



31 October 2024

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@TheIFS

Additional distributional analysis slides

What we model

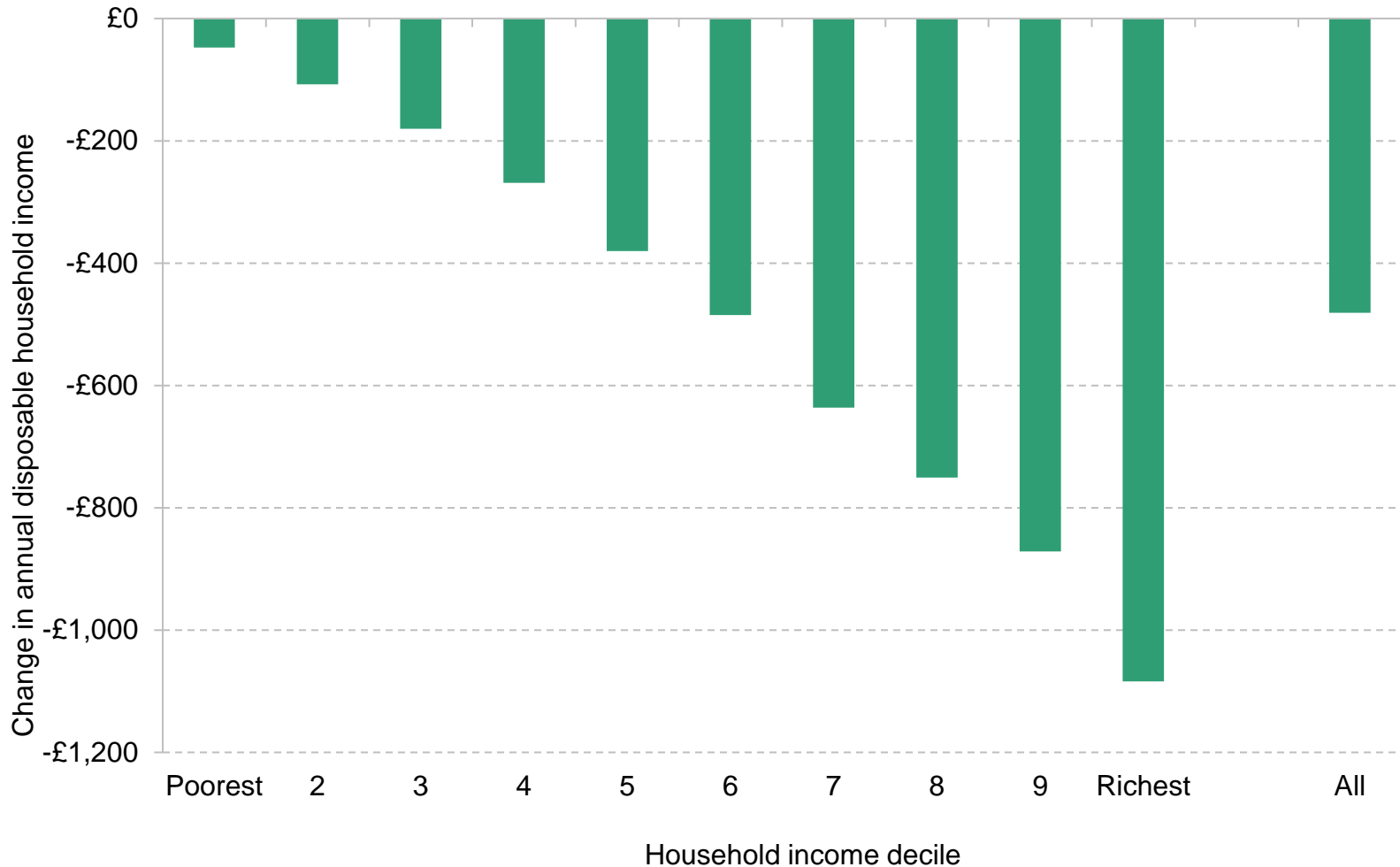
- Analysis includes (with exceptions)
 - Income tax and NICs
 - Benefits
 - Excise duties
 - Council tax
- Does not include
 - 'Business taxes' (corporation tax, business rates, North Sea taxes)
 - Capital taxes (capital gains tax, inheritance tax, stamp duties)
 - Sugar tax, soft-drinks levy
- Analysis includes all real changes to modelled policies, including through temporary or permanent freezes
- Analysis assumes employer national insurance increase fully passed through to employees unless otherwise stated
- Analysis includes full take-up of benefits

Percentage increase in employer cost, due to employer NICs rise, by individual earnings decile



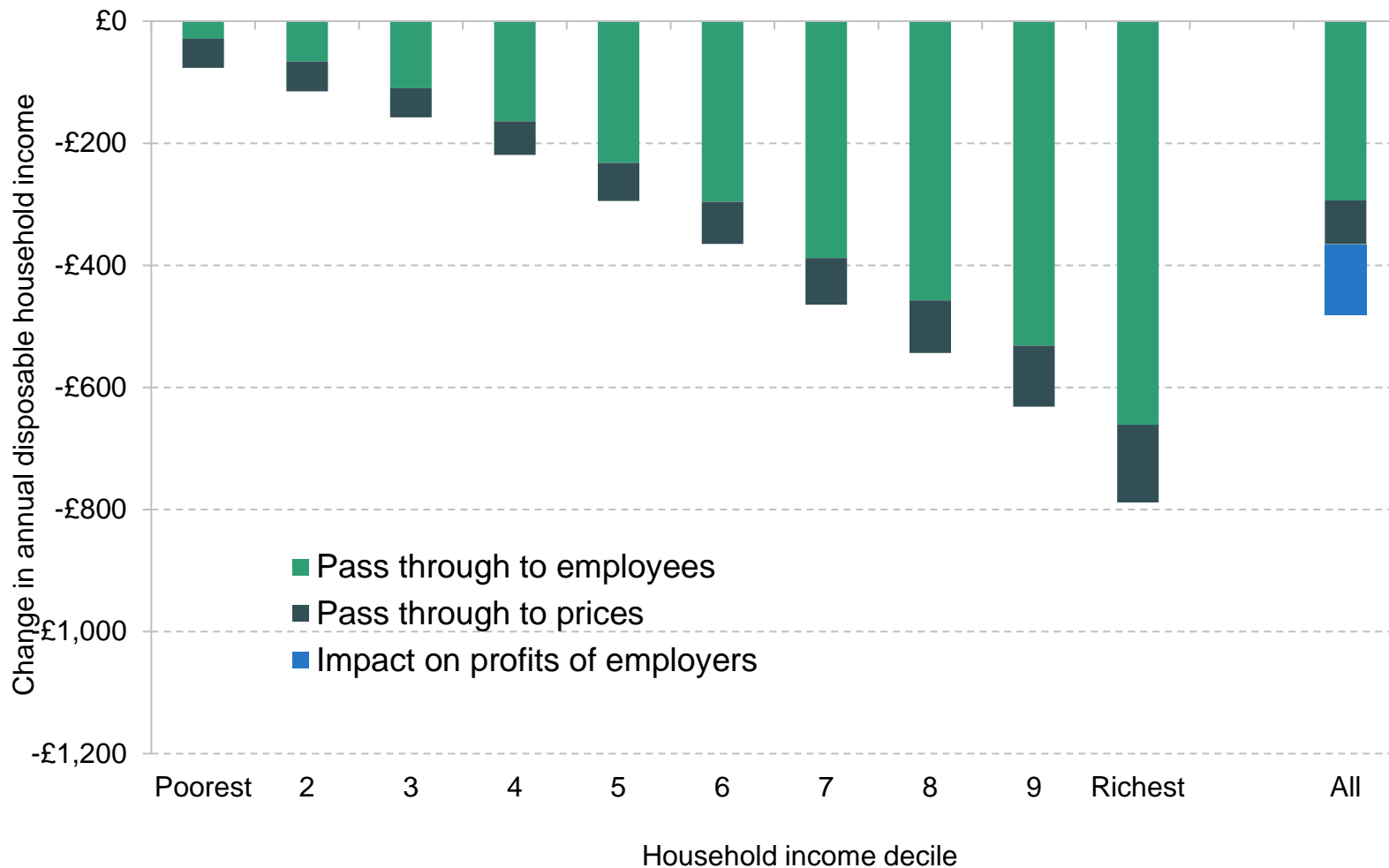
Note: shows the immediate change to employer cost before any response through wages or employment. Includes public sector workers.

Impact of employer NICs rise on household incomes



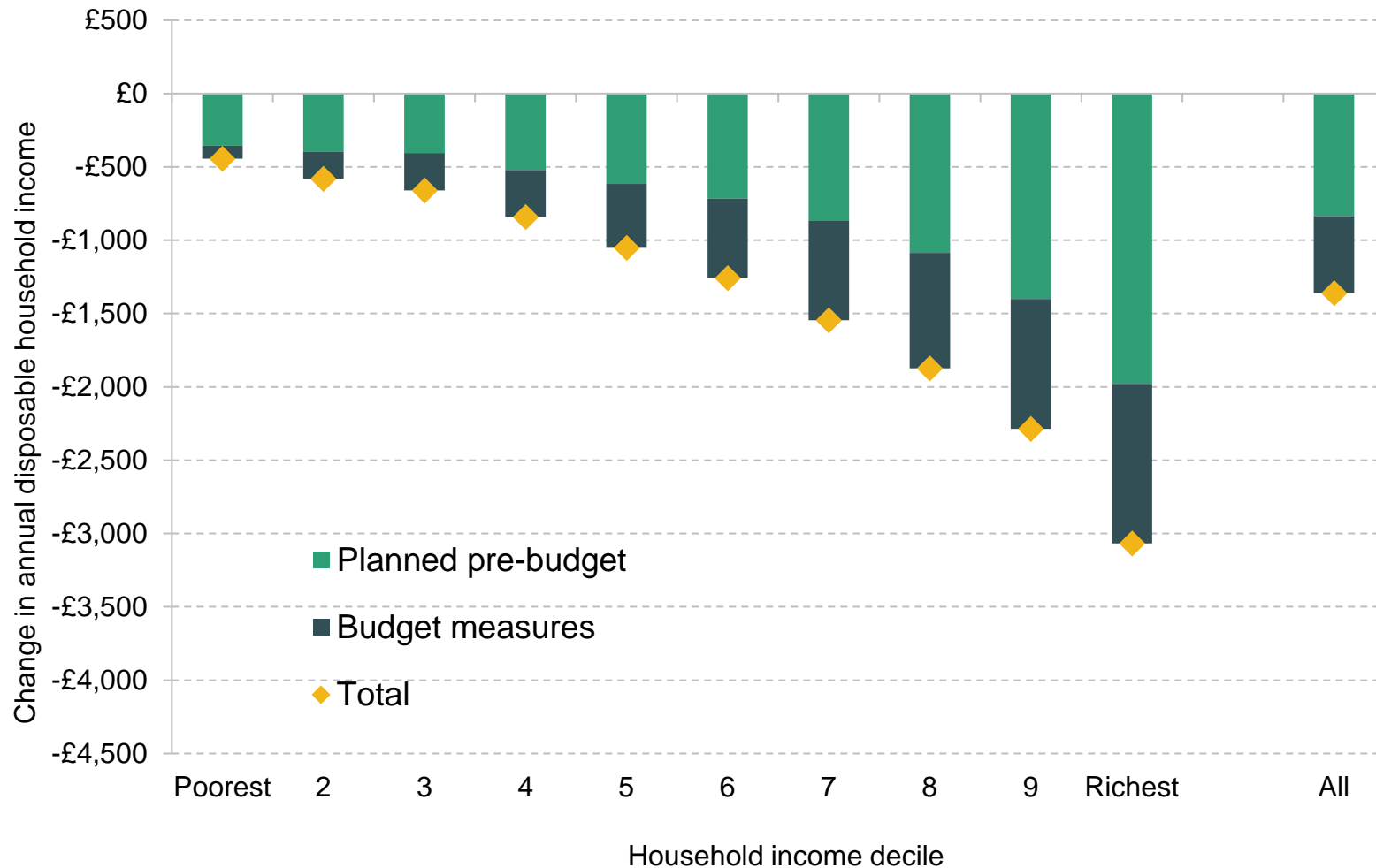
Note: assumes the increase in national insurance is fully passed on to employees

Impact of employer NICs rise on household incomes, alternative incidence assumptions



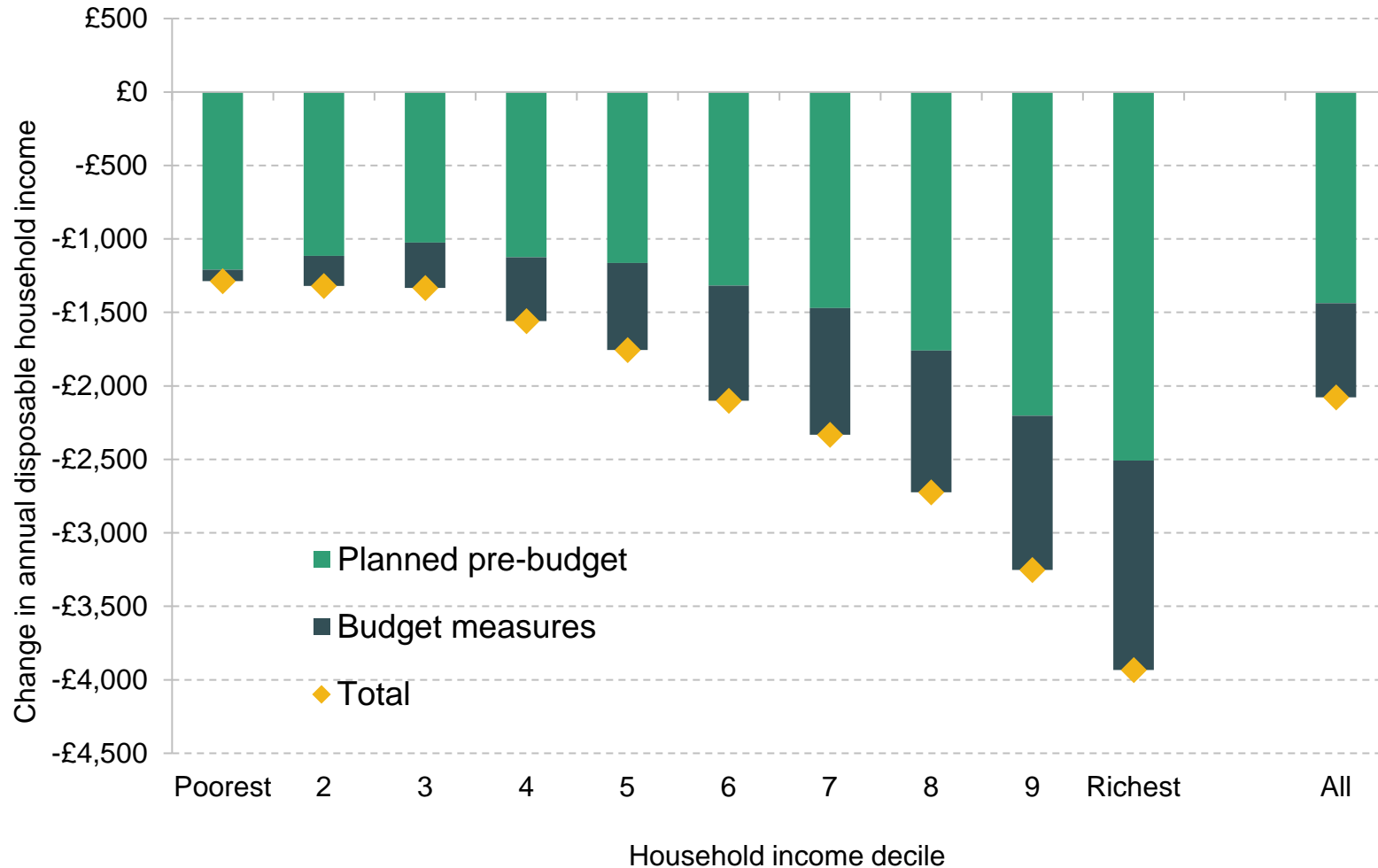
Note: Illustrative modelling under alternative incidence assumptions, where some of the cost passes through to employees and some to prices. Note we are unable to model where the impact on profits falls in the household income distribution

Impact of personal tax and benefit changes on household income, 2024–5 to 2029–30 – all households



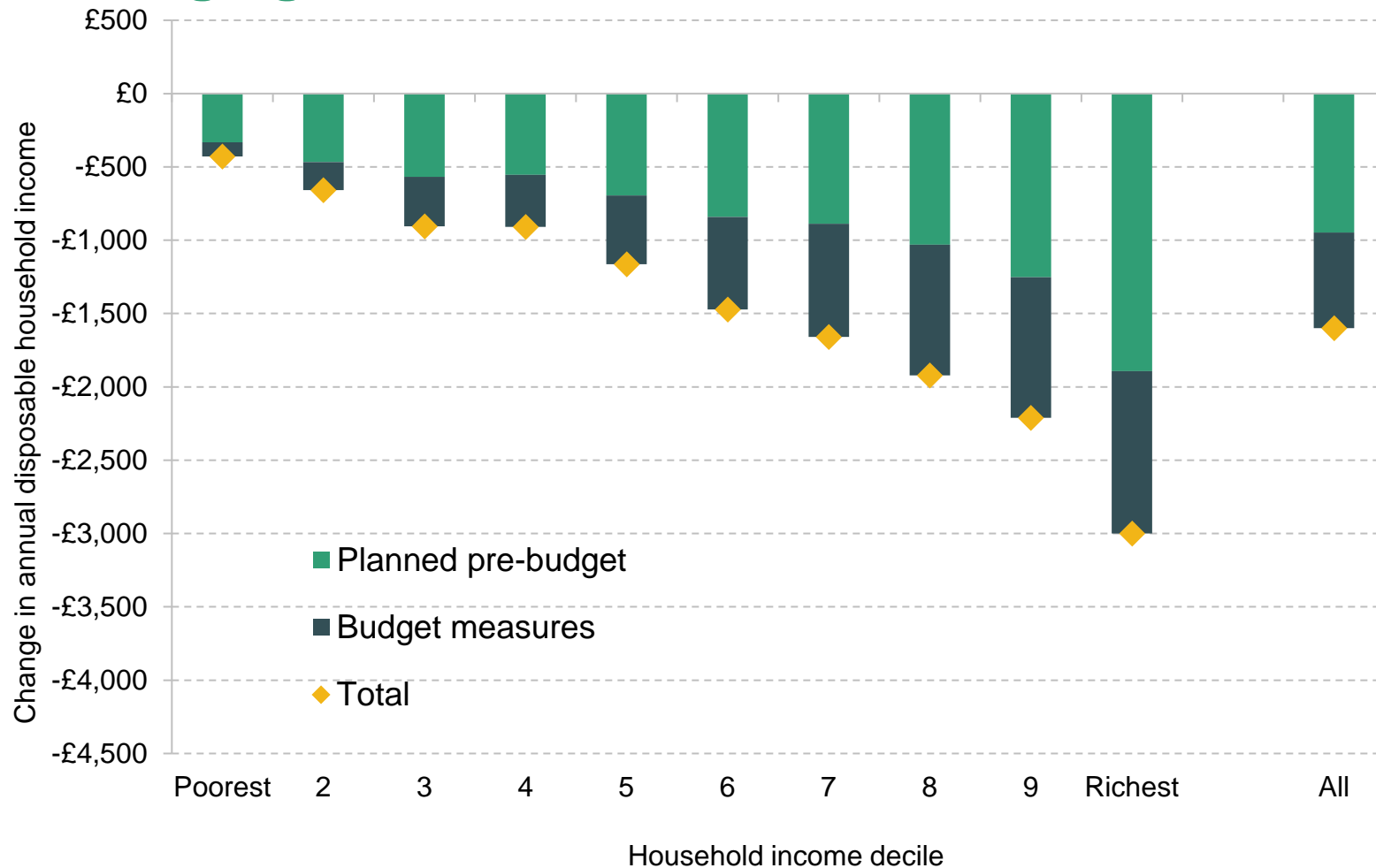
Note: Analysis does not include private school VAT increases, tax fraud measures, or changes to carried interest or non-dom rules.

Impact of personal tax and benefit changes on household income, 2024–5 to 2029–30 – working-age households with children



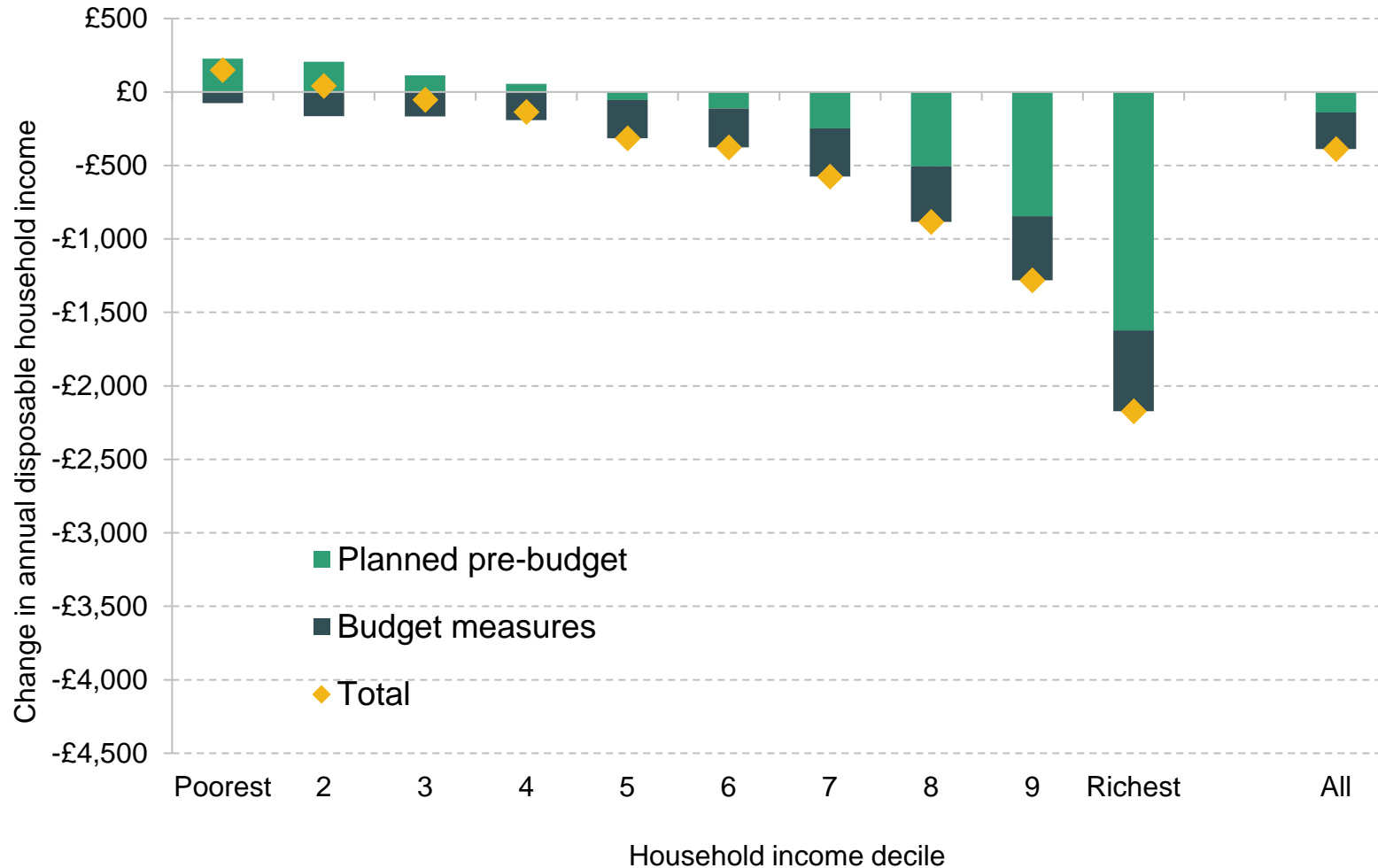
Note: Analysis does not include private school VAT increases, tax fraud measures, or changes to carried interest or non-dom rules.

Impact of personal tax and benefit changes on household income, 2024–5 to 2029–30 – working-age households without children



Note: Analysis does not include private school VAT increases, tax fraud measures, or changes to carried interest or non-dom rules.

Impact of personal tax and benefit changes on household income, 2024–5 to 2029–30 – pensioner households



Note: Analysis does not include private school VAT increases, tax fraud measures, or changes to carried interest or non-dom rules.

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