



PAYROLL RATES, THRESHOLDS AND ALLOWANCES FOR TAX YEAR 2025/26

TAXguide 02/25

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CONTENTS

Income tax	2
Personal allowance (UK-wide)	2
The marriage allowance (UK-wide)	2
Tax code uplifts (UK-wide)	2
Other tax allowances (UK-wide)	2
Tax rates and thresholds	3
National insurance	4
Thresholds	4
Contribution rates	4
Employment allowance	6
Apprenticeship levy	6
Statutory payments	7
Statutory sick pay (SSP)	7
Child-related payments (SMP, SAP, SPP, ShPP and SPBP)	7
Pensions	8
Auto-enrolment thresholds	8
Allowances	8
Student loans	9
Annual thresholds	9
Per pay period thresholds	9
National minimum / living wage	9
Benefits-in-kind	10
Cars	10
Vans	11

INCOME TAX

PERSONAL ALLOWANCE (UK-WIDE)

Tax allowance	2024/25	2025/26
	£	£
Personal allowance	12,570	12,570
Income limit *	100,000	100,000

* See [Gov.UK guidance](#) where the personal allowance is reduced when the income limit is exceeded resulting in a marginal income tax rate of 60%.

THE MARRIAGE ALLOWANCE (UK-WIDE)

Tax allowance	2024/25	2025/26
	£	£
Marriage allowance	1,260	1,260

Tax suffixes M and N are used where M is the basic rate taxpayer receiver and N the non-tax paying transferor.

TAX CODE UPLIFTS (UK-WIDE)

Showing annual value of the personal allowance before and after any transfer:

Suffix	2024/25	2025/26	Change	Change
	£	£	£	Points
L	12,570	12,570	0	0
M	13,830	13,830	0	0
N	11,310	11,310	0	0

OTHER TAX ALLOWANCES (UK-WIDE)

Tax allowance	2024/25	2025/26	Change
	£	£	£
The married couple's allowance*			
• maximum	11,080	11,270	+190
• minimum	4,280	4,360	+80
• income limit	37,000	37,700	+700
Blind person's allowance	3,070	3,130	+600
Personal savings allowance			
• Basic rate taxpayers	1,000	1,000	0
• Higher rate taxpayers	500	500	0

* The [married couple's allowance](#) is an age-related allowance where one taxpayer was born before 6 April 1935 and is reduced by £1 for every £2 of income over £37,700.

TAX RATES AND THRESHOLDS

Rates (rUK taxpayers)

Band	Rate
	%
Basic	20
Higher	40
Additional	45

Rates (Welsh taxpayers paying Welsh rate of income tax (WRIT))

Band	Rate	Less	Plus WRIT	Rate
	%	%	%	%
Basic	20	10	10	20
Higher	40	10	10	40
Additional	45	10	10	45

Thresholds (rUK and Welsh taxpayers)

Band	2024/25	2025/26
	£	£
Basic	1 – 37,700	1 – 37,700
Higher	37,701 to 125,140	37,701 to 125,140
Additional	Over 125,140	Over 125,140

Rates (Scottish taxpayers)

Band	2024/25	2025/26
	%	%
Scottish starter	19	19
Scottish basic	20	20
Scottish intermediate	21	21
Scottish higher	42	42
Scottish advanced	45	45
Scottish top	47	48

Thresholds (Scottish taxpayers)

Band	2024/25	2025/26
	£	£
Scottish starter	1 – 2,306	1 – 2,827
Scottish basic	2,307 – 13,991	2,828 – 14,921
Scottish intermediate	13,992 – 31,092	14,922 – 31,092
Scottish higher	31,093 – 62,430	31,093 – 62,430
Scottish advanced	62,431 – £125,140	62,431 – 125,140
Scottish top	Over 125,140	Over 125,140

NATIONAL INSURANCE

THRESHOLDS

	Tax year	Weekly	Fortnightly	Four-weekly	Monthly	Annual
		£	£	£	£	£
Lower earnings limit (LEL)	2024/25	123	246	492	533	6,396
	2025/26	125	250	500	542	6,500
Primary threshold (PT)	2024/25	242	484	967	1,048	12,570
	2025/26	242	484	967	1,048	12,570
Secondary threshold (ST)	2024/25	175	350	700	758	9,100
	2025/26	96	193	385	417	5,000
Freeport and Investment Zone upper secondary threshold (FUST and IZUST)	2024/25	481	962	1,924	2,083	25,000
	2025/26	481	962	1,924	2,083	25,000
Upper earnings limit (UEL)	2024/25	967	1,934	3,867	4,189	50,270
	2025/26	967	1,934	3,867	4,189	50,270

The following all remain aligned with the value of the upper earnings limit in 2025/26:

- The upper secondary threshold (UST) – employees under 21 on payday
- The apprentice upper secondary threshold (AUST) – apprentices under 25 on payday studying a statutory apprenticeship
- The veterans upper secondary threshold (VUST) – ex-armed forces veterans in the first 12 months of civilian employment

'Special tax sites' (Freeports and Investment Zones) have an upper secondary threshold of £25,000.

CONTRIBUTION RATES

The class 1 NIC rates structure is as follows, not including the letters that apply to mariners:

Primary (employee)

Band	Standard	Pensioners	Reduced	Deferred
Table letters	A / F / H / M / N and V	C / K and S	B / E and I	D / J / L and Z
Earnings up to LEL	NIL	NIL	NIL	NIL
Earnings between LEL and PT	0%	NIL	0%	0%
Earnings between PT and UEL	8%	NIL	1.85%	2%
Earnings above UEL	2%	NIL	2%	2%

Secondary (employer) (over 25)

Band	A, B, C and J
Earnings up to LEL	NIL
Earnings between LEL and ST	0%
Earnings between ST and FUST	15%
Earnings between FUST and UEL	15%
Earnings above UEL	15%

Age-related secondary contributions (16 – 20)

Band	M and Z
Earnings up to LEL	NIL
Earnings between LEL and ST	0%
Earnings between ST and FUST	0%
Earnings between FUST and UST	0%
Earnings above UST	15%

Relevant apprentice secondary contributions (under 25)

Band	H
Earnings up to LEL	NIL
Earnings between LEL and ST	0%
Earnings between ST and FUST	0%
Earnings between FUST and AUST	0%
Earnings above AUST	15%

Qualifying veteran secondary contributions

Band	V
Earnings up to LEL	NIL
Earnings between LEL and ST	0%
Earnings between ST and FUST	0%
Earnings between FUST and VUST	0%
Earnings above VUST	15%

Qualifying freeport tax site secondary contributions

Band	F, I, L and S
Earnings up to LEL	NIL
Earnings between LEL and ST	0%
Earnings between ST and FUST	0%
Earnings between FUST and UEL	15%
Earnings above UEL	15%

Qualifying investment zone site secondary contributions

Band	N, E, K and D
Earnings up to LEL	NIL
Earnings between LEL and ST	0%
Earnings between ST and IZUST	0%
Earnings between IZUST and UEL	15%
Earnings above UEL	15%

EMPLOYMENT ALLOWANCE

For eligible employers:

	2024/25	2025/26
	£5,000	£10,500

APPRENTICESHIP LEVY

	2024/25	2025/26
Levy allowance (per connected employer)	£15,000	£15,000
Levy charge	0.5%	0.5%

STATUTORY PAYMENTS

STATUTORY SICK PAY (SSP)

Applies to average weekly earnings (AWE) in the relevant period at or above the LEL (£125 per week), payable from the first day of the new tax year (6 April 2025):

Unrounded daily rates	QDs in week	Number of days due						
		1	2	3	4	5	6	7
£		£	£	£	£	£	£	£
16.9642	7	16.97	33.93	50.90	67.86	84.83	101.79	118.75
19.7916	6	19.80	39.59	59.38	79.17	98.96	118.75	
23.7500	5	23.75	47.50	71.25	95.00	118.75		
29.6875	4	29.69	59.38	89.07	118.75			
39.5833	3	39.59	79.17	118.75				
59.3750	2	59.38	118.75					
118.7500	1	118.75						

CHILD-RELATED PAYMENTS (SMP, SAP, SPP, SHPP AND SPBP)

Payable from the week that commences the first Sunday in April (6 April 2025):

Rates effective from week starting on or after Sunday	6 April 2025
Earnings threshold (LEL)	£125
SMP / SAP weekly rate for first 6 weeks	90% AWE
Lesser of 90% AWE or the following statutory rates: <ul style="list-style-type: none"> • SMP weekly rate for up to next 33 weeks • SAP weekly rate for up to next 33 weeks • SPP weekly rate • ShPP weekly rate • SPBP weekly rate • SNCP weekly rate 	£187.18
Percentage of payment recoverable	92%
Percentage of payment recoverable (small employer's relief)	100%
NI compensation recoverable under small employer's relief	8.5%
Annual NIC threshold for small employer's relief	£45,000

HMRC's [Statutory Payments Manual](#) advises there is no daily rate for child-related payments, however, employers may choose to align weekly payments with the pay reference period by one of two methods.

PENSIONS

AUTO-ENROLMENT THRESHOLDS

Annual thresholds

Note that the link between the value of the qualifying earnings band (QEB) limits and the national insurance lower and upper earnings limits (LEL and UEL) was broken in 2022/23. Any continuing alignment is coincidental:

Annual threshold	2024/25	2025/26
	£	£
QEB lower limit	6,240	6,240
QEB upper limit	50,270	50,270
Earnings trigger	10,000	10,000

Pay reference period thresholds

For common pay reference periods:

Auto-enrolment thresholds 2025/26						
	Weekly	2-weekly	4-weekly	Monthly	Quarterly	6-monthly
	£	£	£	£	£	£
QEB lower limit	120	240	480	520	1,560	3,120
QEB upper limit	967	1,934	3,867	4,189	12,568	25,135
Earnings trigger	192	384	768	833	2,499	4,998

ALLOWANCES

Pensions tax relief		
	2024/25	2025/26
	£	£
Lifetime allowance*	N/A	N/A
Pension commencement lump sum allowance**	268,275	268,275
Annual allowance	60,000	60,000
Tapered annual allowance	10,000	10,000
Money purchase annual allowance	10,000	10,000

* The lifetime allowance tax charge was abolished from tax year 2023/24. The allowance itself is abolished from tax year 2024/25.

** Except where protections apply

STUDENT LOANS

ANNUAL THRESHOLDS

Plan	%age	2024/25	2025/26
		£	£
1	9%	24,990	26,065
2	9%	27,295	28,470
3 (PGL)	6%	21,000	21,000
4	9%	31,395	32,745

PER PAY PERIOD THRESHOLDS

Plan	Tax year	Annual	Weekly	Fortnightly	Four-weekly	Monthly
		£	£	£	£	£
1	2024/25	24,990	480.57	961.15	1,922.30	2,082.50
	2025/26	26,065	501.25	1,002.50	2,005.00	2,172.08
2	2024/25	27,295	524.90	1,049.80	2,099.61	2,274.58
	2025/26	28,470	547.50	1,095.00	2,190.00	2,372.50
3 (PGL)	2024/25	21,000	403.84	807.69	1,615.38	1,750.00
	2025/26	21,000	403.84	807.69	1,615.38	1,750.00
4	2024/25	31,395	603.75	1,207.50	2,415.00	2,616.25
	2025/26	32,745	629.71	1,259.42	2,518.84	2,728.75

NATIONAL MINIMUM / LIVING WAGE

Applicable from the first full pay reference period starting on or after 1 April 2025:

Rate	From April 2024	From April 2025	Change	Change
	£	£	%	£
Adults (21+) aka the national living wage	11.44	12.21	6.7	0.77
Youth development (18 – 20)	8.60	10.00	18.00	1.15
Under 18 but above compulsory school leaving age)	6.40	7.55	18.00	1.15
Apprentice*	6.40	7.55	6.7	0.77

* For apprentices aged 16 to 18 and those aged 19 or over who are in the first year of their apprenticeship. All other apprentices are entitled to rate applicable for their age.

The accommodation offset **daily** rate increases by 6.7% from £9.99 to £10.66

BENEFITS-IN-KIND

CARS

Diesel

The diesel supplement is 4% above the appropriate percentages below (cannot exceed 37%) – apart from cars that meet the real driving emissions step 2 (RDE2) standard, which are exempt from the supplement.

Appropriate percentages

Finance Act 2023 legislated for appropriate percentage increases in 2025/26 plus 2026/27 and 2027/28. The percentages are shown below compared to those in 2024/25:

CO ₂ emissions (g/km)	Electric range	Appropriate percentage 2024/25 (%)	Appropriate percentage 2025/26 (%)
0	N/A	2	3
1 – 50	>130	2	3
1 – 50	70 – 129	5	6
1 – 50	40 – 69	8	9
1 – 50	30 – 39	12	13
1 – 50	<30	14	15
51 – 54		15	16
55 – 59		16	17
60 – 64		17	18
65 – 69		18	19
70 – 74		19	20
75 – 79		20	21
80 – 84		21	22
85 – 89		22	23
90 – 94		23	24
95 – 99		24	25
100 – 104		25	26
105 – 109		26	27
110 – 114		27	28
115 – 119		28	29
120 – 124		29	30
125 – 129		30	31
130 – 134		31	32
135 – 139		32	33
140 – 144		33	34
145 – 149		34	35
150 – 154		35	36
155 – 159		36	37
160 and over		37	37

Fuel benefit

With a comparison to the multiplier that applied in 2024/25:

Charge	2024/25	2025/26
	£	£
Car fuel benefit charge multiplier	27,800	28,200

VANS

Van and van fuel benefit

With a comparison to those that applied in 2024/25:

Charge	2024/25	2024/25
	£	£
Van benefit charge	3,960	4,020
Van fuel benefit charge	757	769

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