

## **Payroll 2024/2025 EOY Overview**

This release includes the statutory payroll changes for the 2024/25 year-end and the new 2025/26 tax year.

### **Statutory Rates & Bands**

The release also includes updates to the Scottish, Welsh and Rest of the UK tax tables, statutory payment amounts and student loans. The auto enrolment thresholds remain unchanged.

### **Statutory Neonatal Care Pay/Leave (SNCP)**

HMRC is introducing a new statutory allowance, Statutory Neonatal Care Pay/Leave (SNCP), on behalf of the Department for Business and Trade (DBT), effective from 6 April 2025. This entitlement will provide financial support for eligible parents whose newborns require neonatal care within the first 28 days following birth.

Parents who have not been employed by the employer for more than 26 weeks still have day one rights for the leave element of up to 12 weeks.

This allowance is intended to enhance existing statutory entitlements, such as maternity and paternity leave, offering additional support during this critical time.

SNCP is managed through a manual process, with the creation of a new Payment Profile required. SNCP payments will then be included in the P32, FPS and EPS with the new fields displayed in the To-Date form, payroll reports etc.

### **FPS, EPS**

The usual year-on-year uplift changes have been made, along with the following additions that are relevant to when the tax year is 2025/26.

#### **FPS**

- Employee Workplace Code for Employees with a NI Code relating to Freeports or Investment Zones
- Value of Statutory Neonatal Care pay (SNCP) to date
- Pension commencement excess lump sum indicator
- Standalone lump sum indicator

#### **EPS**

- Value of Statutory Neonatal Care Pay recovered for the year to date
- Value of NIC compensation on Statutory Neonatal Care Pay for the year to date

### **Prior Year FPS Changes**

The Prior Year FPS form has been updated to have the ability to select Investment Zones NI codes that were implemented as required for the 2024/25 tax year.

### **Lifetime Allowance (LTA)**

Two additional fields have been added to the Details & Bank form in Payroll Processing in relation to the LTA changes as follows:

- Pension Commencement Excess Lump Sum
- Stand Alone Lump Sum

These fields are present from the 2025/26 tax year and are required to be included in the FPS when used.

Note:

These checkboxes form part of the Flexible Drawdown Pension Types along with the following existing selections:

- Employee is flexibly accessing their pension
- Pension Death Benefit
- Serious Ill Health Lump Sum

From 2025/26, the five Flexible Drawdown Pension Types are mutually exclusive.

### **Place of Work Postcode**

Where either investment Zones or Freeports are in use, a “Place of Work Postcode” field is present on the Additional Information tab of the Details & Bank form. This field is required to be updated when the employee’s NI Code is set to either an Investment Zone or a Freeport code.

The postcode is included in the FPS from 2025/26.