

# GUIDE TO PAYROLL

## Facts and figures 2026/2027

### UK WIDE TAX

|                             |                                    |
|-----------------------------|------------------------------------|
| UK Personal Allowance       | £12,570 pa<br>£1,048 pm<br>£242 pw |
| Standard/Emergency tax code | 1257L / W1, M1 or X                |

### THRESHOLDS AND RATES: ENGLAND & NI\*

|     |                         |
|-----|-------------------------|
| 20% | up to £37,700           |
| 40% | from £37,701 - £125,140 |
| 45% | above £125,140          |

### THRESHOLDS AND RATES: WELSH BANDS C SUFFIX\*

|     |                         |
|-----|-------------------------|
| 20% | up to £37,700           |
| 40% | from £37,701 - £125,140 |
| 45% | above £125,140          |

### THRESHOLDS AND RATES: SCOTTISH BANDS S SUFFIX\*

|     |                          |
|-----|--------------------------|
| 19% | up to £3,967             |
| 20% | from £3,968 - £16,956    |
| 21% | from £16,957 - £31,092   |
| 42% | from £31,093 - £62,430   |
| 45% | above £62,431 - £125,140 |
| 48% | above £125,140           |

\*values are above standard personal allowance (£12,570)

Xero Payroll helps you to remain compliant by automatically updating rates and thresholds.

### STATUTORY PAY

|  |             |
|--|-------------|
| New Statutory Parental Bereavement Pay Northern Ireland (SPBP-NI)  | £194.32 pw  |
| Maternity, Adoption (SMP) (SAP) Paternity, Shared (SPP) (ShPP) Bereavement (SPBP) & Neonatal care commence 6 <sup>th</sup> April | £194.32 pw  |
| Statutory Sick Pay (SSP) commence 6 <sup>th</sup> April  | £123.25 pw* |
| Small Employers Relief (SER) threshold of combined class 1 NI of prior yr  | £45,000 pa  |
| SER Recovery Normal Recovery   | 109%<br>92% |

\*SSP entitlement from day 1 of sickness, waiting days are removed. If employee's Average Weekly Earnings (AWE) fall below weekly SSP rate of £123.25, 80% of their AWE is calculated and paid.

### National Minimum Wage (NMW)

- **£8.00** Apprentices aged 19 and over\*
- **£8.00** Apprentices aged under 19
- **£8.00** Aged under 18\*\*
- **£10.85** Aged 18-20 yr old (inclusive)

\*And in the first year of their apprenticeship  
\*\*But above compulsory school leaving age

### National Living Wage (NLW)

- **£12.71** Aged 21 and above



### Important dates

#### APRIL

1st - NLW & NMW

6th - P60s live

6th - Start of the new tax year

19th - Final RTI submission

#### MAY

31st - P60 deadline

#### JUNE

#### JULY

6th - P11D for Non-payrolled BIK

6th - Submit P11D (b)

22nd - Payment of class 1A NIC on BIK

#### AUGUST

#### SEPTEMBER

7-11th - Let's celebrate National Payroll Week

#### OCTOBER

#### NOVEMBER

#### DECEMBER

Don't forget to register BIK for payroll with HMRC

#### JANUARY

Tax season and SA deadlines

#### FEBRUARY & MARCH

Register for Xero's Payroll Year End webinar



## Student loans

### STUDENT LOAN REPAYMENT THRESHOLDS\*

|              |                  |
|--------------|------------------|
| Plan 1       | Annually £26,900 |
| Plan 2       | Annually £29,385 |
| Plan 4       | Annually £33,795 |
| Postgraduate | Annually £21,000 |
| New Plan 5   | Annually £25,000 |

\*Plan Type 1, 2, 4 & 5 are deducted at 9%. Postgraduate deducted at 6%

**Xero Payroll automates charges and deduction calculations, helping to make Benefits in Kind easier to process.**

### COMPANY CAR

| CO2 emissions g/km                          | Electric mileage range | NEDC%      | WLTP%     |
|---|------------------------|------------|-----------|
| 0 to 0                                      | N/A                    | 4          | 4         |
| 1 to 50                                     | 130 and above          | 4          | 4         |
|   | 70 to 129              | 7          | 7         |
|   | 40 to 69               | 10         | 10        |
|   | 30 to 39               | 14         | 14        |
|   | less than 30           | 16         | 16        |
| 51 - 54                                     |                        | 17         | 17        |
| 55 - 59                                     |                        | 18         | 18        |
| 60 - 64                                     |                        | 19         | 19        |
| 65 - 69                                     |                        | 20         | 20        |
| 70 - 74                                     |                        | 21         | 21        |
| 75 - 79                                     |                        | 21         | 21        |
| (each 5g/km increment thereafter up to 154) |                        | <b>+1</b>  | <b>+1</b> |
| 155 - 169                                   |                        | 37         | 37        |
| Maximum benefits charge                     |                        | 37         | 37        |
| Non-RDE2 diesel supplement cars             |                        | <b>+4</b>  |           |
| Car fuel benefit multiplier                 |                        | £29,200 pa |           |

### COMPANY VAN

|                           |           |
|---------------------------|-----------|
| Van benefit charge        | £4,170 pa |
| Van fuel charge           | £798 pa   |
| Van-zero carbon emissions | 0%        |



## National Insurance rates

| CLASS 1 NICs  | WEEKLY | MONTHLY | ANNUAL  |
|---|--------|---------|---------|
| Lower earnings limit (LEL)                                | £129   | £559    | £6,708  |
| Primary threshold (PT)                                    | £242   | £1,048  | £12,570 |
| Secondary threshold (ST)                                  | £96    | £417    | £5,000  |
| Freeport upper secondary threshold (FUST)                 | £481   | £2,083  | £25,000 |
| Veterans upper secondary threshold (VUST)                 | £967   | £4,189  | £50,270 |
| Upper earnings limit (UEL)                                | £967   | £4,189  | £50,270 |
| Upper secondary threshold (UST)                           | £967   | £4,189  | £50,270 |
| Apprentice upper secondary threshold (AUST) for under 25s | £967   | £4,189  | £50,270 |

**CLASS 1A AND CLASS 1B NICs WILL BE CALCULATED AT 15%**

### EMPLOYMENT ALLOWANCE £10,500

Review your eligibility and declare your industry each year

| EMPLOYEE (PRIMARY CONTRIBUTIONS) | LEL TO PT | ABOVE PT TO UEL | ABOVE UEL |
|----------------------------------|-----------|-----------------|-----------|
| A,H,M,N,F,V                      | 0%        | 8%              | 2.00%     |
| D,J,L,Z                          | 0%        | 2.00%           | 2.00%     |
| B,E,I                            | 0%        | 1.85%           | 2.00%     |
| C,K,S                            | nil       | nil             | nil       |

| EMPLOYEE (SECONDARY CONTRIBUTIONS) | EARNINGS BELOW ST | EARNINGS ABOVE ST AND BELOW LEL | EARNINGS ABOVE LEL UP TO AND INCLUDING FUST/IZUST | ABOVE FUST TO UST/AUST /VUST | ABOVE UST/AUST/ VUST |
|------------------------------------|-------------------|---------------------------------|---|------------------------------|----------------------|
| A,B,C,J                            | 0%                | 15%                             | 15%   | 15%                          | 15%                  |
| H,M,Z,V                            | 0%                | 0%                              | 0%  | 0%                           | 15%                  |
| D,E,F,I,K,L,N,S                    | 0%                | 0%                              | 0%  | 15%                          | 15%                  |

## Approved mileage rates

| FROM TAX YEAR 2011 TO 2012 ONWARDS | FROM 10,000 BUSINESS MILES IN THE TAX YEAR | EACH BUSINESS MILE OVER 10,000 IN THE TAX YEAR |
|------------------------------------|--|--|
| Cars and vans                      | 45p  | 25p  |
| Motor cycles                       | 24p  | 24p  |
| Bicycles                           | 20p  | 20p  |

**CAR AND VAN PASSENGER PAYMENTS - 5P PER MILE**

## Workplace pensions



|  | WEEKLY | MONTHLY | ANNUALLY |
|--|--------|---------|----------|
| Lower levels of qualifying earnings      | £120   | £520    | £6,240   |
| Earnings trigger for automatic enrolment | £192   | £833    | £10,000  |
| Upper level of qualifying earnings       | £967   | £4,189  | £50,270  |

**PENSION CONTRIBUTION TOTAL 8% - MIN. EE 5% & ER 3%**



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## Payroll and accounting in one

- ✓ Pay employees the correct amount every time
- ✓ HMRC compliance made easy
- ✓ Employee self service

