



# Payroll Software & Services Group

# Payroll Factcard 2025/26

## Tax rates and allowances

### Personal allowances UK

Type	Allowance
Personal allowance	£12,570
Marriage allowance	£1,260
Income limit for personal allowance	£100,000
Blind person's allowance	£3,130

### Tax rates for England, Wales, and Northern Ireland

Band	Rate	Earnings (after personal allowance)
Basic	20%	Up to £37,700
Higher	40%	From £37,701 to £125,140
Additional	45%	Above £125,140

### Tax rates for Scotland

Band	Rate	Earnings (after personal allowance)
Starter	19%	Up to £2,827
Basic	20%	From £2,828 to £14,921
Intermediate	21%	From £14,922 to £31,092
Higher	42%	From £31,093 to £62,430
Advanced	45%	From £62,431 to £125,140
Top	48%	Above £125,140

### Emergency tax code

The emergency tax code is 1257L, operated cumulatively or on a week 1 / month 1 basis.

## National Insurance rates and thresholds

Thresholds	Weekly	Monthly	Annual
Lower Earnings Limit (LEL)	£125	£542	£6,500
Primary Threshold (PT)	£242	£1,048	£12,570
Secondary Threshold (ST)	£96	£417	£5,000
Upper Secondary Threshold, Under 21	£967	£4,189	£50,270
Upper Earnings Limit (UEL)	£967	£4,189	£50,270
Apprentice Upper Secondary Threshold (AUST)	£967	£4,189	£50,270
Veterans Upper Secondary Threshold (VUST)	£967	£4,189	£50,270
Freeport Upper Secondary Threshold (FUST)	£481	£2,083	£25,000
Investment Zone Upper Secondary Threshold (IVUST)	£481	£2,083	£25,000

### Employee (primary contributions)

Category letter	LEL to PT	PT to UEL	Above UEL
A, F, H, M, N, V	0%	8%	2%
D, J, L, Z	0%	2%	2%
B, E, I	0%	1.85%	2%
C, K, S	nil	nil	nil

### Employer (secondary contributions)

Category letter	ST to LEL	LEL to UEL/UT/AUST	FUST to UEL/UST/AUST/VUST	Above UEL/UST/AUST/VUST
A, B, C, J	15%	15%	15%	15%
H, M, V, Z	0%	0%	0%	15%
D, E, F, I, K, L, N, S	0%	0%	15%	15%

### Class 1A and Class 1B

Class	Percentage	Due on
Class 1A	15%	Employer provided benefits
Class 1B	15%	PAYE settlement agreements

## Employment allowance

Only available to eligible employers from 6 April 2020	2024/25	2025/26
Employment Allowance - eligibility criteria changes in 2025	£5,000	£10,500

## Apprenticeship levy

	2023/24	2024/25	2025/26
Levy allowance (per employer)	£15,000	£15,000	£15,000
Apprenticeship levy rate	0.5%	0.5%	0.5%

## Pension allowances

### Automatic enrolment

Earnings trigger	£10,000
QEB lower limit	£6,240
QEB upper limit	£50,270

### Other

Annual allowance	£60,000
Tapered annual allowance minimum	£10,000
Money purchase annual allowance	£10,000
Lifetime allowance	No longer applicable

## Statutory payments

- Statutory maternity pay (SMP)
- Statutory paternity pay (SPP)
- Statutory adoption pay (SAP)
- Statutory shared parental pay (ShPP)
- Statutory parental bereavement pay (SPBP)
- Statutory neonatal care pay (SNCP)

Rates applicable from 6 April 2025	
Minimum average weekly earnings (AWE)	£125
SMP/SAP weekly rate for first 6 weeks	90% of AWE
Lesser of 90% AWE for the following statutory rates:	
<ul style="list-style-type: none"> <li>SMP weekly rate for remaining weeks</li> <li>SAP weekly rate for remaining weeks</li> <li>SPP weekly rate</li> <li>ShPP weekly rate</li> <li>SPBP weekly rate</li> <li>SNCP weekly rate</li> </ul>	£187.18
Percentage of payment recoverable	92%
Percentage of repayment coverable (small employer's relief)	108.5%
Annual NICs threshold for small employer's relief	£45,000

## Statutory sick pay

For qualifying days of sickness on or after 7 April 2025	
Minimum average weekly earnings (AWE)	£125
Weekly rate	£118.75

## Beneficial loans

Statutory threshold	£10,000
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## Redundancy

Description	Jurisdiction	Effective	Maximum weekly rate
A week's pay	England, Scotland, Wales	6 April	£719
A week's pay	Northern Ireland	6 April	£749

## Approved mileage allowance payments for private vehicles

Cars and vans	
First 10,000 business miles	45p per mile
Over 10,000 business miles	25p per mile
*For NICs purposes, 45p per mile can be reimbursed regardless of number of business miles	
Motorcycles	24p per mile
Cycles	20p per mile
Passenger rate	5p per mile

## Company cars and vans

Charge	
Van fuel benefit	£769
Van benefit	£4,020
Car fuel multiplier	£28,200

## National minimum wage and national living wage

Rate	From 1 April 2025
Aged 21 and above (national living wage)	£12.21
Aged 18 to 20 inclusive	£10
Aged under 18 (but above compulsory school leave age)	£7.55
Apprentices aged under 19	£7.55
Apprentices aged 19 and over, but in first year of apprenticeship	£7.55

## Employer supported childcare

The following applies to all taxpayers, regardless of whether they are UK, Scottish, or Welsh. Employees who joined the employer-supported childcare schemes prior to 6 April 2011 continue to receive tax and NI relief up to a maximum of £2,915 per annum. New joiners to the scheme on or after 6 April 2011 up to and including 4 October 2018 receive tax and NI relief according to their predicted marginal rate of tax assessed via the Basic Earnings Assessment which should be calculated each year. For tax purposes these are the maximum amount of relief regardless of the number of jobs held. But NI relief can be given by more than one employer:

Marginal rate	Maximum weekly voucher order	Maximum monthly voucher order
Basic	£55	£243
Higher	£28	£124
Additional	£25	£110
Pre-6 April 2011 scheme member	£55	£243

## Student loans

### Plan 1

Rate	Income threshold	Deduction
Annual	£26,065	9%
Monthly	£2,172.08	
Weekly	£501.25	

### Plan 2

Rate	Income threshold	Deduction
Annual	£28,470	9%
Monthly	£2,372.50	
Weekly	£547.50	

### Plan 4

Rate	Income threshold	Deduction
Annual	£32,745	9%
Monthly	£2,728.75	
Weekly	£629.71	

### Postgraduate

Rate	Income threshold	Deduction
Annual	£21,000	6%
Monthly	£1,750	
Weekly	£403.84	



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