



2026/2027 Payroll Year

Changes you need to know about



Forrester Boyd

CHARTERED ACCOUNTANTS

Minimum Wages Rates

From 1st April, 2026 the new minimum wage rates are as follows:

Category of Worker	Hourly Rate
Aged 21 and over (National Living Wage Rate)	£12.71
Aged 18 to 20 inclusive	£10.85
Aged under 18 (but above compulsory school leaving age)	£8.00
Apprentice aged under 19	£8.00
Apprentices aged 19 and over, but in the first year of their apprenticeship	£8.00

- Don't get caught out with the Accommodation Offset rule!
- The offset amount will increase to £11.10 per day.



Small Employer's Relief Increased

Employers who paid less than £45,000 in Class 1 National Insurance in the last tax year qualify to claim 100% of applicable statutory payments plus an additional 9% (including statutory maternity, paternity, adoption, shared parental, bereavement and neonatal care pay).



Statutory Payments

Statutory Sick Pay— increased to £123.25 or 80% of the average weekly earnings. Now payable from Day 1.

Statutory Maternity, Paternity, Adoption, Shared Parental, Parental Bereavement and Neonatal Care Pay — increased to £194.32 or 90% of the average earnings per week from 6th April 2026.



Student Loans

There is a new repayment plan (Plan Type 5) being introduced for students who began their courses on or after 1st August, 2023. Repayment will be 9% on earnings above £25,000 per year.



Biweekly Payrolls

One to watch if you run a biweekly payroll – 2026/2027 may give rise to 27 pay periods rather than 26. Employee deductions and salaries will need to be considered to ensure there are no underpayments of tax.



Payrolling Benefits

From April 2027, it will become mandatory for benefits in kind to be included as part of the payroll process.

The P11D will become obsolete. If your company is interested in payrolling benefits for the first time during the 2026/2027 tax year, you will need to register with HMRC before the start of the tax year.

If you do register, please notify us of your decision and provide the relevant information to enter through the payroll from April 2026.



Employment Rights Act

The Employments Rights Act 2025 came into force following receiving royal ascent in December 2025. It has brought employment law changes that employers need to understand.

The changes include:

- The introduction of paternity leave and unpaid parental leave becoming a “day one” right
- New protections for pregnant workers and whistleblowers
- Zero-hours contract reforms, including guaranteed hours and compensation for cancelled shifts
- Strengthened trade union rights and the repeal of previous legislation
- Fair pay agreements in adult social care
- Changes to employment tribunal time limits
- New rights to unpaid bereavement leave, including for pregnancy loss
- Mandatory seafarers’ charter and collective redundancy rules for seafarers
- The removal of the LEL for SSP
- From January 2027, protection from unfair dismissal after six months of employment, rather than two years

Please ensure your contracts of employment are up to date and cover all aspects. Consider speaking to an employment law specialist if you have any concerns.



Key Dates....

You need to be aware of in 2026



5th April 2026

Deadline to register for voluntary payrolling of benefits for 2026/2027



31st May 2026

Issue 2025/2026 P60s to employees



6th July 2026

Submit 2025/2026 P11D's to HMRC



22nd July 2026

Deadline for payment of Class 1A NICS for 2025/2026



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Our Offices:

We have offices throughout Lincolnshire and Yorkshire. To view our offices and their individual contact details please scan the QR Code to the right.



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