

UKMOD Change Log

Summary of principal changes between A3.23+ and A3.25

Date: 28 Sep 2022

This document provides a brief summary of the changes implemented since the preceding public release of UKMOD. For further technical, please consult the Excel log file reported in the 'Log' directory of the model.

NOTE: This document refers to an “intermediate” public release of the model, comprising updates to model parameters and policy descriptions. The model comes pre-packaged to analyse the UK only, but regional analyses are still possible using this version; see the walk-through provided at the end of this document.

Policies Added

- Cost of Living Payment added for 2022
- Tax treatment of dividend income isolated from other savings returns

Data Revisions

- All policies from 2022 set to use data from the 2019/20 FRS by default. We also recommend that policies from 2022 should be used with the three-year data about 2018 (UK_2019_b1) by default. These preferences are motivated by the substantial deviations associated with the COVID-19 pandemic during 2020/21.
- Forward projections of CPI and RPI for September based on OBR projections for Q3 rather than financial years. Affects indexing used to project benefit parameters.

Policy Reforms

- Higher rate of income tax removed from April 2023 (excluding Scotland)
- Basic rate of income tax cut by 1% (from 20% to 19%) from April 2023 (excluding Scotland)
- Removed 1.25% national insurance Health and Social Care Levy from November 2022

Code Corrections

- Omit possibility of excess allowance on savings income, resulting in projections of negative savings income taxes.
- Coding error corrected to set basic rate of income tax to 19% from 2024/25 in England, Northern Ireland, and Wales.
- Adjustment to way income taxes are modelled to reduce confusion in context of policy change

Analysing regions using an “intermediate release”

1. Select “Run UKMOD”
2. Select the system and data of interest from the main panel of the “Run UKMOD” window
3. Select the “View / Filter / Add-Ons” menu
4. In the right-hand side of the window are checkboxes for England (ENG), Northern Ireland (NI), Scotland (SCT) and Wales (WLS) – select the region of interest
5. In the main panel of the “Run UKMOD” window, turn the respective region “on”
6. Select the “Main” menu
7. Click the “Run” button