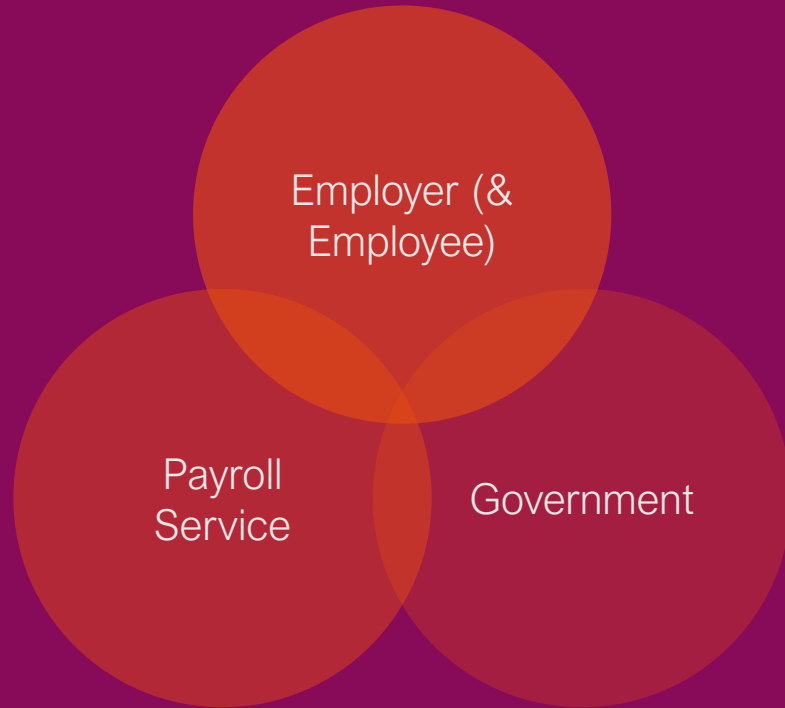


2026 Payroll Workout

The In Crowd



Thinking & acting outside in. Agility. Connecting.



Customers



Educate



Risk



Compliance



Prioritise



Opportunity

2026 Payroll Workout Webinars:

Sign up today

The SD Worx Academy free webinar series hosted by Simon Parsons, covers all the changes for the next tax year, enabling payroll and HR professionals to understand and prepare!

Part 1 - Preparing for April 2026 - the headlines

Part 2 - Employment Rights Bill - what is changing and when

Part 3 - Minimum Pay April 2026 - Keep it legal

Part 4 - All change Statutory Sick Pay (SSP) April 2026

Part 5 - Student Loans, new Plan 5 and the Starter Checklist for April 2026

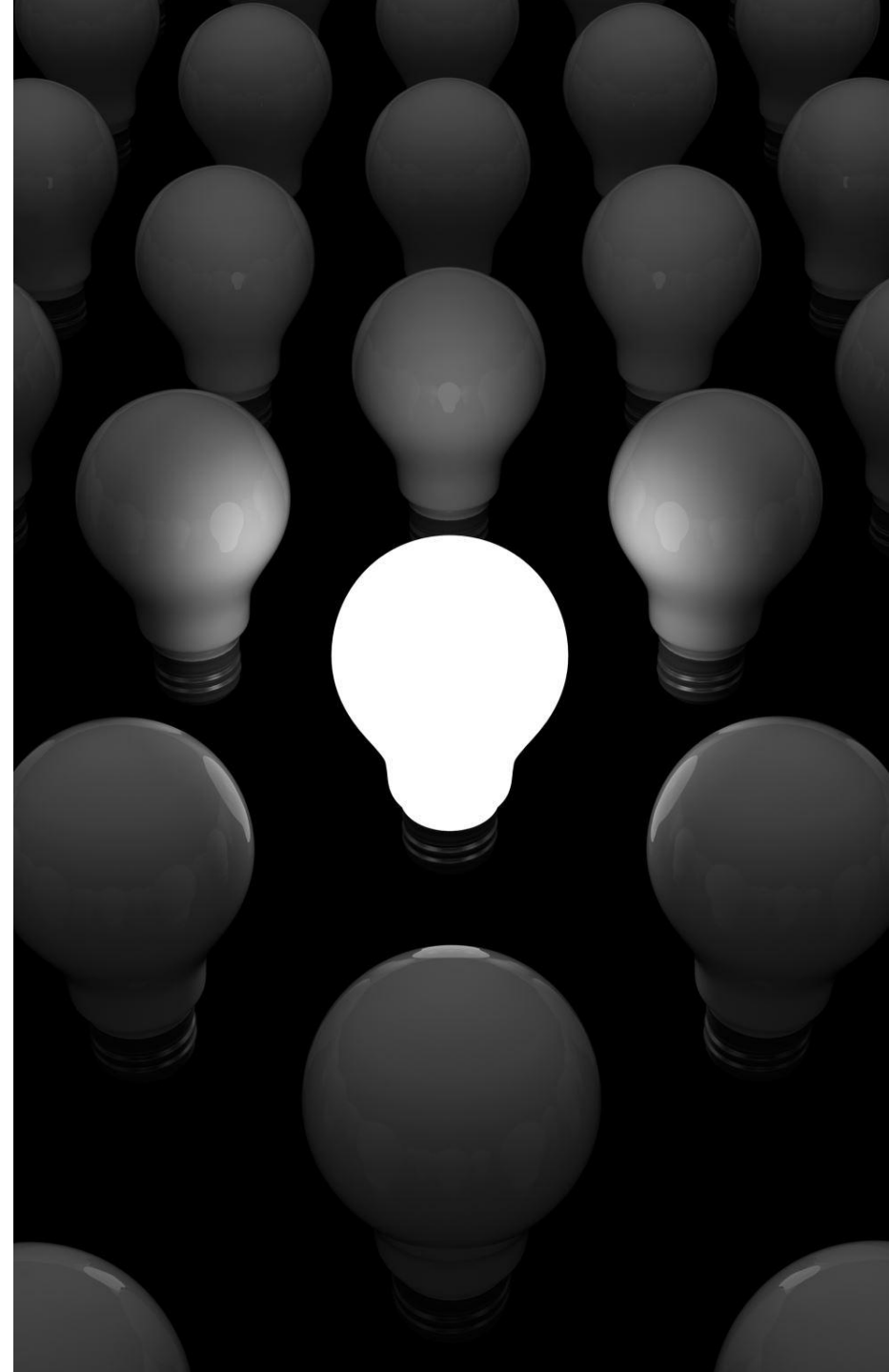
Part 6 - Reaching the final - ready for April 2026



Secure your place at:
<https://www.sdworx.co.uk/en-gb/academy/2026-payroll-workout-getting-ready-new-tax-year-and-beyond>

Change is happening

- Budget and New Tax Year changes
- Changes to Statutory Sick Pay 2026
- Mandating of Payrolling 2027 – go early-2026
- Extension of Employment Rights
- Formation of the Fair Work Agency
- Common breach areas:
 - National Minimum Wage
 - Holiday Pay
 - Sickness



Product Controlled

Controlled centrally

- Income Tax (England and Northern Ireland; Scotland; Wales)
- National Insurance
- Student and Postgraduate Loans
- Statutory Sick Pay (SSP)
- Statutory Parental Payments (SMP, SAP, SPP, ShPP, SPBP, SNCP, SPBPNI)
- Attachment of Earnings Orders / Earnings Arrestments
- RTI Full Payment Submission (FPS)

Employer Choice

Controlled by employer choice:

- Employment Allowance
- Apprenticeship Levy Offset
- RTI Employer Payment Summary (EPS)
- Pensions Schemes

Employer Defined

The compliance aspect may involve minimums only.

Requires configuration to fit with employer circumstance:

- Payrolling Benefits In Kind (PBIK)
- Holiday Pay
- Salary Sacrifice
- ONS Statistical Data
- Gender Pay Gap Essential Data

Requires:

- Advisory assistance (PALS)
- Tailored configuration (Implementation)
- Process instruction





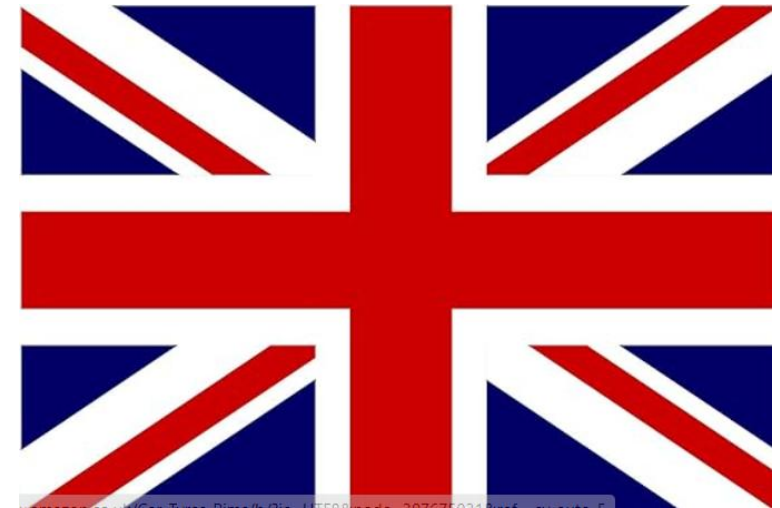
Income Tax





Income Tax: United Kingdom (England, Northern Ireland, Scotland and Wales)

	2025/2026	2026/2027
Personal Allowance	£ 12,570	£ 12,570
Standard emergency tax code (declaration A)	1257L	1257L
Declaration B signed	1257L W1/M1	1257L W1/M1
Declaration C signed	BR	BR
Declaration C unsigned	OT W1/M1	OT W1/M1



Reminders – New Starters

Declaration C tax code 0T/1

- Treated by HMRC as employer error
- Don't wait for the P45
- Obtain a signed new starter declaration
- Get the student loan declaration correct

Don't make up NINOs



£ 2



£ 100,000



-£ 1



Income Tax: England and Northern Ireland (rUK)

rUK Tax bandwidths and rates – effective date 6th April 2026

Basic Rate	20%	£ 1 – £ 37,700
Higher Rate	40%	£ 37,701 – £ 125,140
Additional Rate	45%	£ 125,141 and above





Income Tax: Wales

C

Welsh Tax bandwidths and rates – effective date 6th April 2026

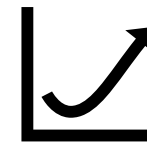
Basic Rate	$10\% + 10\% = 20\%$	£1 – £37,700
Higher Rate	$10\% + 30\% = 40\%$	£37,701 – £125,140
Additional Rate	$10\% + 35\% = 45\%$	£125,141 and above



Income Tax: Scotland

Scottish Budget 2026 13th January 2026

S



Scottish Tax bandwidths and rates – effective date 6th April 2026

Starter	19%	£ 1 – £ 3,967 (£ 2,827)
Basic	20%	£ 3,968 – £ 16,956 (£ 14,921)
Intermediate	21%	£ 16,957 – £31,092
Higher	42%	£31,093 – £62,430
Advanced	45%	£62,431 – £125,140
Top	48%	Above £125,140



Company Car Tax

Some are +1%



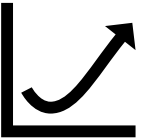
CO2 emissions, g/km	Electric range (miles)	Appropriate percentage (%) for 2025 to 2026	Appropriate percentage (%) for 2026 to 2027	Appropriate percentage (%) for 2027 to 2028	Appropriate percentage (%) for 2028 to 2029
0	Not applicable	3	4	5	7
1 to 50	More than 130	3	4	5	18
1 to 50	70 to 129	6	7	8	18
1 to 50	40 to 69	9	10	11	18
1 to 50	30 to 39	13	14	15	18
1 to 50	Less than 30	15	16	17	18
51 to 54	—	16	17	18	19
55 to 59	—	17	18	19	20
60 to 64	—	18	19	20	21
65 to 69	—	19	20	21	22
70 to 74	—	20	21	21	22
75 to 79	—	21	21	21	22
80 to 84	—	22	22	22	23

85 to 89	—	23	23	23	24
90 to 94	—	24	24	24	25
95 to 99	—	25	25	25	26
100 to 104	—	26	26	26	27
105 to 109	—	27	27	27	28
110 to 114	—	28	28	28	29
115 to 119	—	29	29	29	30
120 to 124	—	30	30	30	31
125 to 129	—	31	31	31	32
130 to 134	—	32	32	32	33
135 to 139	—	33	33	33	34
140 to 144	—	34	34	34	35
145 to 149	—	35	35	35	36
150 to 154	—	36	36	36	37
155 to 159	—	37	37	37	38
160 and over	—	37	37	37	38

Add +4% for diesel (max 37%)

National Insurance – Thresholds

Threshold/limit	Weekly	2 Weekly	4 Weekly	Monthly	Annual
Lower Earnings Limit (LEL)	£ 129 (£ 125)	£ 258 (£ 250)	£ 516 (£ 500)	£ 599 (£ 542)	£ 6,708 (£ 6,500)
Primary Threshold (PT) – directors	£ 242	£ 484	*£ 967	£ 1,048	£ 12,570
Primary Threshold (PT) – non-directors					
Secondary Threshold (ST)	£ 96	*£ 193	*£ 385	£ 417	£ 5,000
Freeports Upper Secondary Threshold (FUST)	£ 481	£ 962	£ 1,924	£ 2,083	£ 25,000
Upper Secondary Threshold (UST)					
Apprentice Upper Secondary Threshold (AUST)	£ 967	£ 1,934	*£ 3,867	£ 4,189	£ 50,270
Veterans Upper Secondary Threshold (VUST)					
Upper Earnings Limit (UEL)					





National Insurance – Rates

	Primary Contributions (employee)					Secondary Contributions (Employer)			
	A/F/H/M/N/V	B/E/I	C/K/S	D/J/L/Z	X	A/B/C/J	H/M/V/Z	D/E/F/I/K/L/N/S	X
Below LEL	Nil					N/A			
LEL to PT	0%		Nil	0%	Nil				
PT to UEL / UST / AUST	8%	1.85%		2%					
Below ST	N/A					0%	0%	0%	Nil
ST to FUST						15.0%		15.0%	
FUST to UEL / UST / AUST / VUST									
Above UEL / UST / AUST / VUST	2%	Nil	2%	Nil	15.0%	15.0%	15.0%	Nil	



National Insurance – Mariners

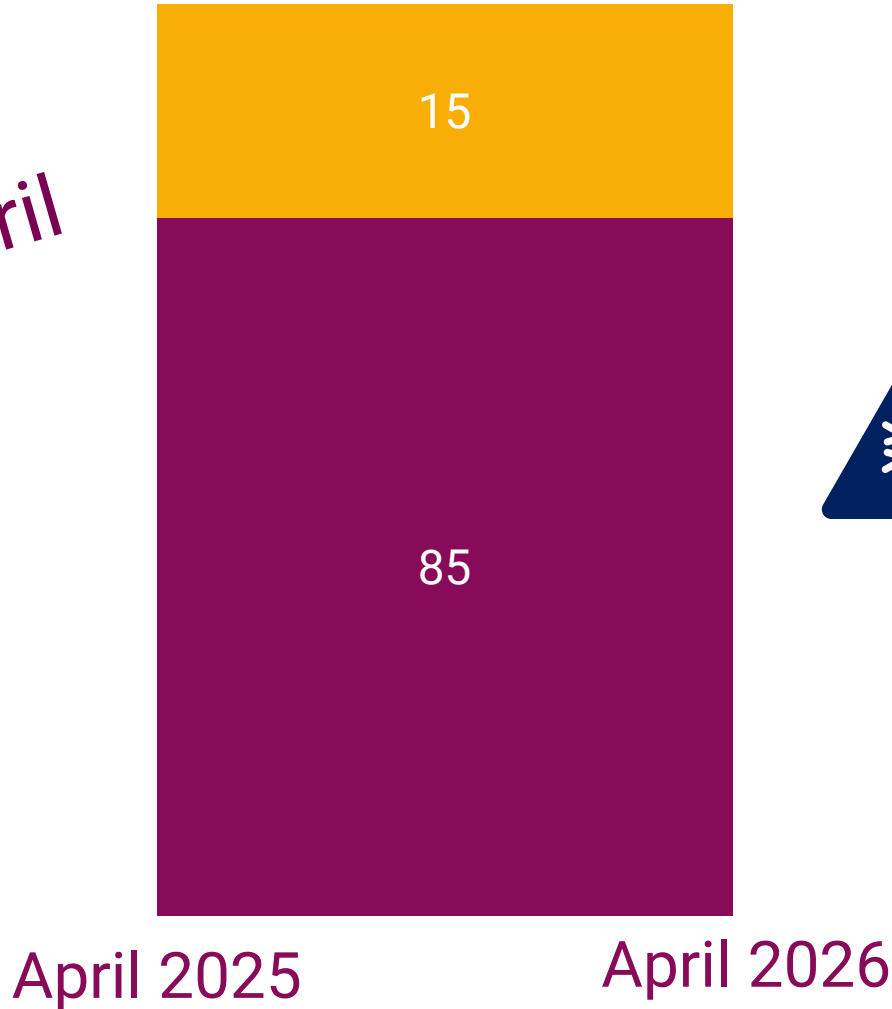
	Primary Contributions (employee)				Secondary Contributions (Employer)	
	R/G/Y	T	W	Q/P	R/T/W/Q	G/Y/P
Below LEL	Nil				N/A	
LEL to PT	0%		Nil	0%		
PT to UEL / UST / AUST	8%	1.85%		2%		
Below ST	N/A				0%	0%
ST to FUST						
FUST to UEL / UST / AUST / VUST					14.5%	
Above UEL / UST / AUST / VUST	2%		Nil	2%		14.5%

Salary Sacrifice Employers NI

April
2026

Pension Sacrifice
£ 2,000 limit
proposed for 6th April
2029

NICs then apply
along with standard
tax reliefs!
NPA v RAS!



HMRC Bulletin warns: (July 2024 and December 2025).

Some actively promoted salary sacrifice schemes that claim HMRC compliance do not work:

- Workplace nurseries that are not
- Grocery schemes

Both are likely to be subject to Class 1 NICs

Employment Allowance



Effective date	Employment Allowance
6th April 2025	£ 10,500
6 th April 2022	£ 5,000
6 th April 2020	£ 4,000
6 th April 2018	£ 3,000
6 th April 2014	£ 2,000

Student and Postgraduate Loan repayments



Date	Plan Type 1 Threshold	Plan Type 2 Threshold	Plan Type 4 Threshold	Plan Type 5 Threshold	SL Rate	Post-grad Threshold	Post-grad Rate
6th April 2024	£ 24,990	£ 27,295	£ 31,395	N/A	9%	£ 21,000	6%
6th April 2025	£ 26,065	£ 28,470	£ 32,745	N/A	9%	£ 21,000	6%
6 th April 2026	£ 26,900	£ 29,385	£ 33,795	£ 25,000	9%	£ 21,000	6%

April 2026



New Plan 5 – start 6th April 2025

Introduced into
repayment for the first
time

Plan 5 will
be operated and
collected in the same
way as current plan types
1, 2 and 4



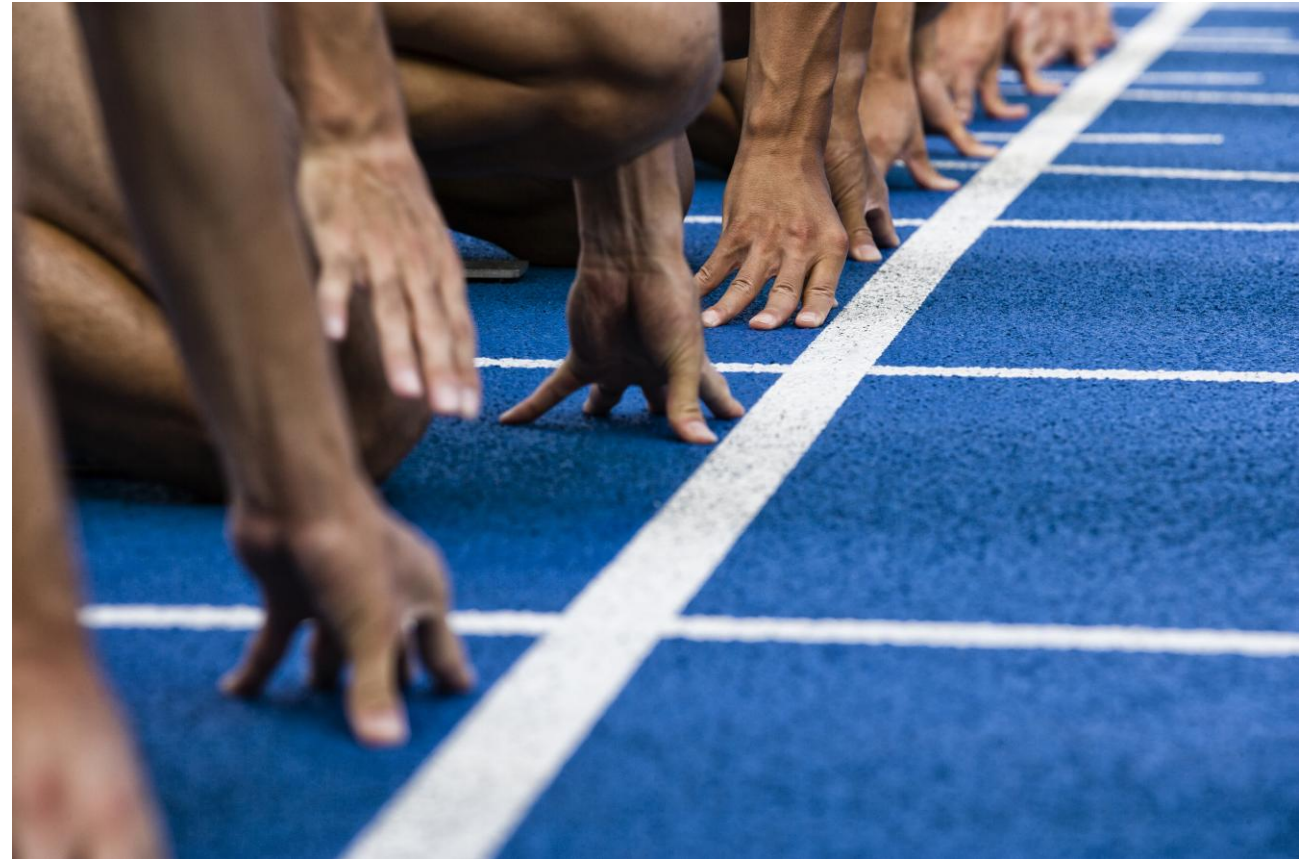
SL1 / PGL1 Start notice

Employers begin receiving student loan start notices in March 2026 for borrowers due to go into repayment from 6th April 2026

The SL1 will specify the Plan type as an instruction to start plan 1, 2, 4 or the new Plan 5

PGL1 will start a deduction in parallel

The SL1 Stops any prior plan type 1, 2, 4 or 5 that may have been operated



SL2 / PGL2 Stop notice

The SL2 does not specify a Plan Type

Its application stops any application of plan 1, 2, 4 and the new Plan 5

PGL2 will stop a postgraduate loan deduction only

If you receive an SL1, **DO NOT** apply an SL2 first



The new starter checklist

- Throw away the old ones
- Update the employer versions to reflect the new



Starter checklist

Tell your employer of your circumstances so that you do not pay too much or too little tax

Do not send this form to HM Revenue and Customs (HMRC)

Instructions for employer

Use this starter checklist to gather information about your new employee if they do not have a P45. You can also use this form if they have a student loan (whether or not they have a P45). Use the information to help fill in your first Full Payment Submission (FPS) for this employee. If you've already submitted your first FPS, keep using the tax code in that FPS until HMRC sends you a new tax code. If the employee gives you their P45 after the first FPS submission, use the tax code shown in parts 2 and 3 of the P45. You must keep the information recorded on the starter checklist for the current and next 3 tax years. This form is for your use only.

Instructions for employee

Fill in this form if you do not have a P45 (a document you get from your employer when you stop working for them). You should also fill in this form if you have a student loan (whether or not you've a P45). Give the completed form to your employer as soon as possible. They need this information to tell HMRC about you and help them to use the right tax code. Make sure you answer the questions correctly. If you do not, you may pay the wrong amount of tax or student loan deductions.

Employer duty – student loans

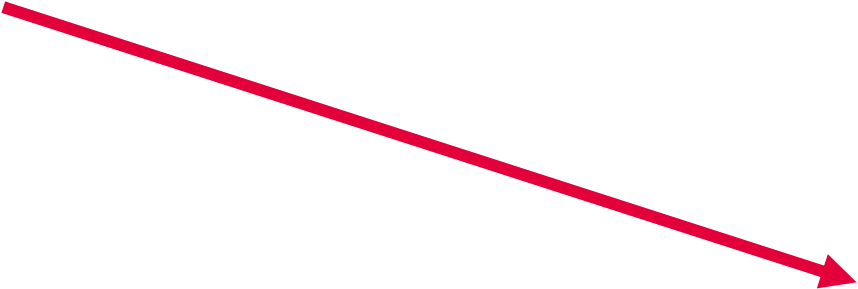
The Starter Checklist, both online and PDF, will be updated in March 2026 to include Plan 5

Key changes:

- new Plan type 5 checkbox
- employees should now only to select one plan type plan 1 or 2 or 4 or 5
- They can still select Postgraduate loan at the same time as plan type loans

Student and Postgraduate Loans

13 Put 'X' in the correct student loan plan type or postgraduate loan to avoid repaying more than you need to.



Student loans

11 Do you have a student or postgraduate loan?

Yes Go to question 12

No Go straight to the Declaration

12 Do any of the following statements apply:

- you're still studying on a course that your student loan relates to
- you completed or left your course after the start of the current tax year, which started on 6 April
- you've already repaid your loan in full
- you're paying the Student Loans Company by Direct Debit from your bank to manage your end of loan repayments

Yes Go straight to the Declaration

No Go to question 13

13 Put 'X' in the correct student loan plan type or postgraduate loan to avoid repaying more than you need to.

Use the guidance on the right if needed.

Plan 1

Plan 2

Plan 4

Plan 5

Postgraduate loan

Student and Postgraduate Loans

You should only put an 'X' in the one plan type you are due to repay (Plan 1, 2, 4 or 5). However, you can also put an 'X' in the Postgraduate Loan box as well as one plan type, if it applies.

Not sure what to select?

Check your current repayment loan or plan type at www.gov.uk/sign-in-to-manage-your-student-loan-balance or in the information below.

If you applied to Student Finance England you'll be on:

- Plan 5 - if your course started on or after 1 August 2023
- Plan 2 - if your course started between 1 September 2012 and 31 July 2023
- Plan 1 - if your course started before 1 September 2012
- Postgraduate loan - if studying postgraduate masters or doctoral course

If you applied to Student Finance Wales you'll be on:

- Plan 2 - if your course started on or after 1 September 2012
- Plan 1 - if your course started before 1 September 2012
- Postgraduate loan - if studying postgraduate masters or doctoral course

If you applied to Student Awards Agency Scotland you'll be on Plan 4.

If you applied to Student Finance Northern Ireland you'll be on Plan 1.

How do I know which plan it is?

Employers are requested to advise any employees who do not know what plan they are repaying, that they can find out by logging into their online student loan account.



Has a student loan but really doesn't know which!

Until 5th April 2026,
where employers are still
uncertain what plan to
use, they should use Plan
1 until a start notice is
received

However, from 6th April
2026 this **default plan will
change to Plan 5**



Oh no!

They have ticked more than one!

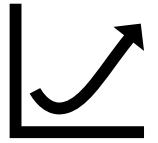
From 6th April 2026

	Plan 1	Plan 2	Plan 4	Plan 5	PGL	Student loan to apply
One plan held	<input checked="" type="checkbox"/>					Plan 1
		<input checked="" type="checkbox"/>				Plan 2
			<input checked="" type="checkbox"/>			Plan 4
				<input checked="" type="checkbox"/>		Plan 5
Two plans held	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>				Plan 1
	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>			Plan 1
	<input checked="" type="checkbox"/>			<input checked="" type="checkbox"/>		Plan 5
	<input checked="" type="checkbox"/>				<input checked="" type="checkbox"/>	Plan 1 & PGL
		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>			Plan 2
		<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>		Plan 5
		<input checked="" type="checkbox"/>			<input checked="" type="checkbox"/>	Plan 2 & PGL
			<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Plan 5
Three plans held	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>			Plan 1
	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>		Plan 5
	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>			<input checked="" type="checkbox"/>	Plan 1 & PGL
	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		Plan 5
	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	Plan 1 & PGL
	<input checked="" type="checkbox"/>			<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Plan 5 & PGL
		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		Plan 5
		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	Plan 2 & PGL
		<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Plan 5 & PGL
			<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Plan 5 & PGL
Four plans held	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		Plan 5
	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	Plan 1 & PGL
	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Plan 5 & PGL
	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Plan 5 & PGL
		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Plan 5 & PGL
Five plans held	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Plan 5 & PGL



National Minimum Wage 1 April 2026

April
2026



	NMW Rate	Increase (£)	Percentage increase
National Living Wage (21 and over)	£ 12.71	£ 0.50	4.1%
18-20 Year Old Rate	£ 10.85	£ 0.85	8.5%
16-17 Year Old Rate	£ 8.00	£ 0.45	6%
Apprentice Rate	£ 8.00	£ 0.45	6%
Accommodation Offset	£ 11.10	£ 0.44	4.1%

How to work out – it's not their basic rate!

- Accumulate time that counts for minimum pay (hours)
- Accumulate pay that counts for minimum pay (without premiums & salary sacrifice)
- Accumulate deductions for the benefit of the employer including salary sacrifice reductions and AEO/EA Admin fees and reduce earnings
- Divide the earnings for minimum pay by the hours for minimum pay
- Is the hourly rate greater than the relevant minimum pay rate?

$$\frac{E^q}{H^q} = R^c$$

National Minimum Wage - the implications

Increasing risk of NMW breach - Salary Sacrifice schemes

- Bikes
- Childcare
- Pension
- Other

Consider recalculation of SMP



NMW Time

- Additional time worked but unpaid:
 - **Travelling** time – travel from one assignment to another
 - **Training** time – is work time
 - **Bookends** and other **Unpaid** time – arrive early, stay late, getting ready, clearing up, security checks
 - Down time at employer's disposal – **standby** near workplace, work stopped due to breakdown but **waiting** at workplace, waiting to collect goods
 - Unpaid **overtime**



NMW Pay Deductions

- Deductions connected with the job
 - Safety equipment
 - **Uniforms**
 - Tools
 - Pre-Tax or Post-Tax – makes no difference!
- Employer own use or benefit
 - Meals
 - Goods and services (even with no profit)
 - Accommodation charges over allowed level
 - Bookends of employment
 - Salary Sacrifice Flipping – makes no difference!



National Minimum Wage - the implications

Impact of the change to National Minimum Wage on Statutory Maternity Pay

Statutory Maternity Pay

Since 6 April 2005 it has been necessary for employers to re-calculate a woman's entitlement to Statutory Maternity Pay (SMP) if a woman is awarded a pay rise (or would have been awarded a pay rise had she not been on maternity leave) which takes effect at any time between the start of the period used to calculate her SMP and the end of her maternity leave. The earnings-related part (which is 6 weeks for most women but for some will be 26 weeks) must go up to take account of that pay rise.

SMP must also be re-calculated to reflect pay rises taking effect before the start of the relevant period but where the earnings used in the calculation had not at the time of the calculation been adjusted to reflect that pay rise.

If such a recalculation results in SMP entitlement for the first time, then the employer will only be liable to pay SMP to the extent that any sum exceeds Maternity Allowance paid by the Department for Work and Pensions.



Applying SMP Alabaster

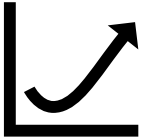
So how is an alabaster rise applied?

The pay engine needs to be told about the rise. This can be expressed as a percentage or cash increase or a new rate to reflect the rise. The automated SMP calculation then takes care of the SMP back-payment and any future payments due.

There are 3 options to apply a relevant rise for automated adjustment:

Engine code	Description
M741	Increase by a cash amount the Average Earnings used for SMP
M743	Increase by a percentage the Average Earnings used for SMP
M745	Update the Average Earnings used for SMP

Real Living Wage



	22nd October 2024 (6 months to apply)	22nd October 2025 (6 months to apply)
Living Wage	£ 12.60	£ 13.45
London Living Wage	£ 13.85	£ 14.80

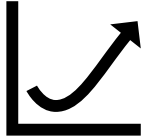
Statutory Rates

UK Payroll

 sdworx.academy

Book the
course

Statutory Parental Leave: SMP, SAP, SPP, ShPP, SPBP, SNCP, new SBPBNI



Effective Date	Weekly Earnings Threshold	SMP/SAP Higher Rate (6 weeks)	SMP/SAP Lower Rate (33 weeks)	SPP Rate (1 or 2 weeks)	ShPP Rate (up to 39 weeks)	SPBP (up to 2 weeks)
Sunday 5th April 2026	£129 (Weekly LEL)	90% of Average Weekly Earnings	£194.32 or 90% of AWE if less	£194.32 or 90% of AWE if less	£194.32 or 90% of AWE if less	£194.32 or 90% of AWE if less

Recovery

Effective Date	Standard Recovery	Class 1 NICs threshold for SER	SER recovery	Compensation
6 th April 2026	92%	£45,000	100%	9.0%



Statutory Parental Bereavement Pay Northern Ireland (SPBPNI)



- Applies from 6th April 2026
- Day 1 right
- Miscarriage
- NI Postcode
- FPS Separate values
- P60 Combined values



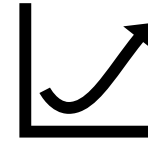
A photograph of three women sitting at a table in a meeting, smiling and looking at each other. The image is overlaid with a semi-transparent purple filter. There are three thick red diagonal lines and one thick yellow horizontal line overlaid on the image.

**Statutory Parental Leave: SMP, SAP, SPP, ShPP,
SPBP, SPBPNI**

LET THE SOLUTION DO THE WORK

IT'S NOT WRONG AND AUTOMATIC

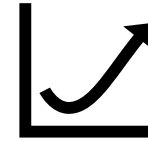
Statutory Sick Pay (SSP)



Effective Date	Weekly Earnings Threshold	SSP Weekly Rate	Percentage Threshold Scheme
Monday 6 th April 2026	£0.01 (Weekly LEL)	£123.25 or 80% of AWE if lower (transition protect)	0%



Statutory Sick Pay (SSP) day rates max



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
£ 20.5416	6	£ 20.55	£ 41.09	£ 61.63	£ 82.17	£ 102.71	£ 123.25	
£ 24.65	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				
£ 61.625	2	£ 61.63	£ 123.25					
£ 123.25	1	£ 123.25						

Any part pence rounded up to the next whole pence

No natural rounding

Statutory Sick Pay (SSP) 80% rate

**£123.25 or
80% of AWE
if lower**

Divide by the number of qualifying days in that week,
(minimum 1)

Multiple by the number of QDs that are sick days in
that week

Round any partial pence up to the next whole pence.

Any part pence
rounded up to the
next whole pence

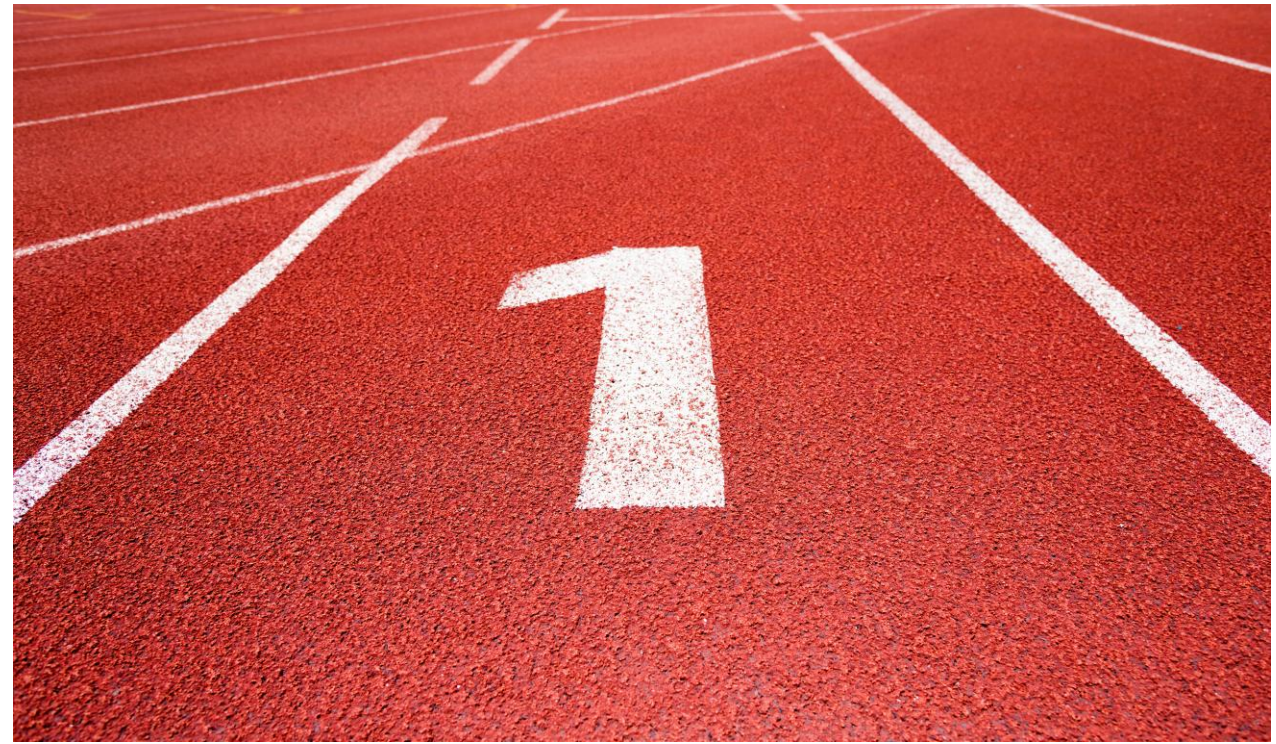
No natural rounding



80%

PIW

- Before 6th April 2026
 - 4 calendar days
- From 6th April 2026
 - 1 full day



*In force from
April 2026*

Qualifying Days (no change)

- Agreed between employers and employees
- Normally the working days (1-7 days)
- There must be a minimum of 1 per week
- Used as a divisor



Qualifying Days (no change)

If the employer and employee cannot agree the QDs, regulations provide for the QDs to be

- the days on which the employer and employee agree that the employee is/was required to work under the contract, or
- a Wednesday if there is/was no specified day of work, or
- every day of the week except those on which they agree that none of the workforce were required to work

Section 154 of the Social Security Contributions and Benefits Act (SSCBA) 1992 or 150 of the SSCB(NI)A 1992

Waiting Days

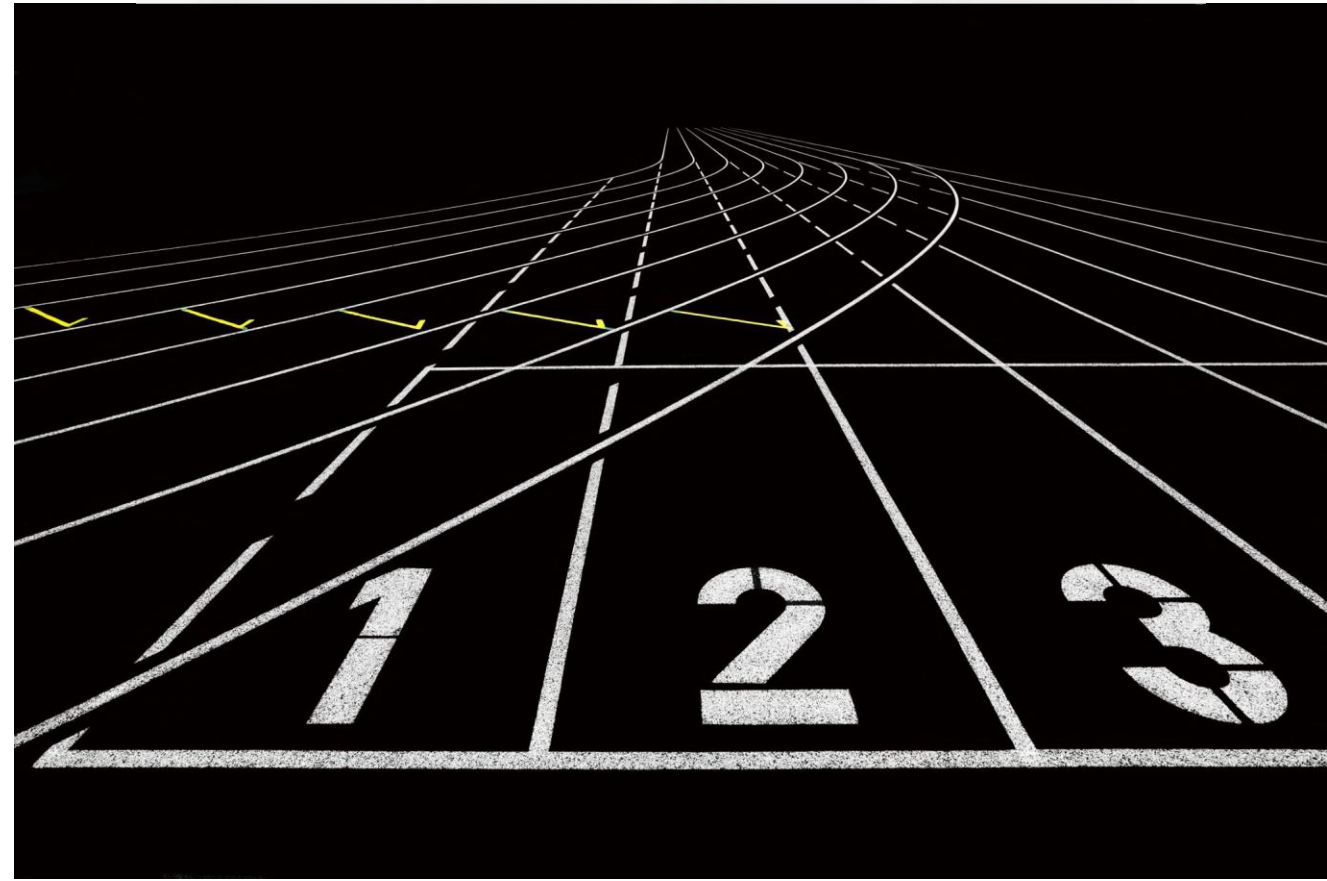
- Before 6th April 2026
 - 3 Qualifying Days
- From 6th April 2026
 - Zero Qualifying Days
 - Ends O/S prior



Qualifying Earnings

- Before 6th April 2026
 - AWE => £125
- From 6th April 2026
 - AWE => £0

AWE requirements are unchanged



Why you cannot get Statutory Sick Pay

(Employer to complete)

You cannot get SSP on or after this date

SSP1

This is because:

- Your average earnings for the 8 weeks before you were sick were less than the Lower Earnings Limit.

You can find out more by searching

Protection

- Continuous sickness from before 6th April 2026
- SSP already in payment £118.75/W
- Earnings average £125-£154.05
- From 6th April use protected £123.25 not 80% as lower

Protection ends on return or latest 18th October 2026



If on long term sick with no SSP entitlement for 28 weeks prior to 6th April 2026

- AWE is to be zero
- Qualifies for SSP due to new rules
- However, the SSP rate is zero

22nd September 2025



If the employer paid OSP to someone who did not previously qualify for SSP – are they now qualifying for 80% of their Average earnings for a new period of 28 weeks SSP?



Yes

2

8



Pension AE Thresholds – Frozen



	Trigger	Lower limit qualifying earnings band	Upper limit qualifying earnings band
Current (2025/2026)	£10,000	£6,240	£50,270
Proposed (2026/2027)	£10,000	£6,240	£50,270

“Into the unknown -
Arghhharghhaaaa

Pension AE duties – the employer is responsible



Re-enrolment and re-declaration

Every three years you must put certain staff who have left your pension scheme back into it. This is called re-enrolment.

Whether you have staff to put back into your scheme or not, you must complete a re-declaration of compliance to tell us how you have met your duties. Remember, re-enrolment and re-declaration are your legal duties and if you don't act [you could be fined](#).

Make sure you inform SD Worx of your next triennial re-enrolment date.

SD Worx cannot assume this for you as it is an employer duty!

Top tips

This is your responsibility as an employer – don't assume an agent, third party or your pension scheme will do it for you (TPR)

Pension AE duties – the employer is responsible



Find out your dates for re-enrolment

Use this tool to find your key dates for re-enrolment

These dates will help you choose your re-enrolment date and plan your re-enrolment duties.

To use the tool you'll need your letter code and PAYE reference.

PAYE reference

Your PAYE reference can be found on the letter you received from us about automatic enrolment. You can also find it on your letter from HMRC when you first registered as an employer, or from your payroll software.

Letter code

Your letter code is the 10 digit code on the letter you received from us about automatic enrolment.

If you don't know your letter code you can [find your letter code](#) here.



Continue

choose
any date
that falls
within a
six-month
timeframe

A close-up of a human eye with a futuristic, digital overlay. The eye is the central focus, with various white and yellow lines, circles, and data points overlaid on it. The background is a dark, semi-transparent image of a computer monitor displaying various charts, graphs, and data tables. The overall aesthetic is high-tech and futuristic.

And into the future?

Employment Rights Act

Union Rights

Industrial Action changes

Fair Work Agency launched

Parental rights extended

**Zero Hours worker
protections**

Unfair dismissal

Harrasment protection

Equality

Etc.

**What is happening and
when?**



Formal Payrolling Benefits
April 2027€ mandation!

To Tax or not to Tax – that is the question?



REVIEW and ADD NEW PAY ELEMENTS TO YOUR PAYROLL IN READINESS

Taxable	Class 1 NICs	Class 1A Ers NICs	BIK
NO	NO	NO	NO
YES	YES	NO	NO
YES	YES	NO	YES
YES	NO	YES	YES

Assess the correct treatment for each benefit type

Assess the correct treatment for each salary sacrifice for a benefit

(these settings may need to be the opposite for sal sac negatives)

Horses for courses – consider the settings carefully

Benefit	% benefit	Tax	Class 1	Class 1A	BIK	Payable
Medical	100%	Tax	No	Yes	Yes	No
Shopping Voucher	100% cost	Tax	Yes	No	Yes	No
Asset such as TV	20%	Tax	No	Yes	Yes	No
Loan (no PBIK until Apr 2027)	?%	Tax	No	Yes	Yes	No
Van	Van rate	Tax	No	Yes	Yes	No
Car	CO2%	Tax	No	Yes	Yes	No
Etc						

Sacrifice / Flex / OpRA as negative	% benefit	Tax	Class 1	Class 1A	BIK	Payable
Medical	100%	No	-Yes	+Yes	+Yes	-Yes
Shopping Voucher	100% OpRA	No	No	No	No	-Yes
Asset such as TV	100% OpRA	No	-Yes	+Yes	+Yes	-Yes
Car Sacrifice	0%	-Yes	-Yes	No	No	-Yes
Car Benefit as positive	CO2%	+Yes	No	+Yes	+Yes	No
Etc						

On your marks; get set; **GO**:

- What benefits do you have?
- What partners/suppliers are used?
- Who has the data?
- Any Salary Sacrifice and OpRA?
- Who will calculate the benefit?
- Consider the scenarios
- **Budget for the change**
- Employee communication
- Prepare for questions and exceptions

Time for questions...

Is there anything you'd like to ask?



Visit payhr.uk

Visit Academy

pals@sdworx.com

Contact

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Thank you!

P Simon Parsons MSc FCIPPdip MBCS

