

PAYadvice.UK

Legislation Update 2025:

- UK
- Guernsey
- Jersey
- Isle of Man

FEBRUARY 2025 V25.11

(Live Edition)

PAYadvice Ltd (11934132)

Author: P Simon Parsons MSc FCIPPdip MBCS



PAYadvice



Contents

Version history 4

Introduction 5

The United Kingdom..... 6

 Autumn Budget 2024..... 6

 Income Tax 6

 The whole of the United Kingdom (confirmation awaited)..... 6

 Rest of the United Kingdom (rUK: England and Northern Ireland with no prefix) 7

 Scotland (prefix S) 7

 Wales (prefix C)..... 7

 National Insurance..... 8

 Class 1 earnings bands 8

Statutory Payments 10

 Family related leave..... 10

 Sickness 11

Pensions and Auto-Enrolment 12

 State Pension age..... 12

 Pension Auto-Enrolment (from 6th April 2025) 12

Student Loans 13

Living Wage and London Living Wage (Living Wage Foundation) 14

2025 Scottish Earnings Arrestments..... 14

Guernsey 16

 Guernsey Class 1 16

 Contributory Benefit and Contribution Rates for 2025 - States of Guernsey..... 17

 Guernsey - Minimum Wage 17

Jersey 17

 Jersey Social Security 17

Minimum Earnings Threshold	18
Isle of Man	19
Income Tax	19
Personal Allowance.....	19
Tax rates and Bands	20
Benefits in Kind – Company Cars and Fuel.....	20
National Insurance.....	20
Isle of Man - Minimum Wage.....	21

Disclaimer:

The information provided does not constitute personal financial or personal taxation advice. The views expressed are the opinions of their author/compiler based on information and facts applicable at the time of publication. Some views will be expressed in relation to future legislation which may still be subject to parliamentary approval and subject to change.

Version history

Version	Date	Author / Compiler	Commentary
V25.0	30 th October 2024	P Simon Parsons	First Live edition with: <ul style="list-style-type: none"> • Student Loan thresholds Plan 1 and 2 • Living Wage and London Living Wage • National Insurance changes • Rest of the UK Income Tax
V25.1	14 th November 2024	PSP	Updates: <ul style="list-style-type: none"> • Student Loan threshold Plan 4 • Prediction for statutory payments with 1.7% uplift • Guernsey confirmation of minimum wage • Other minor updates
V25.2	26 th November 2024	PSP	Updates: <ul style="list-style-type: none"> • Postgraduate Loan threshold • Statutory Payment Rates • Guernsey Class 1 contributions
V25.3	28 th November 2024	PSP	Updated <ul style="list-style-type: none"> • Jersey Social Security Contributions
V25.4	2 nd December 2024	PSP	Updated <ul style="list-style-type: none"> • SSP Daily rates confirmed
V25.5	4 th December 2024	PSP	Updated <ul style="list-style-type: none"> • Scottish Income Tax confirmed
V25.6	10 th December 2024	PSP	Updated <ul style="list-style-type: none"> • Welsh Rate of Income Tax (WRIT)
V25.7	21 st January 2025	PSP	Updated <ul style="list-style-type: none"> • Pension AE Thresholds confirmed • Isle of Man minimum wage increases proposed
V25.8	28 th January 2025	PSP	Updated <ul style="list-style-type: none"> • Small Employers Relief increase confirmed
V25.9	4 th February 2025	PSP	Updated <ul style="list-style-type: none"> • Scottish Earnings Arrestment changes added
V25.10	18 th February 2025	PSP	Updated <ul style="list-style-type: none"> • Isle of Man Budget 2025: Tax and NICs • IOM Revision to minimum wage proposals
V25.11	27 th February 2025	PSP	Updated <ul style="list-style-type: none"> • Isle of Man minimum wage confirmed

Introduction

Welcome to the PAYadvice.UK Legislation Update 2025 for payroll. This is compiled to be an aid to professionals and software developers when considering statutory change to payroll calculations.

This guide covers information as it relates to:

- *The United Kingdom (whose tax year commences on 6th April 2025)*
 - *England*
 - *Northern Ireland*
 - *Scotland*
 - *Wales*
- *The Channel Islands (whose tax year commences on 1st January 2025)*
 - *Guernsey*
 - *Jersey*
- *The Isle of Man (whose tax year commences on 6th April 2025)*

Further resources can be found at PAYadvice.UK and at the resources in preparation for the 2025/2026 tax year which can be located at: <https://payadvice.uk/tax-year-2025-2026-resources/>

The United Kingdom



HM Government

Autumn Budget 2024

The Autumn Budget 2024 took place on Wednesday 30th October 2024. This confirmed most of the UK payroll changes from 6th April 2025. Other details will be confirmed over the coming months.

Income Tax

The whole of the United Kingdom (confirmation awaited)

In accordance with prior announcements, the Income Tax allowances for the United Kingdom, and the rates and thresholds effective from 6th April 2025 for England and Northern Ireland remain frozen and are indicated as remaining as such until April 2028 after which it is currently indicated that rises will be aligned with inflation.

The following values are set by the United Kingdom government and are not devolved (being applicable across Great Britain and Northern Ireland):

	2024/2025	2025/2026
Personal Allowance	£ 12,570	£ 12,570
Standard emergency tax code	1257L	1257L

Those earning more than £100,000 will additionally see their Personal Allowance reduced by £1 for every £2 earned over £100,000. This reduction is handled by HMRC with the individual taxpayer by the issue of tax code change, or via Self-Assessment. The reduction in tax code does not form part of any automated operation of PAYE calculations by the employer within payroll.

As the personal tax free amounts continue to be frozen, there is no general tax code uplift which are instructed by authority of form [P9X](#)

Tax Code suffix	2024/2025	2025/2026
L	+0	+0
M	+0	+0
N	+0	+0
All others	Notified by issue of form P9/P6	

Tax rates and Bands

Rest of the United Kingdom (rUK: England and Northern Ireland with no prefix)

The UK Westminster government has confirmed as part of the Autumn Budget 2024 that the tax bands and thresholds for April 2025 will continue to be frozen and it is anticipated this will continue until April 2028:

	2024/2025		2025/2026	
Basic Rate (BR)	20%	£ 1 – £ 37,700	20%	£ 1 - £ 37,700
Higher Rate (D0)	40%	£ 37,701 - £ 125,140	40%	£ 37,701 - £ 125,140
Additional Rate (D1)	45%	Over £ 125,140	45%	Over £ 125,140

Scotland (prefix S)

At the Scottish Budget on 4th December 2024, the Cabinet Secretary for Finance set out the proposed Scottish Income Tax rates and bands for 2025 to 2026 operational from 6th April 2025:

	2024/2025		2025/2026	
Starter Rate	19% (10%+9%)	£ 1 - £ 2,306	19% (10%+9%)	£ 1 - £ 2,827
Basic Rate (SBR)	20% (10%+10%)	£ 2,307 - £ 13,991	20% (10%+10%)	£ 2,828 - £ 14,921
Intermediate Rate (SD0)	21% (10%+11%)	£ 13,992 - £ 31,092	21% (10%+11%)	£ 14,922 - £ 31,092
Higher Rate (SD1)	42% (30%+12%)	£ 31,093 - £ 62,430	42% (30%+12%)	£ 31,093 - £ 62,430
Advanced Rate (SD2)	45% (30%+15%)	£ 62,431 - £ 125,140	45% (30%+15%)	£ 62,431 - £ 125,140
Top Rate (SD3)	48% (35%+13%)	Over £ 125,140	48% (35%+13%)	Over £ 125,140

Wales (prefix C)

The Welsh Draft Budget 2025/2026 has proposed on Tuesday 10th December 2024 for the Welsh Rate of Income Tax (WRIT) to remain aligned with the rest of the United Kingdom Tax (rUK):.

	2024/2025		2025/2026	
Basic Rate (CBR)	20% (10%+10%)	£ 1 – £ 37,700	20% (10%+10%)	£ 1 - £ 37,700
Higher Rate (CD0)	40% (30%+10%)	£ 37,701 - £ 125,140	40% (30%+10%)	£ 37,700 - £ 125,140
Additional Rate (CD1)	45% (35%+10%)	Over £ 125,140	45% (35%+10%)	Over £ 125,140

National Insurance

Class 1 earnings bands

As part of the Autumn Budget 2024, the chancellor Rachel Reeves announced change to employer National Insurance, with a reduction of the employer contributions based Secondary Threshold.

The subsequent information issued by HMRC to software developers also indicates a small increase to the NIC Lower Earning Limit (LEL). Other thresholds and limits remain unchanged, and all these values are anticipated to remain frozen until April 2028:

Threshold/limit	Weekly	2 Weekly	4 Weekly	Monthly	Annual
Lower Earnings Limit (LEL)	£ 125	£ 250	£ 500	£ 542	£ 6,500
Primary Threshold (PT)	£ 242	£ 484	*£ 967	£ 1,048	£ 12,570
Secondary Threshold (ST)	£ 96	*£ 193	*£ 385	£ 417	£ 5,000
Freeports and Investment Zone 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)					

*Please note that due to different rounding rules in relation to Tax law versus NI law, the PT/ST/FUST/AUST/UST/VUST/UEL for 2/4 weekly is not necessarily a multiple of the weekly value. However, and for this tax year, the LEL, PT, ST, FUST are coincidentally multiples of the weekly values. The UST, AUST, VUST and UEL continue to not be multiples for 4 weekly pay periods.

Class 1 Contribution Rates

The Labour party as a manifesto promise had indicated that the rates of National Insurance for employees would not rise for working people. As part of the Autumn Budget 2024, the Chancellor Rachel Reeves announced an increase to the employer secondary national insurance rate by an increase of +1.2% which will apply from 6th April 2025. These rates are shown in the following table (with any prior tax year values shown in brackets):

	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									
FUST to UEL / UST / AUST / VUST						15% (13.8%)	15% (13.8%)		
Above UEL / UST / AUST / VUST						2%		Nil	

And for Mariner related National Insurance Contribution rates:

	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% (13.3%)	14.5% (13.3%)
Above UEL / UST / AUST / VUST					2%	

Class 1A and Class 1B contribution rates

With the increased employer National Insurance rate of +1.2%, for ta year from 6th April 2025 and using the revised standard contribution rated, the rates will increase to 15%:

	2024/2025	2025/2026
Class 1A Termination and Sporting Testimonials	13.8%	15.0%
Class 1A Benefits in Kind (BIK)	13.8%	15.0%
Class 1B PAYE Settlement Arrangements (PSA)	13.8%	15.0%

Employment Allowance

As part of the Autumn Budget on 30th October 2024, the Chancellor, Rachel Reeves, announced an increase of the employment allowance for qualifying employers from 6th April 2025 and removal of the below £100,000 secondary NIC test on employers.

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

Statutory Payments

Family related leave

Statutory Parental Payments:

- Statutory Maternity Pay (SMP)
- Statutory Adoption Pay (SAP)
- Shared Parental Pay (ShPP)
- Statutory Paternity Pay (SPP)
- Statutory Parental Bereavement Pay (SPBP)
- Statutory Neonatal Care Pay (SNCP)

The Statutory Payment threshold and rates have been confirmed in relation to uplifts for weeks of statutory payment due on or after Sunday 6th April 2025 reflecting a 1.7% increase. From 14th April 2025, the new Statutory Neonatal Care Pay (SNCP) commences for births from 6th April 2025 that have been in neonatal care for a period of 7 full days:

Rates	2024/2025 (for whole weeks commencing from Sunday 7 th April 2024)	2025/2026 (for whole weeks commencing from Sunday 6 th April 2025)
Earnings threshold	£ 123.00 per week	£ 125.00 per week
Standard rate for SMP, ShPP, SPP, SAP, SPBP, SNCP	£ 184.03 per week or 90% of average weekly earnings (whichever is the lower)	£ 187.18 per week or 90% of average weekly earnings (whichever is the lower)
Higher rate for SMP/SAP	90% of average weekly earnings	90% of average weekly earnings

On Tuesday 28th January 2025 the Treasury confirmed that the **Small Employers Relief (SER) Compensation Rate** increases from 6th April 2025:

Effective date From:	Small Employers Relief Threshold	Recovery and Compensation Rate
6th April 2025	<= £ 45,000	100% + 8.5%
6 th April 2011	<= £ 45,000	100% +3.0%
For amount above the SER threshold	Over £45,000	92%

Sickness

Statutory Sick Pay (changes on 6th April 2025) is expected to be confirmed (reflecting the 1.7% increase as an estimate):

Rates	2024/2025	2025/2026
Earnings threshold	£ 123.00 per week	£ 125.00 per week
Standard rate	£ 116.75 per week	£ 118.75 per week

The same weekly SSP rate applies to all employees. However, the amount you must pay an employee for each day they're off work due to illness (the daily rate) depends on the number of 'qualifying days' they work each week.

The daily rates table have been confirmed on Monday 2nd December 2024:

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
£ 16.9642	7	£ 16.97	£ 33.93	£ 50.90	£ 67.86	£ 84.83	£ 101.79	£ 118.75
£ 19.7916	6	£ 19.80	£ 39.59	£ 59.38	£ 79.17	£ 98.96	£ 118.75	
£ 23.75	5	£ 23.75	£ 47.50	£ 71.25	£ 95.00	£ 118.75		
£ 29.6875	4	£ 29.69	£ 59.38	£ 89.07	£ 118.75			
£ 39.5833	3	£ 39.59	£ 79.17	£ 118.75				
£ 59.375	2	£ 59.38	£ 118.75					
£ 118.75	1	£ 118.75						

Pensions and Auto-Enrolment

State Pension age

The State Pension age between Males and Females are now aligned for new retirees. The gov.uk service offers tools for calculating state pension age: <https://www.gov.uk/calculate-state-pension>

Pension Auto-Enrolment (from 6th April 2025)

The Minister for Pensions announce on Tuesday 21st January 2025 a freeze to the thresholds application from April 2025:

Annual values	PRP starting from 6 th April 2024	PRP starting from 6 th April 2025
Lower level of qualifying earnings	£ 6,240	£ 6,240
Earnings trigger for automatic enrolment	£ 10,000	£ 10,000
Upper level of qualifying earnings	£ 50,270	£ 50,270

Please note that for payments made in the new tax year where the Pay Reference Period commences prior to 6th April 2025 (such as 1st April 2025), then the 2024/2025 levels and triggers would apply. This has no impact in April 2025 as the levels and triggers remain frozen. Employers also have the option to use the tax period as the Pay Reference Period (PRP).

Announcements are expected at some future point to start to reduce the Pension AE age and threshold (down to zero).

Student Loans

The thresholds for student and postgraduate loan borrowers are revised annually and applicable from 6th April. The thresholds are the annual amounts that can be earned before any student loan or postgraduate loan deduction is applied (on a pro-ratio basis for the tax period). It is possible to have both a single student loan and postgraduate loan to be deducted at the same time.

The thresholds applicable from 6th April 2025 for Plan 1, 2 and 5 were confirmed on Tuesday 13th August 2024. The Scottish Plan 4 was confirmed by HMRC on 13th November 2024. Although there may not be a change, the Postgraduate threshold was confirmed on 14th November 2024:

Loan Type	2024/2025		2025/2026	
	Annual Threshold	Rate	Annual Threshold	Rate
Plan 1	£ 24,990	9%	£ 26,065	9%
Plan 2	£ 27,295	9%	£ 28,470	9%
Postgraduate	£ 21,000	6%	£ 21,000	6%
Plan 4 (Scotland)	£ 31,395	9%	£ 32,745	9%
Plan 5 (England) From April 2026	£ 25,000	0%	£ 25,000	0%

National Minimum Wage and National Living Wage

The UK government has announced changes as part of the Autumn Budget 2024 confirming the approval of revised remit of the Low Pay Commission recommendation for the uplifting of minimum pay rates within the United Kingdom – these **new minimum rates apply for pay periods commencing on or after 1st April 2025**.

National Minimum Wage (NMW) and National Living Wage (NLW)	For pay periods starting 1 st April 2024	For pay periods starting 1 st April 2025
National Living Wage (ages 21 and over)	£ 11.44	£ 12.21 (+6.7%)
18-20 year old rate	£ 8.60	£ 10.00 (+16.3%)
16-17 year old rate	£ 6.40	£ 7.55 (+18.0%)
Apprentice rate (1 st year only)	£ 6.40	£ 7.55 (+18.0%)
Accommodation Offset	£ 9.99	£ 10.66 (+6.7%)

National Minimum pay is not about the employee hourly pay rate, but about the hourly rate received after any relevant reductions, and deductions for the benefit of the employer. Important factors are the accurate



recording of working time as defined by NMW law and the treatment of certain working expenses, such as ‘uniform’. Timing of work and payment is also critical. Some amounts of pay do not count towards NMW pay such as the premium element of overtime. Absence is not counted as working time. It is possible for employees with hourly pay rates above perceived minimums are actually paid below National Minimum Wage.

These increases may result in lower paid employees no longer being able to participate in salary sacrifice or salary exchange arrangements where there is not sufficient excess pay to exchange.

Living Wage and London Living Wage (Living Wage Foundation)

The real Living Wage is the only UK wage rate that is voluntarily paid by 15,000 UK businesses who believe their staff deserve a wage which meets every-day needs.

The Living Wage is historically announced annually in November by the Living Wage Foundation, A Citizens UK initiative. The new rates were announced on Tuesday 23rd October 2024.

  A Citizens UK initiative	Announced Monday 24 th October 2023	Announced Tuesday 23 rd October 2024
Living Wage	£ 12.00	£ 12.60
London Living Wage	£ 13.15	£ 13.85

Living Wage employers usually have a period of six months from the announcement to implement the Living Wage within their business and retain the use of the Living Wage accreditation.

It is still possible for an employer who pays the Living Wage to be in breach of the government National Minimum Wage laws as the basis of qualifying and payment are different. Living Wage is about the rate of pay paid, whereas the National Minimum Wage and National Living Wage are about the pay received across the amount of time worked.

2025 Scottish Earnings Arrestments

The tables and values for Scottish Earnings Arrestments are usually reviewed every three years with proposals being put forward to the Scottish Parliament. The last change broke the pattern and was applied from 6th April 2023, however, the Scottish Parliament have proposed a further change to be applied from 6th April 2025.

Any calculation of Scottish Earnings Arrestments, including Conjoined Earnings Arrestment calculation to be revised to use tables based on the following for all payment with a fiscal date from 6th April 2025. Scottish law, unlike English and Welsh, requires that these changes be applied no matter when the issue date of the Earnings Arrestment or Conjoined Earnings Arrestment is.

Proposed Tables:

TABLE A: DEDUCTIONS FROM WEEKLY EARNINGS

TABLE A: DEDUCTIONS FROM WEEKLY EARNINGS	
<i>Net earnings</i>	<i>Deduction*</i>
Not exceeding £172.61	Nil
Exceeding £172.61 but not exceeding £345.22	£2.30 or 15% of earnings exceeding £172.61 whichever is the greater
Exceeding £345.22 but not exceeding £575.37	£25.89 plus 20% of earnings exceeding £345.22 whichever is the greater
Exceeding £575.37 but not exceeding £863.06	£71.92 plus 25% of earnings exceeding £575.37
Exceeding £863.06	£143.84 plus 50% of earnings exceeding £863.06

TABLE B: DEDUCTIONS FROM MONTHLY EARNINGS

TABLE B: DEDUCTIONS FROM MONTHLY EARNINGS	
<i>Net earnings</i>	<i>Deduction*</i>
Not exceeding £750.00	Nil
Exceeding £750.00 but not exceeding £1,500.00	£10.00 or 15% of earnings exceeding £750.00, whichever is the greater
Exceeding £1,500.00 but not exceeding £2,500.00	£112.50 plus 20% of earnings exceeding £1,500.00
Exceeding £2,500.00 but not exceeding £3,750.00	£312.50 plus 25% of earnings exceeding £2,500.00
Exceeding £3,750.00	£625.00 plus 50% of earnings exceeding £3,750.00

TABLE C: DEDUCTIONS FROM DAILY EARNINGS

TABLE C: DEDUCTIONS FROM DAILY EARNINGS	
<i>Net earnings</i>	<i>Deduction*</i>
Not exceeding £24.66	Nil
Exceeding £24.66 but not exceeding £49.32	£0.33 or 15% of earnings exceeding £24.66, whichever is the greater
Exceeding £49.32 but not exceeding £82.19	£3.70 plus 20% of earnings exceeding £49.32
Exceeding £82.19 but not exceeding £123.29	£10.27 plus 25% of earnings exceeding £82.19
Exceeding £123.29	£20.55 plus 50% of earnings exceeding £123.29

*When applying a percentage, the calculation should be done to two decimal places of a penny and the result rounded to the nearest whole penny, with an exact half penny being rounded down.

These tables are proposals yet to be confirmed. However, we are to proceed on this basis. Any change (if any) will be notified as required.

Guernsey

The States of Guernsey tax year commences annually on 1st January.



Guernsey Class 1

The States of Guernsey confirmed the Class 1 increase proposed on 9th September and confirmed on 23rd October 2024 which are applicable from 1st January 2025:

Earnings Levels	2024		2025	
	Weekly	Monthly	Weekly	Monthly
Lower Earnings Limits	£ 175	£ 758.33	£ 184	£ 797.33
Upper Earnings Limit	£ 3,459	£ 14,989	£ 3.627	£ 15,717

Percentage Contribution Rates	1 st Jan 2024	1 st Jan 2025

Employee (full rate)	7.2%	7.4%
Employee (pensionable age)	Nil	
Employer	6.9%	7.0%

[Contributory Benefit and Contribution Rates for 2025 - States of Guernsey](#)

Guernsey - Minimum Wage

The Minimum Wage rate change for Guernsey were confirmed for 1st October 2024:

	1 st Oct 2023	1 st Oct 2024
16/17 year old	£9.65	£10.80
Aged 18 and over	£10.65	£12.00
Maximum Weekly Accommodation offset	£103.00	£109.00
Maximum Weekly Offset for Accommodation and Food	£144.00	£152.00

<https://gov.gg/minimumwage>

Jersey

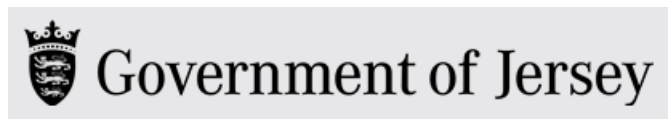
The States of Jersey tax year commences annually on 1st January.

Jersey Social Security

The values to be applied from 1st January 2025 have been confirmed:

Monthly Earnings Limit	Amount per month	
	1 st Jan 2024	1 st Jan 2025
Standard Earnings Monthly Limit (SEL)	£ 5,450	£ 5,800
Upper Earnings Monthly Limit (UEL)	£ 24,850	£ 26,442

Percentage Contribution Rates	1 st Jan 2024	1 st Jan 2025



Employee (up to SEL)	6.0%	6.0%
Employer (up to SEL)	6.5%	6.5%
Employer (SEL-UEL)	2.5%	2.5%

<https://www.gov.je/Working/Contributions/pages/contributionlevels.aspx>

Minimum Earnings Threshold

Since 1st January 2022, employers are required to pay primary and secondary Social Security contributions for any employees with wages at, or above, the minimum earnings threshold for the wage period. This replaced the former 8 hours per week trigger – the amounts remain frozen for 1st January 2025:

Payment period	Amount per month	
	1 st Jan 2024	1 st Jan 2025
Weekly	£ 128	£ 128
Fortnightly / 2 weekly	£ 256	£ 256
Lunar / 4 weekly	£ 512	£ 512
Monthly	£ 553	£ 553

Jersey National Minimum Wage

The National Minimum Wage rate will be increased from April 2025:

	1 st Jan 2024	1 st Apr 2025
Minimum Wage Rate	£ 11.64	£ 13.00
Maximum weekly offset Accommodation	£ 127.54	£ 142.25
Maximum weekly offset Accommodation and meals	£169.98	£ 189.84

Following an amendment to the Employment Law, the Minister for Social Security, will set the minimum wage for 2025 as £13 per hour from 1 April 2025 in preparation for April 2026, when the minimum wage will be set as two thirds of the 2024 median wage.

Isle of Man

The Isle of Man tax year commences annually on 6th April. The values applicable from 6th April 2025 were announced on Tuesday 18th February 2025 as part of budget 2025:

<https://www.gov.im/news/2025/feb/18/budget-2025-responsible-and-sustainable/>

<https://www.gov.im/categories/tax-vat-and-your-money/income-tax-and-national-insurance/budget-2024/>

https://www.gov.im/media/1387547/pn-225-25-budget_compressed.pdf

https://www.gov.im/media/1387548/pn-207-19-national-insurance-holiday-scheme-as-revised_compressed.pdf

<https://www.gov.im/categories/tax-vat-and-your-money/income-tax-and-national-insurance/national-insurance-contributions/rates-and-thresholds/>

<https://www.gov.im/categories/tax-vat-and-your-money/income-tax-and-national-insurance/tax-practitioners-and-technical-information/rates-and-allowances/>



Income Tax

Personal Allowance

The Isle of Man Budget 2025 has confirmed the following amounts as being applicable for payments from 6th April 2025:

Personal Allowances	2024/2025	2025/2026
Single Person	£ 14,500	£ 14,750
Jointly Assessed Couple	£ 29,000	£ 29,500
Additional Personal Allowance	£ 6,400	£ 6,400
Blind Persons	£ 2,900	£ 2,900
Disabled Persons		

Tax rates and Bands

The tax rates and bands applicable from 6th April 2025 for the 2025/2026 tax year have been confirmed as:

	2024/2025			2025/2026		
	Rate	Single	Joint	Rate	Single	Joint
Standard Rate	10%	£ 1 – £ 6,500	£ 1 - £ 13,000	10%	£ 1 – £ 6,500	£ 1 - £ 13,000
Higher Rate	22%	Over £ 6,500	Over £ 13,000	21%	Over £ 6,500	Over £ 13,000
Non-Resident Rate		All earnings			All earnings	

Benefits in Kind – Company Cars and Fuel

As part of the 2024 Budget, the Minister for the Treasury, the Hon. Dr Alex Allinson, MHK announced that with effect from 6th April 2024 the cash equivalent for car and fuel benefits provided by employers to employees will be calculated in accordance with the Income Tax (Benefits in Kind) (Car and Fuel) Order 2024.

See: [pn-223-24-benefit-in-kind.pdf \(gov.im\)](https://www.gov.im/pn-223-24-benefit-in-kind.pdf)

National Insurance

The Isle of Man confirmed is yet to confirm the changes that apply from 6th April 2025 (Prior year 2024/2025 values are shown in brackets where different):

Threshold/limit	Weekly	Monthly	Annual
Lower Earnings Limit (LEL)	£ 125 (£ 123)	£ 542 (£ 533)	£ 6,500 (£ 6,396)
Earnings Threshold (ET)	£ 168 (£ 160)	£ 728 (£ 694)	£ 8,736 (£ 8,320)
Upper Earnings Limit (UEL)	£ 1,032 (£ 938)	£ 4,472 (£ 4.065)	£53,664 (£ 48,776)

The National Insurance Contribution rates to apply for payments due from 6th April 2025 are confirmed as unchanged:

	Primary Contributions (employee)				Secondary Contributions (Employer)	
	A	B	C	J		
Below LEL	Nil					
LEL to ET	0%		Nil	0%		
ET to UEL	11%	4.85%		1%	12.8%	
Above UEL	1%					

Isle of Man - Minimum Wage

The Minimum Wage rates for the Isle of Man will increase from 1st April 2025:

<https://www.gov.im/news/2025/feb/26/minimum-wage-rates-to-increase-from-1-april-2025/>

<https://www.gov.im/minimum-wage>

	1 st Jul 2024	1 st Apr 2025
Over compulsory school age but under 18	£ 8.75	£ 9.55 (+9.1%)
Aged 18 and over	£ 11.45	£ 12.25 (+7%)
Maximum Accommodation offset	£1.05 per hour £6 per hour £42 per week	£1.05 per hour £6 per hour £42 per week

.....INFORMATION ENDS.....

Disclaimer:

The information provided does not constitute personal financial or personal taxation advice. The views expressed are the opinions of their author/compiler based on information and facts applicable at the time of publication. Some views will be expressed in relation to future legislation which may still be subject to parliamentary approval and subject to change.

www.payadvice.uk