

**Rates and bands for  
NI, PAYE and  
Statutory Payments  
2025-26 tax year**

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**2025-26 tax year**  
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## Contents

National Insurance rates and earnings limits*	4
Employee and employer NI contributions	4
Statutory Maternity, Paternity, Adoption, Shared Parental, Parental Bereavement and Neonatal Care Pay..	7
Statutory Sick Pay (SSP)	7
Income Tax rates and bands - Rest of the UK	8
Income Tax rates and bands – Welsh	8
Income Tax rates and bands – Scottish	8
Tax allowances	9
Tax codes	9
Small Employers Relief	9
Student and Postgraduate Loan thresholds	9
Thresholds for Auto Enrolment*	10
Thresholds for termination and sporting testimonial payments	11
Employment Allowance	11
Apprenticeship Levy	11
National Minimum Wage	12
Other user guides	12

## National Insurance rates and earnings limits\*

	LEL	PT	ST	UEL	UST	AUST	FUST/IZUST	VUST
Weekly	125	242	96	967	967	967	481	967
2 weekly	250	484	193	1,934	1,934	1,934	962	1,934
4 weekly	500	967	385	3,867	3,867	3,867	1,924	3,867
Monthly	542	1,048	417	4,189	4,189	4,189	2,083	4,189
Quarterly	1,625	3,143	1,250	12,568	12,568	12,568	6,250	12,568
6 Monthly	3,250	6,285	2,500	25,135	25,135	25,135	12,500	25,135
Annual	6,500	12,570	5,000	50,270	50,270	50,270	25,000	50,270

*LEL = Lower Earnings Limit, PT = Primary Threshold, ST = Secondary Threshold, UEL = Upper Earnings Limit, UST = Upper Secondary Threshold, AUST = Apprentice Upper Secondary Threshold, FUST = Freeport Upper Secondary Threshold, IZUST = Investment Zone Upper Secondary Threshold, VUST = Veterans Upper Secondary Threshold.*

## Employee and employer NI contributions

Employee NI contributions (From 6 <sup>th</sup> of April 2025)				
Letter	Earnings below LEL	Earnings at or above LEL up to and including PT	Earnings above the PT up to and including UEL	Balance of earnings above the UEL
A (Standard)	NIL	0%	8%	2%
B (Reduced)	NIL	0%	1.85%	2%
C (Over State Pension Age)	NIL	NIL	NIL	NIL
D (Investment Zone Deferment)	NIL	0%	2%	2%
E (Investment Zone MWRRE)	NIL	0%	1.85%	2%
F (Freeport Standard)	NIL	0%	8%	2%
H (Apprentice Under 25)	NIL	0%	8%	2%
I (Freeport MWRRE)	NIL	0%	1.85%	2%
J (Deferment)	NIL	0%	2%	2%
K (Investment Zone over State Pension Age)	NIL	NIL	NIL	NIL
L (Freeport Deferment)	NIL	0%	2%	2%

2025-26 tax year rates and bands

M (Under 21)	NIL	0%	8%	2%	
N (Investment Zone Standard)	NIL	0%	8%	2%	
S (Freeport over State Pension Age)	NIL	NIL	NIL	NIL	
V (Veterans Standard)	NIL	0%	8%	2%	
Z (Under 21-Deferment)	NIL	0%	2%	2%	
Employer NI contributions (From 6 <sup>th</sup> of April 2025)					
Letter	Earnings below ST	Earnings above the ST up to and including LEL	Earnings above LEL up to and including FUST/IZUST	Earnings above FUST/IZUST up to and including UST/AUST/VUST	Balance of earnings above UST/AUST/VUST
A (Standard)	NIL	15%	15%	15%	15%
B (Reduced)	NIL	15%	15%	15%	15%
C (Over State Pension Age)	NIL	15%	15%	15%	15%
D (Investment Zone Deferment)	NIL	0%	0%	15%	15%
E (Investment Zone MWRRE)	NIL	0%	0%	15%	15%
F (Freeport Standard)	NIL	0%	0%	15%	15%
H (Apprentice Under 25)	NIL	0%	0%	0%	15%
I (Freeport MWRRE)	NIL	0%	0%	15%	15%
J (Deferment)	NIL	15%	15%	15%	15%
K (Investment Zone over State Pension Age)	NIL	0%	0%	15%	15%
L (Freeport Deferment)	NIL	0%	0%	15%	15%
M (Under 21)	NIL	0%	0%	0%	15%
N (Investment Zone Standard)	NIL	0%	0%	15%	15%
S (Freeport over State Pension Age)	NIL	0%	0%	15%	15%
V (Veterans Standard)	NIL	0%	0%	0%	15%

2025-26 tax year rates and bands

Z (Under 21-Deferment)	NIL	0%	0%	0%	15%
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## Statutory Maternity, Paternity, Adoption, Shared Parental, Parental Bereavement and Neonatal Care Pay

Type of payment or recovery	2025 to 2026 rate
SMP – weekly rate for first 6 weeks	90% of the employee's average weekly earnings
SMP – weekly rate for remaining weeks	£187.18 or 90% of the employee's average weekly earnings, whichever is lower
Statutory Paternity Pay (SPP) – weekly rate	£187.18 or 90% of the employee's average weekly earnings, whichever is lower
Statutory Adoption Pay (SAP) – weekly rate for first 6 weeks	90% of employee's average weekly earnings
SAP – weekly rate for remaining weeks	£187.18 or 90% of the employee's average weekly earnings, whichever is lower
Statutory Shared Parental Pay (ShPP) – weekly rate	£187.18 or 90% of the employee's average weekly earnings, whichever is lower
Statutory Parental Bereavement Pay (SPBP) – weekly rate	£187.18 or 90% of the employee's average weekly earnings, whichever is lower
Statutory Neonatal Care Pay (SNCP) – weekly rate	£187.18 or 90% of the employee's average weekly earnings, whichever is lower
SMP, SPP, ShPP, SAP, SPBP or SNCP – proportion of your payments you can recover from HMRC	92% if your total Class 1 National Insurance (both employee and employer contributions) is above £45,000 for the previous tax year.  108.5% if your total Class 1 National Insurance for the previous tax year is £45,000 or lower.

Will be applicable from 6 April 2025

## Statutory Sick Pay (SSP)

Unrounded daily rates	Number of qualifying days in week	1 day to pay	2 days to pay	3 days to pay	4 days to pay	5 days to pay	6 days to pay	7 days to pay
£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	-
£23.75	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	£39.58	£79.17	£118.75	-	-	-	-
£59.375	2	£59.38	£118.75	-	-	-	-	-
£118.75	1	£118.75	-	-	-	-	-	-

Will be applicable from 6 April 2025

**Income Tax rates and bands - Rest of the UK**

		2024-25	2025-26
Basic rate	20%	1-37,700	1-37,700
Higher rate	40%	37,701-125,140	37,701-125,140
Additional rate	45%	Over 125,140	Over 125,140

**Income Tax rates and bands – Welsh**

		2024-25	2025-26
Basic rate	20%	1-37,700	1-37,700
Higher rate	40%	37,701-125,140	37,701-125,140
Additional rate	45%	Over 125,140	Over 125,140

**Income Tax rates and bands – Scottish**

		2024-25		2025-26	
Starter rate	19%	1-2,306	19%	1-2,827	
Basic rate	20%	2,307-13,991	20%	2,828-14,921	
Intermediate rate	21%	13,992-31,092	21%	14,922-31,092	
Higher rate	42%	31,093-62,430	42%	31,093-62,430	
Advanced rate (New for 24-25)	45%	62,431-125,140	45%	62,431-125,140	
Top rate	48%	Over 125,140	48%	Over 125,140	



## Tax allowances

	2024-25	2025-26
Personal Allowance	12,570	12,570
Marriage Allowance	1,257	1,257

## Tax codes

	2024-25	2025-26
Emergency tax code	1,257	1,257

- Tax codes with a suffix of L will remain the same for 2025/26
- Tax codes with a suffix of M will remain the same for 2025/26
- Tax codes with a suffix of N will remain the same for 2025/26

## Small Employers Relief

The recovery and compensation rates for Small Employers Relief (SER) and the classification of a small business have not changed.

- Employers who qualify for SER are those with a total annual Class 1 NICs including primary (employee) and secondary (employer) liability of £45,000 or less.
- Employers who qualify for SER can recover 100% of statutory payments (SMP, SPP, ShPP, SAP, SPBP and SNCP) paid to their employees plus 8.5% compensation.
- Employers who do not qualify for SER can recover 92% of the statutory payments paid to their employees.

## Student and Postgraduate Loan thresholds

From 6 April 2025, the annual Student and Postgraduate Loan thresholds are:

- Student Loan plan 1: £26,065 (was £24,990)
- Student Loan plan 2: £28,470 (was £27,295)
- Postgraduate Loan: Remains as £21,000
- Scottish Student Loan plan 4: £32,745 (was £31,395)

The deduction rate for Student Loans is 9%

The deduction rate for Postgraduate Loans is 6%

## Thresholds for Auto Enrolment\*

Auto Enrolment Thresholds for the 2025-26 tax year.					
PRP	Weekly	2 Weekly	4 Weekly	Monthly	Yearly
Lower level	120	240	480	520	6,240
Earnings trigger	192	384	768	833	10,000
Upper level	967	1,934	3,867	4,189	50,270

*\*To be confirmed by The Pensions Regulator.*

*PRP = Pay Reference Period, Lower level = Lower level of qualifying earnings, Earnings trigger = Earnings trigger for automatic enrolment, Upper level = Upper level of qualifying earnings*

The total minimum Auto Enrolment contribution remains unchanged at 8% - with the employer contributing at least 3%.

## Thresholds for termination and sporting testimonial payments

Class 1A NI Employers NICs thresholds and rate for termination and sporting testimonial payments remain unchanged as follows:

	2024-25	2025-26
Termination payments threshold	30,000	30,000
Sporting testimonial payments threshold	100,000.00	100,000.00
Class 1A NI contribution rate applicable on the amount of termination and sporting testimonial payments paid to employees which exceed their associated threshold	15%	15%

## Employment Allowance

From 6 April 2025, the Employment Allowance increases from £5000 to £10,500.

## Apprenticeship Levy

From 6 April 2025, the Apprenticeship Levy Allowance remains as £15,000.

The deduction for the Apprenticeship Levy is charged at a rate of 0.5%

## National Minimum Wage

These rates apply from 1 April 2025.

Category of Workers	Hourly Rate
Aged 21 and above (national living wage rate)	£12.21
Aged 18 to 20 inclusive	£10.00
Aged under 18 (but above compulsory school leaving age)	£7.55
Apprentices aged under 19	£7.55
Apprentices aged 19 and over, but in the first year of their apprenticeship	£7.55

## Other user guides

Opera 3 guides are available in the User Guides section at [docs.pegasus.co.uk](https://docs.pegasus.co.uk).

Guide	Description
Installation guide	This guide instructions for the installation and upgrades of Opera 3.
Checklists guide	This guide describes the steps necessary to upgrade to Pegasus Opera 3 (2.99.00) and Pegasus Scheduler (2.21.10), and then complete the payroll year-end and start the new tax year.
Software Requirements guide	This guide lists the editions of Microsoft Office, Microsoft SQL Server, Microsoft Windows Server, Microsoft Windows desktop, web browsers and Microsoft .NET supported for Opera 3 and Pegasus Web Xchange.
SQL Server Licensing guide	This guide explains the licensing options for different editions of Microsoft SQL Server. It explains how to calculate the number of CALs (Client Access Licences) required for Pegasus products that use Microsoft SQL Server for the datastore.