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**Legislation overview**

# Welcome

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# Agenda

- 01 Tax Bands and allowances
- 02 National Insurance
- 03 Company cars and CO2 rates
- 04 Student loans
- 05 Statutory pay
- 06 Holiday pay
- 07 National Minimum Wage
- 08 Childcare vouchers
- 09 Homeworking allowance
- 10 Payrolling benefits
- 11 Flexible working
- 12 Tips

01

# Tax bands and allowances

# Income Tax bands 2024-25

## England, Wales, Northern Ireland

Band	Taxable income	Tax rate
Personal Allowance	Up to £12,570	0%
Basic rate	£12,571 – £50,270	20%
Higher rate	£50,271 – £125,140	40%
Additional rate	Over £125,140	45%

# Income Tax bands 2024-25

## Scotland

Band	Taxable income	Tax rate
Personal Allowance	Up to £12,570	0%
Starter rate	£12,571 – £14,876	19%
Basic rate	£14,877 – £26,561	20%
Intermediate rate	£26,562 – £43,662	21%
Higher rate	£43,663 – £75,000	42%
Advanced rate	£75,001 – £125,140	45%
Top rate	Over £125,140	48%

# Income Tax allowances 2024/2025

Tax allowances	2019/20/21	2021/22	2022/23/24
Personal Allowance	Allowance		
People born after 05.04.48	£12,500	£12,500	£12,570
People born between 06.04.38 & 05.04.48	N/A	N/A	
People born before 06.04.38	N/A	N/A	
Married Couples Allowance * (MCA) (born before 06.04.35)			
Maximum	£8,915	£9,125	£10,375
Minimum	£3,450	£3,530	£4,010
Transferable Marriage Allowance	£1,250	£1,260	£1,260
Income Limit for MCA*	£29,600	£30,400	£31,400
Income Limit (regardless of date of birth or age)	£100,000	£100,000	£100,000
Blind Persons Allowance	£2,450	£2,520	£2,870

02

# National Insurance

# Class 1 National Insurance thresholds 2024-25

Pay frequency	Lower earnings limit	Primary Earnings threshold (PT)	Primary earnings threshold (ST)	Freeport Upper Secondary Threshold (FUST)	UEL / UST / AUST / VUST
Weekly	123	242	175	481	967
Monthly	533	1,048	758	2,083	4,189
Annual	6,396	12,570	910	25,000	50,270

# Class 1 employee primary contribution rates

Pre Budget 6<sup>th</sup> March Announcement replaced by slide 11 (next slide)

National Insurance category letter	Earnings above PT up to and including UEL	Balance of earnings above UEL
A – Standard rate	10%	2%
B – reduced rate	3.85%	2%
C – Above SPA	0%	0%
D - Investment Zone Deferment	2%	2%
E – Investment Zone Reduced Rate	3.85%	2%
F – Freeport Standard rate	10%	2%
H – Apprentice under 25	10%	2%
I – Freeport reduced rate	3.85%	2%
J – Deferment	2%	2%
K - Investment Zone above SPA	0%	0%
L – Freeport deferment	2%	2%
M – Under 21	10%	2%
N - Investment Zone Standard	10%	2%
S – Freeport above SPA	0%	0%
V – veteran	10%	2%
Z – Deferment under 21	2%	2%

# Class 1 employee primary contribution rates

Rates from 6<sup>th</sup> April 2024 post Budget 6<sup>th</sup> March Announcement to replace slide 10

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%

# Class 1 employer primary contribution rates

National Insurance category letter	Earnings above ST	Earnings above FUST	Balance of earnings above UEL
A – Standard rate	13.8%	13.8%	13.8%
B – reduced rate	13.8%	13.8%	13.8%
C – Above SPA	13.8%	13.8%	13.8%
D - Investment Zone Deferment	0%	13.8%	13.8%
E – Investment Zone Reduced Rates	0%	13.8%	13.8%
F – Freeport Standard rate	0%	13.8%	13.8%
H – Apprentice under 25	0%	0%	13.8%
I – Freeport reduced rate	0%	13.8%	13.8%
J – Deferment	13.8%	13.8%	13.8%
K - Investment Zone above SPA	0%	13.8%	13.8%
L – Freeport deferment	0%	13.8%	13.8%
M – Under 21	0%	0%	13.8%
N - Investment Zone Standard	0%	13.8%	13.8%
S – Freeport above SPA	0%	13.8%	13.8%
V - veteran	0%	0%	13.8%
Z – Deferment under 21	0%	0%	13.8%

03

# Company cars and CO2 rates

# Company car CO2 rates 2024-25

## Annual multiplier

	2022- 23	2023-24	2024-25
Statutory Value is multiplied by the same CO2 related % as used for company car	£25,300	£27,800	£27,800

## Company vans

	2022 - 23	2023 - 24	2024 - 25
Van Fuel Scale Charge	£688	£757	£757
Benefit Scale Charge	£3,600	£3,960	£3,960

# Company car CO2 rates 2024-25

CO <sub>2</sub> Emissions	Electric range	Petrol / Electric / RDE2 Diesel Appropriate percentage	Diesel Non RDE2 Appropriate percentage
0g/km		2%	N/A
1-50g/km	130+	2%	N/A
1-50g/km	70-129	5%	N/A
1-50g/km	40-69	8%	N/A
1-50g/km	30-39	12%	N/A
1-50g/km	<30	14%	N/A
51-54g/km		15%	19%
Each additional 5g/km		1%	1%
Non-RDE2 diesel supplement			4%
Maximum benefit in all cases			37%

# 04

# Student loans

# Student loan thresholds 2024-25

	%	April 2022	April 2023	April 2024
Plan 1	9	£20,195	£22,015	£24,990
Plan 2	9	£27,295	£27,295	£27,295
Plan 4	9	£25,375	£27,660	£31,395
PGL	6	£21,000	£21,000	£21,000
Plan 5 (2026)	9	N/A	N/A	N/A

# 05

# Statutory pay

# Statutory Paternity Pay 2024 - 25

- ❑ Employed fathers-to-be will be able to give 4 weeks' notice prior to birth/placement of adoption and 4 weeks' notice prior to taking Paternity Leave.
- ❑ Notice of entitlement to be given 15 weeks prior (no change).
- ❑ An employed father will be able to take PPL in 2 non-consecutive periods of 1 week or a 2-week block within 52 weeks of the birth of the child or placement for adoption.
- ❑ Births on or after 7 April 2024, including surrogacy, or
- ❑ For adoption births or placement dates on or after 6 April 2024.

# SMP RTI data

- ❑ From April 2024 HMRC will allow an employee who is designated Male to receive SMP on the RTI return (data item 70).
- ❑ This is subject to the Male giving birth.
- ❑ RTI will no longer fail in the submission if M is reported along with SMP figures.

# Statutory payment rates 2024-25

	Pay rate
<b>SMP – Statutory Maternity Pay</b>	
First 6 weeks	90% of AWE
Further 33 weeks	Lower of 90% of AWE or £184.03
<b>SAP – Statutory Adoption Pay</b>	
First 6 weeks	90% of AWE
Further 33 weeks	Lower of 90% of AWE or £184.03
<b>SPP – Statutory Paternity Pay</b>	
2 weeks	£184.03
<b>ShPP – Statutory Shared Parental Pay</b>	
Maximum of 37 weeks	£184.03
<b>SSP – Statutory Sick Pay</b>	
Standard weekly rate	£116.75

# Statutory Sick Pay 2024-25

Unrounded Daily Amount	No. Of QD's in week	1 day	2 days	3 days	4 days	5 days	6 days	7 days
£15.6286	7	£16.68	£33.36	£40.04	£66.72	£83.40	£100.08	£116.75
£18.2333	6	£19.46	£38.92	£58.38	£77.84	£97.30	£116.75	
£21.8800	5	£23.35	£46.70	£70.05	£93.40	£116.75		
£27.3500	4	£29.19	£58.38	£87.57	£116.75			
£36.4667	3	£38.92	£77.84	£116.75				
£54.7000	2	£58.38	£116.75					
£109.40	1	£116.75						

# Redundancy Protection

- ❑ An Act to make provision about protection from redundancy during or after pregnancy or after periods of maternity, adoption or shared parental leave
- ❑ Protection extended from date employee gives notice to the employer of pregnancy (not the date received by HR)
- ❑ 18 months from the actual date of baby's birth or date of placement / entry to Great Britain
- ❑ For miscarriage, the cover is from date of notification of pregnancy to 2 weeks after the end of the pregnancy where pregnancy has ended before 24 weeks

# Carers Leave

- ❑ Dependant is defined as:
  - ❑ A spouse, civil partner, child or parent of the employee
  - ❑ Live in the same household as the employee, otherwise than by reason of being the employee's boarder, employee, lodger or tenant, or
  - ❑ Reasonably rely on the employee to provide or arrange care
- ❑ Long term care need defined as
  - ❑ they have an illness or injury (whether physical or mental) that requires, or is likely to require, care for more than three months
  - ❑ Have a disability for the purpose of the Equality Act 2010
  - ❑ Require care for reason connected with their old age
- ❑ Entitled to at least a week's leave during the 12-month period.
- ❑ Can be taken in one block of 1 week or broken to days (or hours should the employer facilitate this)

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# Holiday pay

# Holiday Pay Changes Definition

- ❑ Meaning of irregular hours workers and part year workers as defined in section 15F:
  - ❑ *a worker is an irregular hours worker, in relation to a leave year, if the number of paid hours that they will work in each pay period during the term of their contract in that year is, under the terms of their contract, wholly or mostly variable; so this may be your typical casual worker, or maybe someone who has minimal hours contracted but wholly or mostly works additional variable hours*
  - ❑ *a worker is a part-year worker, in relation to a leave year, if, under the terms of their contract, they are required to work only part of that year and there are periods within that year (during the term of the contract) of at least a week which they are not required to work and for which they are not paid*
- ❑ Previous leave carried forwards must be taken before 31<sup>st</sup> March 2024
- ❑ No time limit on new leave being taken post statutory leave except:
  - ❑ Sick leave must be taken within 18 months from the end of the year that sick leave was taken
- ❑ Use it or lose it

# Holiday Pay Changes

- ❑ Applies from holiday years from 1st April 2024.
- ❑ Employer only choice to bring in RHP, the employee cannot request to receive pay this way.
- ❑ It is only for Irregular and Part Year Workers defined in section 15F of this legislation.
- ❑ The employer can pay Rolled-up Holiday Pay (RHP) every pay period for eligible workers at a rate of 12.07% of earnings, Or,
- ❑ Can accrue holiday at 12.07% on hours worked, then pay on previous 52 weeks eligible earnings when holiday taken.
- ❑ The employee must still take holiday when in receipt of RHP.
- ❑ RHP must be shown as a separate line and clearly stated on the payslip.
- ❑ For non-eligible workers they still accrue holiday at 1/12th and to receive average pay (for the sec 13 WTR- 20 days – this has not changed from case law).
- ❑ Legislation clearly states calculations for Irregular & Part Year Workers who have statutory leave and in receipt of RHP.
- ❑ Employee can carry forward any untaken holiday if the employer does not actively encourage the employee to take holiday (even if they receive RHP), this is for everyone.
- ❑ Department of Business and Trade has released detailed guidance with examples through [\*\*this link\*\*](#).

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# National Minimum Wage

# National Minimum Wage 2024-25

	1 <sup>st</sup> April 2023	1 <sup>st</sup> April 2024
National Living Wage 21 and Over	£10.42	£11.44
Workers 21 - 22 (2023 or earlier)	£10.18	N/A
Workers 18 - 20	£7.49	£8.60
Workers above compulsory school leaving but age under 18	£5.28	£6.40
Apprentice Rate	£5.28	£6.40
Accommodation Offset	£9.10	£9.99

Real Living Wage	London	Outside London
By 1 <sup>st</sup> May 2024	£13.15	£12

# Low Pay Commission consultation

## Is your business in one of the following regions:

Isle of Wright / Southampton / Portsmouth  
Dover  
Cardiff / Newport  
North Ayrshire & Glasgow  
Bangor  
Coventry / Wolverhampton

## What they want to hear about:

### **From workers -**

What workers think of the new rates and their consequences?  
Life on low pay, the difference the minimum wage makes and the other factors which affect quality of life and work for people.  
Exploitation of low paid workers, especially young workers, migrant workers and the disabled.  
Opportunities in the local labour market and barriers to moving jobs.

### **From businesses -**

How businesses have responded to the rising NLW and NMW.  
The other factors – whether local or national, sector-specific or more general – which affect businesses alongside the minimum wage.  
Compliance and enforcement of the NMW and NLW.  
How businesses are raising their productivity.

Call: 07511 162380  
Email: [ipc@lowpay.gov.uk](mailto:ipc@lowpay.gov.uk)

A blurred background image showing a diverse group of people, including a man and a woman, smiling and interacting with a tablet device, suggesting a professional or educational setting.

08

# Childcare vouchers

# Childcare vouchers

	<b>Basic Taxpayer</b>	<b>Higher Taxpayer</b>	<b>Additional Taxpayer</b>
Weekly Limit	£55	£28	£25
Monthly Limit	£243	£124	£110

09

# Homeworking allowance

# Homeworking tax relief

## Who can claim tax relief

- You can claim tax relief if you have to work from home, for example because:
- your job requires you to live far away from your office
- your employer does not have an office

## Who cannot claim tax relief

- You cannot claim tax relief if you choose to work from home. This includes if:
  - your employment contract lets you work from home some or all of the time - (hybrid working, or employee choice to WFH)
  - you work from home because of coronavirus (COVID-19)
  - your employer has an office, but you cannot go there sometimes because it's full

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# Payrolling benefits

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# Payrolling benefits

- ❑ Mandated from 2026 the payrolling of benefits
- ❑ Currently no more information than this
- ❑ Would mean that July 2026 would be the last time P11d's would be created
- ❑ How will they manage the accommodation and loans that cannot currently be payrolled
- ❑ Employers do need to start looking at their current situation if they don't payroll benefits
- ❑ Will need to consider employee communications as in year one of transition they will be taxed at source, and have the previous year liability in their tax code
- ❑ If you are considering bringing in BIK's look at payrolling straight off

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# Flexible working

# Employment Regulations

## Employment Regulations (Flexible Working) Act 2023

- ❑ Employees can make a flexible working request **twice** every 12 months (previously this was one).
- ❑ Employers need to respond to each request within **two months** (previously this was two).
- ❑ If employers are rejecting a request, they must discuss the reasoning behind the decision with the employee as well as the impact that their flexi-working could have on the company and how this could be limited.
- ❑ Employees will no longer be required to have at least 26 weeks' service to be entitled to make a flexible working request.

# 12 Tips



# The Employment (Allocation of Tips) Act 2023

- ❑ New Act comes into force 1st July 2024
- ❑ 100% of all tips must be paid to workers
- ❑ The employer must cover all additional costs such as credit card charges, or the set up and use of a Tronc system themselves, no deductions can be made from the worker
- ❑ Must be paid by the end of the month following receipt of the tips
- ❑ Requires employers to keep accurate records
- ❑ No exception for Agency Workers, they have the same rights to receive tips at the place of work
- ❑ Employers will not be able to 'pool' tips pots between premises
- ❑ The 'exchange of tips for wages' is unlawful. Both wages and tips must be paid
- ❑ The employer must be transparent in how they allocate tips and each worker is to be given a written policy from the employer by 1st July
- ❑ External TRONC systems not affected

# Finally.....

- ❑ Neonatal Pay Act
- ❑ RTI hours – post consultation
- ❑ General election
- ❑ Budget day 6<sup>th</sup> March
- ❑ Auto enrolment pension consultation and changes

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# Reminders

# Webinar programme 2024

**Payroll year end**  
Tuesday 5<sup>th</sup> March  
10 am

[Link to register](#)

**Integrations**  
Thursday 28<sup>th</sup> March  
10 am

[Link to register](#)

**Power BI and RRS  
extended webinar**  
Thursday 16<sup>th</sup> April  
10 am

[Link to register](#)

**Realtime Payroll**  
Thursday 6<sup>th</sup> June  
10 am

[Link to register](#)

# Thank you