



# **Rates and bands for NI, PAYE and Statutory Payments**

**2026-27 tax year**



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**2026-27 tax year**  
**Version 1.0**  
**Feb 2026**

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Manual published by:

Infor (United Kingdom) Limited  
One Central Boulevard  
Blythe Valley Park  
Shirley  
Solihull  
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## National Insurance rates and earnings limits

	ST	LEL	PT	UEL	UST	AUST	FUST/IZUST	VUST
Weekly	96	129	242	967	967	967	481	967
2 weekly	193	258	484	1,934	1,934	1,934	962	1,934
4 weekly	385	516	967	3,867	3,867	3,867	1,924	3,867
Monthly	417	559	1,048	4,189	4,189	4,189	2,083	4,189
Quarterly	1,250	1,677	3,143	12,568	12,568	12,568	6,250	12,568
6 Monthly	2,500	3,354	6,285	25,135	25,135	25,135	12,500	25,135
Annual	5,000	6,708	12,570	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 2026)				
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%

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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 2026)					
Letter	Earnings below ST	Earnings at or above ST up to and including ST	Earnings above ST up to and including FUST/IZUST	Earnings above FUST/IZUST up to and including UEL/UST/AUST/VUST	Balance of earnings above UEL/UST/AUST/VUST
A (Standard)	NIL	0%	15%	15%	15%
B (Reduced)	NIL	0%	15%	15%	15%
C (Over State Pension Age)	NIL	0%	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	0%	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%

2026-27 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	2026 to 2027 rate
SMP – weekly rate for first 6 weeks	90% of the employee's average weekly earnings
SMP – weekly rate for remaining weeks	£194.32 or 90% of the employee's average weekly earnings, whichever is lower
Statutory Paternity Pay (SPP) – weekly rate	£194.32 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	£194.32 or 90% of the employee's average weekly earnings, whichever is lower
Statutory Shared Parental Pay (ShPP) – weekly rate	£194.32 or 90% of the employee's average weekly earnings, whichever is lower
Statutory Parental Bereavement Pay (SPBP) – weekly rate	£194.32 or 90% of the employee's average weekly earnings, whichever is lower
Statutory Neonatal Care Pay (SNCP) – weekly rate	£194.32 or 90% of the employee's average weekly earnings, whichever is lower
SMP, SPP, ShPP, SAP, SPBP, SNCP or SPBP (NI) – 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.  109% if your total Class 1 National Insurance for the previous tax year is £45,000 or lower.

Will be applicable from 6 April 2026

## 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
£17.6071	7	£17.61	£35.22	£52.83	£70.43	£88.04	£105.65	£123.25
£20.5471	6	£20.55	£41.09	£61.63	£82.17	£102.71	£123.25	-
£24.6500	5	£24.65	£49.30	£73.95	£98.60	£123.25	-	-
£30.8125	4	£30.82	£61.63	£92.44	£123.25	-	-	-
£41.0833	3	£41.09	£82.17	£123.25	-	-	-	-
£61.6250	2	£61.63	£123.25	-	-	-	-	-
£123.2500	1	£123.25	-	-	-	-	-	-

OR 80% of average earnings, if lower, split pro-rata according to the formula:

$$\text{Rate} \times (\text{No. of days to pay} / \text{No. of qualifying days in a week})$$

Will be applicable from 6 April 2026

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

		2025-26	2026-27
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 125,141

## Income Tax rates and bands – Welsh

		2025-26	2026-27
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 125,141

## Income Tax rates and bands – Scottish

		2025-26		2026-27	
Starter rate	19%	1-2,827	19%	1-3,967	
Basic rate	20%	2,828-14,921	20%	3,968-16,956	
Intermediate rate	21%	14,922-31,092	21%	16,957-31,092	
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 125,141	48%	Over 125,141	

## Tax allowances

	2025-26	2026-27
Personal Allowance	12,570	12,570
Marriage Allowance	1,260	1,260

## Tax codes

	2025-26	2026-27
Emergency tax code	1257L	1257L

- Tax codes with a suffix of L will remain the same for 2026/27
- Tax codes with a suffix of M will remain the same for 2026/27
- Tax codes with a suffix of N will remain the same for 2026/27

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, SNCP and SPBP (NI)) paid to their employees plus 9% (8.5% in 2025/26) compensation.
- Employers who do not qualify for SER can recover 92% of the statutory payments paid to their employees.

## Small Employers Relief

## Student and Postgraduate Loan thresholds

From 6 April 2026, the annual Student and Postgraduate Loan thresholds are:

- Student Loan plan 1: £26,900 (was £26,065)
- Student Loan plan 2: £29,385 (was £28,470)
- Postgraduate Loan: £21,000 (unchanged)
- Scottish Student Loan plan 4: £33,795 (was £32,745)
- Student Loan plan 5: £25,000 (new for 2026/27)

The deduction rate for Student Loans is 9%

The deduction rate for Postgraduate Loans is 6%

## Thresholds for Auto Enrolment

The Pensions Regulator has not advised of any changes to Auto Enrolment Thresholds for the 2026-27 tax year so they remain unchanged from 2025-26.

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

*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:

	2025-26	2026-27
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 2026, the Employment Allowance remains at £10,500.

## Apprenticeship Levy

From 6 April 2026, the Apprenticeship Levy Allowance remains at £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 2026.

Category of Workers	Hourly Rate
Aged 21 and above (national living wage rate)	£12.71
Aged 18 to 20 inclusive	£10.85
Aged under 18 (but above compulsory school leaving age)	£8.00
Apprentices	£8.00

## 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 (3.02.00) and Pegasus Scheduler (2.22.00), 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.