

2026/2027

Tax fact card

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Income Tax bands

England, Wales and Northern Ireland

Band	Taxable income	Tax rate
Basic rate	£1 – £37,700	20%
Higher rate	£37,701 – £125,140	40%
Additional rate	£125,141 >	45%

Scotland

Band	Taxable income	Tax rate
Starter rate	£1 – £3,967	19%
Basic rate	£3,968 – £16,956	20%
Intermediate rate	£16,957 – £31,092	21%
Higher rate	£31,093 – £62,430	42%
Advanced rate	£62,431 – £125,140	45%
Top rate	£125,141 >	48%

Taxable income is income above the Personal Allowance.

UK-wide emergency tax codes

2026/2027
1257L W1
1257L M1
1257L X

UK Income Tax allowances

2026/2027	
Standard Personal Allowance	£12,570
Income limit for Personal Allowance	£100,000
Marriage Allowance	£1,260
Married Couple's Allowance (maximum)*	£11,700
Married Couple's Allowance (minimum)*	£4,530
Income limit for Married Couple's Allowance	£39,200
Blind Person's Allowance	£3,250

* Where either partner was born before 6 April 1935.

Student loan deductions

	Percentage	Repayment thresholds 26/27
Plan 1	9%	£26,900 p.a. · £2,241.66 p.m. · £517.30 p.w.
Plan 2	9%	£29,385 p.a. · £2,448.75 p.m. · £565.09 p.w.
Plan 4 (Scotland)	9%	£33,795 p.a. · £2,816.25 p.m. · £649.90 p.w.
Plan 5 NEW	9%	£25,000 p.a. · £2,083.33 p.m. · £480.76 p.w.
Postgraduate loans	6%	£21,000 p.a. · £1,750 p.m. · £403.84 p.w.

Class 1A and Class 1B rates

Employers pay Class 1A and 1B National Insurance on expenses and benefits they give to their employees, and Class 1A on termination awards over £30,000. The rate for 2026/27 is **15%**.

National Insurance Contributions

Class 1 National Insurance thresholds			
	Weekly	Monthly	Annual
Lower Earnings Limit (LEL)	£129	£559	£6,708
Primary Threshold (PT)	£242	£1,048	£12,570
Secondary Threshold (ST)	£96	£417	£5,000
Freeport / Investment Zone UST (FUST / IZUST)	£481	£2,083	£25,000
UEL / UST / AUST / VUST	£967	£4,189	£50,270

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 - Over State Pension age	Nil	Nil
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 over SPA	Nil	Nil
L - Freeport deferment	2%	2%
M - Under 21	8%	2%
N - Investment Zone standard rate	8%	2%
S - Freeport over SPA	Nil	Nil
V - Veteran	8%	2%
Z - Deferment under 21	2%	2%

Employer (secondary) contribution rates

National Insurance category letter	Earnings above ST ¹	Earnings above FUST / IZUST ²	Balance of earnings above UEL ³
A - Standard rate	15%	15%	15%
B - Reduced rate	15%	15%	15%
C - Over State Pension age	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 over SPA	0%	15%	15%
L - Freeport deferment	0%	15%	15%
M - Under 21	0%	0%	15%
N - Investment Zone standard rate	0%	15%	15%
S - Freeport over SPA	0%	15%	15%
V - Veteran	0%	0%	15%
Z - Deferment under 21	0%	0%	15%

¹ Earnings above ST up to and including FUST / IZUST ² Earnings above FUST / IZUST 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

Other allowances

Employment Allowance	£10,500 per annum
Apprenticeship Levy allowance	£15,000 per annum
Apprenticeship Levy charge (pay bills over £3m)	0.5%

Statutory payments

2026/2027	
Minimum average weekly earnings during relevant period (SMP, SAP, SPP, ShPP, SPBP, SNCP)	£129 per week
SMP – Statutory Maternity Pay / SAP – Statutory Adoption Pay	
First 6 weeks	90% of AWE
Further 33 weeks	£194.32 per week or 90% of AWE whichever is lower
SPP – Statutory Paternity Pay	
Up to 2 weeks	£194.32 per week or 90% of AWE whichever is lower
ShPP – Statutory Shared Parental Pay	
Up to 37 weeks	£194.32 per week or 90% of AWE whichever is lower
SPBP – Statutory Parental Bereavement Pay	
Up to 2 weeks	£194.32 per week or 90% of AWE whichever is lower
SNCP – Statutory Neonatal Care Pay NEW	
Up to 12 weeks	£194.32 per week or 90% of AWE whichever is lower
SSP – Statutory Sick Pay CHANGED	
Payable from the first day of sickness; no lower earnings limit	£123.25 per week or 80% of AWE whichever is lower

Employers can recover 92% of SMP, SAP, SPP, ShPP, SPBP & SNCP. Small employers can recover 109%. You qualify for Small Employers' Relief if your total Class 1 NI bill in the last complete tax year was £45,000 or less. SSP cannot be recovered.

Automatic enrolment

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

National Minimum and National Living Wage

From 1 April 2026	
Aged 21 and above (NLW rate)	£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	£14.10
London	£15.45

Voluntary rates announced 15 October 2026; accredited employers to pay by 1 May 2027. See www.livingwage.org.uk for more information.

Company cars

CO ₂ emissions	Electric range	Appropriate percentage 26/27
0g/km		4%
1-50g/km	130+ miles	4%
1-50g/km	70-129 miles	7%
1-50g/km	40-69 miles	10%
1-50g/km	30-39 miles	14%
1-50g/km	<30 miles	16%
51-54g/km		17%
55-59g/km		18%
60-64g/km		19%
65-69g/km		20%
70-79g/km		21%
Each additional 5g/km		Plus 1%
Non-RDE2 diesel supplement		4%
Maximum benefit in all cases		37%

Van and fuel benefit charges

2026/2027	
Van benefit charge (zero-emission vans: nil)	£4,170 per annum
Van fuel benefit charge	£798 per annum
Car fuel benefit multiplier	£29,200

Mileage allowance payments

Vehicle	First 10,000 miles	Over 10,000 miles
Cars and vans NEW	55p	25p
Bicycle rate	20p	20p
Motorcycle rate	24p	24p
Passenger rate (each)	5p	5p

The 55p rate applies from 6 April 2026. For National Insurance, 55p applies to all business miles.

Useful dates for 2026/27

1 April 2026 NLW and NMW effective date	6 April 2026 Start of new tax year; SSP changes	31 May 2026 P60s issue deadline
6 July 2026 P11D and P11D(b) returns deadline	22 July 2026 Class 1A payment deadline (electronic)	22 Oct 2026 Class 1B / PSA payment deadline (electronic)
5 April 2027 End of the 2026/27 tax year	6 April 2027 Mandatory payroll of cars, vans, fuel & medical benefits	19 April 2027 Deadline for final RTI submissions for 26/27

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All details contained within this document are correct at time of creation. (October 2026)