

TAX FACTS

2026/2027

zellis

UNLIMIT
WHAT'S
NEXT

Income Tax bands

England, Wales and Northern Ireland

Band	Taxable income	Tax rate
Basic rate	£0 - £37,700	20%
Higher rate	£37,701 - £125,140	40%
Additional rate	Over £125,140	45%

Scotland

Band	Taxable income	Tax rate
Starter rate	TBC	19%
Basic rate	TBC	20%
Intermediate rate	TBC	21%
Higher rate	TBC	42%
Advanced rate	TBC	45%
Top rate	TBC	48%

UK-wide emergency tax codes

2026/2027

1257L W1/M1

UK Income Tax allowances

2026/2027

2026/2027

Standard personal tax allowance	£12,570
Income limit for personal allowance	£100,000
Maximum married couple's allowance	£11,700
Minimum married couple's allowance	£4,530
Marriage allowance	£1,260
Income limit marriage allowance	£39,200
Blind person's allowance	£3,250

Student loan deductions

2026/2027

	Percentage	Repayment thresholds
Plan 1	9%	£26,900
Plan 2	9%	£29,385
Plan 4	9%	£33,795
Plan 5	9%	£25,000
Postgraduate	6%	£21,000

National Insurance contributions

Class 1 National Insurance Thresholds

	Weekly	Monthly	Annually
Lower earnings limit	£129	£559	£6,708
Primary earnings threshold (PT)	£242	£1,048	£12,570
Secondary earnings threshold (ST)	£96	£417	£5,000
FUST/IZUST upper secondary threshold	£481	£2,083	£25,000
UEL/UST/AUST/VUST	£967	£4,189	£50,270

Class 1A and Class 1B rates

15%

Class 1 National Insurance rates

Employee (primary) contribution rates

National Insurance category letter	Earnings above PT up to and including UEL	Balance of earnings above UEL
A - Standard rate	8%	2%
B - Reduced rate	1.85%	2%
C - Above SPA	0%	0%
D - Investment zone deferment	2%	2%
E - Investment zone reduced rate	1.85%	2%
F - Freeport standard rate	8%	2%
H - Apprentice under 25	8%	2%
I - Freeport reduced rate	1.85%	2%
J - Deferment	2%	2%
K - Investment zone above SPA	0%	0%
L - Freeport deferment	2%	2%
M - Under 21	8%	2%
N - Investment zone standard	8%	2%
S - Freeport above SPA	0%	0%
V - Veteran	8%	2%
Z - Deferment under 21	2%	2%

Employer (secondary) contribution rates

National Insurance category letter	Earnings above ST1	Earnings above FUST2	Balance of earnings above UEL3
A - Standard rate	15%	15%	15%
B - Reduced rate	15%	15%	15%
C - Above SPA	15%	15%	15%
D - Investment zone deferment	0%	15%	15%
E - Investment zone reduced rate	0%	15%	15%
F - Freeport standard rate	0%	15%	15%
H - Apprentice under 25	0%	0%	15%
I - Freeport reduced rate	0%	15%	15%
J - Deferment	15%	15%	15%
K - Investment zone above SPA	0%	15%	15%
L - Freeport deferment	0%	15%	15%
M - Under 21	0%	0%	15%
N - Investment zone standard	0%	15%	15%
S - Freeport above SPA	0%	15%	15%
V - Veteran	0%	0%	15%
Z - Deferment under 21	0%	0%	15%

1 Earnings above ST to LEL, above LEL up to and including FUST

2 Earnings above FUST up to and including UEL, UST for under 21s, apprentices and veterans.

3 Balance of earnings above UEL, UST for under 21s, apprentices and veterans.

2024/2025

2026/2027

Directors' rate	8%	8%
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Other allowances

Employment allowance	£10,500
Apprenticeship levy	0.5%

Statutory payments

2026/2027	
Minimum average weekly earnings during relevant period	£129
SMP – Statutory maternity pay	90% of AWE
First 6 weeks	Lower of 90% of AWE or £194.32
Further 33 weeks	
SAP – Statutory adoption pay	90% of AWE
First 6 weeks	Lower of 90% of AWE or £194.32
Further 33 weeks	
SPP – Statutory paternity pay	£194.32
2 weeks	
ShPP – Statutory shared parental pay	£194.32
2 weeks	
SPBP – Statutory parental bereavement pay	£194.32
2 weeks	
SNCP – Statutory Neonatal Care Pay	£194.32
Maximum 12 weeks	
SSP – Statutory Sick Pay	80% of AWE
Standard weekly rate	Lower of 80% of AWE or £123.25

Automatic enrolment

2026/2027	
Earnings trigger for automatic enrolment	£10,000 per annum
Lower level of qualifying earnings	£6,240 per annum
Upper level of qualifying earnings	£50,270 per annum

National Minimum and National Living Wage

2026/2027	
Aged 21 and above	£12.71
Aged 18 to 20 inclusive	£10.85
Aged under 18 (but above compulsory school leaving age)	£8.00
Apprentices aged under 19	£8.00
Apprentices 19 and over in first year of apprenticeship	£8.00

Real Living Wage

Region	Hourly wage
UK	£13.45
London	£14.80

Company cars and vans

		Petrol/ electric/ RDE2 diesel	Diesel non-RDE2
CO2 emissions	Electric range	Appropriate percentage	Appropriate percentage
0g/km		4%	N/A
1-50g/km	130+	4%	N/A
1-50g/km	70-129	7%	N/A
1-50g/km	40-69	10%	N/A
1-50g/km	30-39	14%	N/A
1-50g/km	<30	16%	N/A
51-54g/km		17%	20%
Each additional 5g/km		1%	1%
Non-RDE2 diesel supplement			4%
Maximum benefit in all cases			37%

Van benefit charge

2026/2027	
Van Benefit	£4,170

Fuel benefit charges

2026/2027	
Car fuel benefit charge	£29,200
Van fuel benefit charge	£798

Mileage allowance payments

Vehicle	First 10,000 miles	Over 10,000 miles
Privately owned cars and vans	45p	25p
Motorcycle rate	24p	24p
Bicycle rate	20p	20p
Passenger rate (each)	5p	5p

Useful dates in 2026

4th April 2026	Deadline for Gender Pay Gap reporting for private and voluntary sector employers
5th April 2026	Applications for payrolling benefits 2025-26 tax year closes
1st May 2026	Real Living Wage increase deadline for 2024-25 rates
31st May 2026	Deadline to give P60s to employees
1st June 2026	Deadline for issuing payrolled benefits information to employees
5th July 2026	Deadline for PSA for 2024/25 to be agreed with HMRC
6th July 2026	P11D deadline
22nd July 2026	Class 1A payment deadline paying electronically
7th - 11th September 2026	National Payroll Week
15th September 2026	Pension Awareness Day
7th - 8th October 2026	CIPP Annual Conference Celtic Manor
22nd October 2026	Tax and Class 1B NI PSA payment due to HMRC
17th November 2026	Reward & Payroll Summit