

# UKMOD Change Log

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## Summary of principal changes between B1.09 and B1.12

Date: 06 Mar 2024

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

### Parameter Updates

- Update take-up parameters for pension credit and housing benefit of older people
- Update uprating factors to reflect most recent data, including the OBR *Economic and Fiscal Outlook*, March 2024.
- Update new minimum wage parameters for 2024/25
- Update policy parameters following the March Spring Budget statement.
- Update income tax parameters for Wales following the December Welsh Draft Budget statement.
- Income tax rates and thresholds for Scotland updated to reflect December Budget statement.

### Data Revisions

- UKHLS data variants made fully available in public release.

### Policy Reforms

- New rate and threshold included for Scotland to reflect December Budget statement.
- Amended description of the High Income Child Benefit Charge to capture reduced rate that charge is to be accrued announced in the Spring Budget Statement.

### Budget Announcements

Changes to UKMOD parameters and code capture the following budget announcements:

- Introduction of 45% Scottish advanced rate of income tax on income between £75,001 and £125,140 from April 2024
- Increase the Scottish top rate of income tax from 47% to 48% from April 2024
- Cut the main rate of Class 1 employee NICs from 10% to 8% from April 2024

- Cut the main rate of Class 4 self-employed NICs from 8% to 6% from April 2024
- Increase income threshold of the High Income Child Benefit Charge from £50,000 to £60,000 from April 2024
- Reduce the rate at which the High Income Child Benefit Charge accrues on income above the threshold from 1% of Child Benefit per £100 of annual income, to 0.5% from April 2024
- 12 month extension to the 5p cut in rates and no RPI increase in 2024/25
- Freeze rates of alcohol duty until 2025/26
- A one-off tobacco duty increase of £2.00 per 100 cigarettes or 50 grams of tobacco from 1 October 2026
- Maintain the starting rate for tax on savings at £5,000 for 2024-25
- Freeze Class 2 National Insurance rates for 2024-25

## Code Corrections and Amendments

- New system added for 2027
- New (experimental) TCO add-on to project indirect taxes – expenditure data not currently publicly available.
- New policy added to calculate UK wide poverty line and permit sample limitation for individual regions to be implemented at end of policy spine
- Recode variable didpd=3 where ddi=1 for datasets from 2020 to account for limitations to variables reported by FRS
- Added variables to facilitate behavioural modelling
- Re-working of behavioural add-on BVR
- Amended simulation of income taxes to improve clarity and flexibility