

# 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 LEI, above LEI 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%

## 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 First 6 weeks	90% of AWE Lower of 90% of AWE or £194.32
Further 33 weeks	
SAP - Statutory adoption pay First 6 weeks	90% of AWE Lower of 90% of AWE or £194.32
Further 33 weeks	
SPP - Statutory paternity pay 2 weeks	£194.32
ShPP - Statutory shared parental pay 2 weeks	£194.32
SPBP - Statutory parental bereavement pay 2 weeks	£194.32
SNCP - Statutory Neonatal Care Pay Maximum 12 weeks	£194.32
SSP - Statutory Sick Pay Standard weekly rate	80% of AWE 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 payroll 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