it in Box L of the P11. |

Approved mileage allowance payments

The following rates are used to calculate the maximum amount that can be exempted from tax and NICs for business miles travelled in the employee's own vehicle.

| | |
|------------------------------|--------------|
| Motor cars and vans | |
| First 10,000 business miles* | 45p per mile |
| Over 10,000 business miles | 25p per mile |
| Motorcycles | 24p per mile |
| Cycles | 20p per mile |

* For NICs purposes, the higher rate applies to all miles, not only the first 10,000.

Additional passenger payments

You can also pay up to **5p** per mile free of tax and NICs for each employee who travels as a passenger and is also on a business journey.

For more information on paying employees for business miles travelled using the employee's own transport, see the CWG2(2012) *Employer Further Guide to PAYE and NICs*, under 'mileage expenses for NICs'.

Class 1A NICs on benefits in kind

If you provide benefits, including cars, to an employee during the tax year, you may have to pay Class 1A NICs.

The Class 1A NICs rate for benefits provided in 2011–12 is **13.8** per cent.

Class 1A NICs for benefits provided in the 2011–12 tax year are due to be paid by 19 July 2012. If you pay by an approved electronic payment method please pay any Class 1A NICs in time for your cleared payment to reach us no later than 22 July 2012. Where the 22nd falls on a weekend or is a bank holiday, the cleared funds must be in our bank account no later than the **previous** bank working day, unless you make payment using the Faster Payment Service. For these payments we suggest you confirm the position with your bank. For more details about making payment go to www.hmrc.gov.uk/payinghmrc/class1anics.htm

If you do not pay in full and on time, you will be charged interest and we may charge you penalties.

For more information about expenses and benefits go to www.hmrc.gov.uk/pay/exb

Detailed information is also available in the following publications:

- CWG5(2012) *Class 1A National Insurance contributions on benefits in kind – A guide for employers*
- CA33 *Class 1A National Insurance contributions on Car and Fuel Benefits – A guide for employers*
- 480(2012) *Expenses and benefits – A tax guide*
- 490 *Employee travel – A tax and NICs guide for employers*
- P11D(Guide)(2012)
- P11D Working Sheets.

Class 1B NICs

If you make expenses payments to your employees or give them benefits, and you include these in a PAYE Settlement Agreement, you may have to pay Class 1B NICs.

The Class 1B NICs rate for the 2011–12 tax year is **13.8** per cent.

Class 1B NICs in respect of the 2011–12 tax year are due to be paid by 19 October 2012. If you pay by an approved electronic payment method please pay any Class 1B NICs in time for your cleared payment to reach us no later than 22 October 2012.

Where the 22nd falls on a weekend or is a bank holiday, the cleared funds must be in our bank account no later than the **previous** bank working day, unless you make payment using the Faster Payment Service. For these payments we suggest that you confirm the position with your bank. For more details about making payment go to www.hmrc.gov.uk/payinghmrc/psa.htm

If you do not pay in full and on time, you will be charged interest and we may charge you penalties.

For more detailed information about PAYE Settlement Agreements and Class 1B NICs see:

- www.hmrc.gov.uk/pay/exb/schemes/PSA.htm
- CWG2(2012) *Employer Further Guide to PAYE and NICs*.

Class 1 NICs

Earnings limits

To calculate NICs, five levels of earnings are used:

- Lower Earnings Limit (LEL)
- Secondary Threshold (ST)
- Primary Threshold (PT)
- Upper Accrual Point (UAP)
- Upper Earnings Limit (UEL)

The corresponding weekly, monthly and annual earnings limits, Upper Accrual Points and thresholds are in the tables on pages 4 and 5.

If you are using the NICs tables or the NICs calculators on our website, you don't need to do anything other than make yourself aware of the changes to the Upper Accrual Points, thresholds and earnings limits.

Lower Earnings Limit (LEL)

This is the minimum level of earnings that an employee needs to qualify for benefits, such as State Pension and Jobseeker's Allowance. If an employee's earnings reach or exceed this level, but don't exceed the Primary Threshold, they won't pay NICs but will be treated as having paid them when claiming benefit. For this reason, you must keep details of an employee's earnings at or above the LEL on a form P11 or equivalent record and report them at the end of the year on a form P14.

Secondary Threshold (ST)

When earnings exceed this level NICs become payable by the employer.

Primary Threshold (PT)

When earnings exceed this level NICs become payable by the employee.

Upper Accrual Point (UAP)

The UAP is set at £770 a week, £3,337 a month, and £40,040 a year. Employers and their employees who are members of contracted-out occupational pension schemes pay NICs at the reduced contracted-out rate up to the UAP only. They then pay NICs at the higher standard rate on the employee's earnings between the UAP and the UEL.

Upper Earnings Limit (UEL)

Where earnings exceed the UEL, the employee pays NICs at 2 per cent on those earnings above the UEL. The UEL doesn't apply to employer's NICs, which are payable on all earnings above the ST, including those above the UEL, at the appropriate rate.

Not contracted-out

National Insurance rates and earnings limits 2012–13 – you do not need to look at this table if you are using the NI Tables

| Lower Earnings Limit (LEL) | | Secondary Threshold (ST) | | Primary Threshold (PT) | | Upper Accrual Point (UAP) | | Upper Earnings Limit (UEL) | |
|----------------------------|---------|--------------------------|---------|------------------------|---------|---------------------------|---------|----------------------------|---------|
| £ | | £ | | £ | | £ | | £ | |
| Weekly | Monthly | Weekly | Monthly | Weekly | Monthly | Weekly | Monthly | Weekly | Monthly |
| Annual | | Annual | | Annual | | Annual | | Annual | |
| 107 | 464 | 144 | 624 | 146 | 634 | 770 | 3,337 | 817 | 3,540 |
| 5,564 | | 7,488 | | 7,605 | | 40,040 | | 42,475 | |

| Employer's contributions and NICs rebate | | | | | | | | | | |
|--|--|---|--|---|---|--|---|--|---|---|
| Contribution Table letter | Employee's contributions and NICs rebate | | | | | Employer's contributions and NICs rebate | | | | |
| | Earnings below LEL | Earnings at or above LEL up to and including ST | Earnings above ST up to and including PT | Earnings above PT up to and including UAP | Earnings above UAP to and including UEL | Earnings below LEL | Earnings at or above LEL up to and including ST | Earnings above ST up to and including PT | Earnings above PT up to and including UAP | Earnings above UAP to and including UEL |
| A | NIL | 0% | 0% | 12% | 12% | NIL | 0% | 13.8% | 13.8% | 13.8% |
| | NIL | 0% | 0% | 5.85% | 5.85% | NIL | 0% | 13.8% | 13.8% | 13.8% |
| B | NIL | NIL | NIL | NIL | NIL | NIL | 0% | 13.8% | 13.8% | 13.8% |
| | NIL | NIL | NIL | NIL | NIL | NIL | 0% | 13.8% | 13.8% | 13.8% |
| C (Pensioners) | NIL | NIL | NIL | NIL | NIL | NIL | 0% | 13.8% | 13.8% | 13.8% |
| | NIL | 0% | 2% | 2% | 2% | NIL | 0% | 13.8% | 13.8% | 13.8% |
| J (deferment – not contracted-out) | NIL | 0% | 2% | 2% | 2% | NIL | 0% | 13.8% | 13.8% | 13.8% |
| | NIL | 0% | 2% | 2% | 2% | NIL | 0% | 13.8% | 13.8% | 13.8% |

Employer's rates for mariners should be reduced by 0.5%

| National Insurance rates and earnings limits 2012-13 - you do not need to look at this table if you are using the NI Tables | | | | | | | | | | | | | | | | |
|---|--------------------|---|--|---|--------------------|-------------------------------|--|---|--|--------------------|---|--|---|--------------------|-------------------------------|--|
| Lower Earnings Limit (LEL) | | Secondary Threshold (ST) | | Primary Threshold (PT) | | Upper Accrual Point (UAP) | | Upper Earnings Limit (UEL) | | | | | | | | |
| £ | | £ | | £ | | £ | | £ | | | | | | | | |
| Weekly | 107 | Weekly | 144 | Weekly | 146 | Weekly | 770 | Weekly | 817 | | | | | | | |
| Monthly | 464 | Monthly | 624 | Monthly | 634 | Monthly | 3,337 | Monthly | 3,540 | | | | | | | |
| Annual | 5,564 | Annual | 7,488 | Annual | 7,605 | Annual | 40,040 | Annual | 42,475 | | | | | | | |
| Employer's contributions and NICs rebate | | | | | | | | | | | | | | | | |
| Contribution Table letter | Earnings below LEL | Earnings at or above LEL up to and including ST | Earnings above ST up to and including PT | Earnings above PT up to and including UEL | Earnings above UEL | Balance of earnings above UEL | NICS rebate on earnings above LEL up to and including ST | NICS rebate on earnings above ST up to and including PT | NICS rebate on earnings above PT up to and including UEL | Earnings below LEL | Earnings at or above LEL up to and including ST | Earnings above ST up to and including PT | Earnings above PT up to and including UEL | Earnings above UEL | Balance of earnings above UEL | NICS rebate on earnings above LEL up to and including ST |
| | | | | | | | | | | | | | | | | |
| D | NIL | 0% | 10.6% | 12% | 2% | 1.4% | 1.4% | 1.4% | 1.4% | NIL | 0% | 10.4% | 10.4% | 10.4% | 13.8% | 3.4% |
| E | NIL | 0% | 5.85% | 5.85% | 2% | NIL | NIL | NIL | NIL | NIL | 0% | 10.4% | 10.4% | 13.8% | 13.8% | 3.4% |
| L (deferment - contracted-out) | NIL | 0% | 2% | 2% | 2% | 1.4% | 1.4% | 1.4% | 1.4% | NIL | 0% | 10.4% | 10.4% | 13.8% | 13.8% | 3.4% |
| Employer's rates for mariners should be reduced by 0.5% | | | | | | | | | | | | | | | | |

Statutory Sick Pay (SSP)

The **weekly** rate of SSP is £85.85 for employees with average weekly earnings of £107 or more.

The SSP **daily** rate is the weekly rate of SSP divided by the number of qualifying days in the week and then multiplied by the number of qualifying days of incapacity in the week, rounded up to the nearest penny.

For SSP purposes, weeks begin on Sunday and end on Saturday.

| *Unrounded daily rates | Number of qualifying days in week | Number of qualifying days of incapacity for work in the week | | | | | | |
|------------------------|-----------------------------------|--|--------|--------|--------|--------|--------|--------|
| | | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| £12.2642 | 7 | £12.27 | £24.53 | £36.80 | £49.06 | £61.33 | £73.59 | £85.85 |
| £14.3083 | 6 | £14.31 | £28.62 | £42.93 | £57.24 | £71.55 | £85.85 | |
| £17.1700 | 5 | £17.17 | £34.34 | £51.51 | £68.68 | £85.85 | | |
| £21.4625 | 4 | £21.47 | £42.93 | £64.39 | £85.85 | | | |
| £28.6166 | 3 | £28.62 | £57.24 | £85.85 | | | | |
| £42.9250 | 2 | £42.93 | £85.85 | | | | | |
| £85.8500 | 1 | £85.85 | | | | | | |

* Unrounded daily rates are shown for employers with computerised payroll systems.

Recovery of SSP

In certain circumstances you may be able to recover some of the SSP that you pay under the Percentage Threshold Scheme.

You can get back any SSP that you have paid over and above 13 per cent of your NICs liability for the same tax month in which you have paid SSP. For more information, see the E14(2012) *Employer Helpbook for Statutory Sick Pay*.

Before asking HMRC for funding you should offset any tax/NICS you have deducted but not yet paid over to HMRC and seek funding of only the net sums due to you.

Statutory Maternity Pay (SMP)

Women expecting a baby on or before 31 March 2012 who satisfy the qualifying conditions are entitled to a maximum of 39 weeks SMP. These include having average weekly earnings of:

- £97 if their baby is due between 18 July 2010 and 16 July 2011
- £102 if their baby is due between 17 July 2011 and 14 July 2012.

| | |
|-------------------------------------|---|
| First six weeks of payment | 90 per cent of employee's average weekly earnings |
| Remaining weeks up to 31 March 2012 | Pay the lesser of: — 90 per cent of average weekly earnings, or — £128.73 |

Women expecting a baby on or after 1 April 2012 who satisfy the qualifying conditions are entitled to a maximum of 39 weeks SMP. These include having average weekly earnings of:

- £102 if their baby is due between 17 July 2011 and 14 July 2012
- £107 if their baby is due between 15 July 2012 and 13 July 2013.

| | |
|-----------------------------------|---|
| First six weeks of payment | 90 per cent of employee's average weekly earnings. |
| Remaining weeks from 1 April 2012 | Pay the lesser of: — 90 per cent of average weekly earnings, or — £135.45 |

For more information see the E15(2012) *Employer Helpbook for Statutory Maternity Pay*, or go to www.hmrc.gov.uk/payee/employees/statutory-pay/smp-overview.htm

Ordinary Statutory Paternity Pay (OSPP)

OSPP is paid for a maximum of two weeks to employees who satisfy the qualifying conditions.

Birth

If the average weekly earnings amount is at least:

- £102 for babies due between 17 July 2011 and 14 July 2012, or
- £107 for babies due between 15 July 2012 and 13 July 2013

your employee's earnings are high enough to get OSPP.

Adoption

If the average weekly earnings amount is at least:

- £102 and the adoption agency told the adopter that they had been matched with a child between 3 April 2011 and 31 March 2012, or
- £107 and the adoption agency told the adopter that they had been matched with a child between 1 April 2012 and 30 March 2013

your employee's earnings are high enough to get OSPP.

The weekly rate up to 31 March 2012 is the **lesser of** £128.73 or 90 per cent of the employee's average weekly earnings.

The weekly rate from 1 April 2012 is the **lesser of** £135.45 or 90 per cent of the employee's average weekly earnings.

For more information see the E19(2012) *Employer Helpbook for Ordinary and Additional Statutory Paternity Pay* if your employee is entitled to OSPP because a baby was born or they were entitled to OSPP because they were adopting a child in the UK or from abroad.

Additional Statutory Paternity Pay (ASPP)

ASPP is paid for a maximum of 19 weeks (or more in the event of the death of the mother or adopter) to employees who satisfy the qualifying conditions. These include having average weekly earnings of £107.00 if their baby is due on or after 1 April 2012, or if they are notified that they have been matched with a child, or for overseas adoptions, the child entered the UK from abroad on or after 1 April 2012.

Birth

If the average weekly earnings amount is at least:

- £102 for babies due between 17 July 2011 and 14 July 2012, or
- £107 for babies due between 15 July 2012 and 13 July 2013

your employee's earnings are high enough to get ASPP.

Adoption

If the average weekly earnings amount is at least £107 and the adoption agency told the adopter that they had been matched with a child between 1 April 2012 and 30 March 2013 your employee's earnings are high enough to get ASPP.

The weekly rate from 1 April 2012 is the **lesser of** £135.45 or 90 per cent of the employee's average weekly earnings.

For more information see the E19(2012) *Employer Helpbook for Ordinary and Additional Statutory Paternity Pay* if your employee is entitled to ASPP because a baby was due, or because they were adopting a child in the UK, or the child entered the UK from abroad on or after 1 April 2012.

Statutory Adoption Pay (SAP)

Employees who are adopting a child and are told that they have been matched with a child or received official notification that they are eligible to adopt a child from abroad on or after 1 April 2012, and who satisfy the qualifying conditions, are entitled to a maximum of 39 weeks SAP. These include having average weekly earnings of at least:

- £102 gross a week and the adoption agency told the adopter that they had been matched with a child between 3 April 2011 and 31 March 2012, or
- £107 gross a week and the adoption agency told the adopter that they had been matched with a child between 1 April 2012 and 30 March 2013.

The weekly rate up to 31 March 2012 is the **lesser of** £128.73 or 90 per cent of the employee's average weekly earnings.

The weekly rate from 1 April 2012 is the **lesser of** £135.45 or 90 per cent of the employee's average weekly earnings.

For more information see the E16(2012) *Employer Helpbook for Statutory Adoption Pay*.

Funding of SMP/OSPP/ASPP/SAP

All employers are entitled to recover 92 per cent of the SMP/OSPP/ASPP/SAP they pay.

If you qualify for Small Employer's Relief you are entitled to recover 100 per cent of the SMP/OSPP/ASPP/SAP that you pay plus 3 per cent for payments made on or after 6 April 2012.

The Small Employer's Relief Threshold is £45,000 for payments made on or after 6 April 2012.

Before asking HMRC for funding you should offset any tax/NICS that you have deducted but not yet paid over to HMRC and seek funding of only the net sums due to you.

For more information see the:

- E15(2012) *Employer Helpbook for Statutory Maternity Pay*
- E16(2012) *Employer Helpbook for Statutory Adoption Pay*
- E19(2012) *Employer Helpbook for Ordinary and Additional Statutory Paternity Pay*
- learning packages in the Basic PAYE Tools at www.hmrc.gov.uk/payee/tools/basic-payee-tools.htm

National Minimum Wage

There are four different National Minimum Wage (NMW) rates. NMW rates are usually updated in October each year. The rates that apply from 1 October 2011 are as follows:

- Main Rate for workers aged 21 years and over - **£6.08 per hour.**
- For workers aged 18 to 20 inclusive - **£4.98 per hour.**
- For workers aged under 18 (but above compulsory school leaving age) - **£3.68 per hour.**
- Rate for apprentices who are aged under 19 years or over 19 years and in the first year of their apprenticeship - **£2.60 per hour.**

The accommodation offset rate from 1 October 2011 is £4.73 for every day that living accommodation is provided to a worker by their employer (a weekly maximum of £33.11).

These rates are likely to change from 1 October 2012. You should check the HMRC website below for up to date information.

For more details and up to the minute information

Phone the Pay and Work Rights Helpline on **0800 917 2368**, or go to www.hmrc.gov.uk/payee/payroll/day-to-day/nmw.htm

Collection of Student Loans

The annual threshold, above which Student Loan repayments become due, is £15,795.

If you are using the P11 Calculator in the Basic PAYE Tools at www.hmrc.gov.uk/payee/tools/basic-payee-tools.htm this will calculate the Student Loan deductions for you as long as you indicate that the employee is a Student Loan borrower in the database.

Or, you can use the Student Loan calculator in the Basic PAYE Tools at www.hmrc.gov.uk/payee/tools/basic-payee-tools.htm or the SL3 *Student Loan Deduction Tables* to calculate deductions.

There is more detailed guidance in the Employer Helpbook E17(2012) *Collection of Student Loans*.

There are legal requirements that mean employers must comply with their obligations. At the time of writing, this guide sets out HMRC's view on how these legal requirements can be met. It will be updated annually and was last updated February 2012.

Issued by

Customer Information Delivery

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