



# Annual payroll review checklist 2026

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# Annual payroll review checklist

Review points	Your notes										
<p><b>1. Changes to National Minimum Wage (NMW)</b></p> <p>Can you please review your employee salaries and make sure that where required, you increase the salaries, so that they meet the minimum requirement. Please see below the rates effective from April 2026:</p> <table border="1" data-bbox="217 734 954 869"><thead><tr><th></th><th>21 and over</th><th>18 to 20</th><th>Under 18</th><th>Apprentice</th></tr></thead><tbody><tr><td><b>April 2026</b></td><td>£12.71</td><td>£10.85</td><td>£8</td><td>£8</td></tr></tbody></table> <p>Please note, salary sacrifice arrangements will affect your employees' hourly rate.</p> <p>If you need assistance with checking the employees minimum wage let us know.</p>		21 and over	18 to 20	Under 18	Apprentice	<b>April 2026</b>	£12.71	£10.85	£8	£8	
	21 and over	18 to 20	Under 18	Apprentice							
<b>April 2026</b>	£12.71	£10.85	£8	£8							
<p><b>2. Review your Apprentices rates</b></p> <p>An apprentice can be on the apprentice rate if they are:</p> <ol style="list-style-type: none"><li>Aged under 19</li><li>Aged 19 and over and in the first year of their apprenticeship.</li><li>If aged 19 or over and have completed their first year, they will need to be on the age appropriate NMW.</li></ol>											
<p><b>3. Employment Allowance (EA)</b></p> <p>In the 2026-27 Tax Year the EA will remain at £10,500 per year. However, please remember, if you are in a group of connected companies, you can only claim a maximum of £10,500 across all companies within your group.</p> <p>We ask that you confirm to us if you would like us to apply the EA for the 2026-27 Tax Year.</p>											

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<p><b>4. Apprenticeship Levy (AL)</b></p> <p>All employers whose pay bill (NI - able pay to employees) exceeds £3m are required to pay the AL as part of their monthly PAYE liability. The Levy Allowance of £15,000 can be used against the liability every year. Please remember, if you are in a group of connected companies, you need to combine all group companies' pay bills, if they exceed the threshold all companies in the group will be liable for the AL. You can split the Levy Allowance between some or all employers within the group.</p> <p>Please confirm if you believe you need any changes to your current arrangements.</p>	
<p><b>5. Statutory Sick Pay (SSP)</b></p> <p>From April 2026 the three 'Waiting Days' will be removed, which means anyone who is sick will now be eligible for SSP from day one. The minimum earnings threshold (weekly LEL threshold) will also be removed, and employees will be paid either a SSP rate (£123.25 per week) or 80% of average earnings if lower.</p>	
<p><b>6. Veteran NIC relief</b></p> <p>The employer NIC exemption for qualifying veterans has been extended to April 2028.</p>	
<p><b>7. Maternity Leave</b></p> <p>If you are increasing employees' salaries from April you need to remember that this may affect your employees who are on maternity leave. If so, please let us know so we can calculate relevant backdated payments.</p>	

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<p><b>8. Paternity Leave</b></p> <p>From April 2026 this will become a day one right. The requirement of 26 weeks service will be abolished.</p>	
<p><b>9. Small Employer Relief (SER)</b></p> <p>You are eligible for SER if your employers' Class 1 National Insurance liability is below £45,000 in the previous tax year. If you would like us to apply this, please let us know. Note that the rate for SER will increase to 9% from 2026-27 Tax Year.</p>	
<p><b>10. Director changes</b></p> <p>If directors status changes for anyone on your payroll (new joiners, leavers, or employees becoming directors) please let us know as their NI is calculated in a slightly different way. Please note, these Directors must be listed on Companies House, not simply holding the job title of a director.</p>	
<p><b>11. Payrolling of the benefits</b></p> <p>Please note that mandatory payrolling of the benefits deadline has been pushed to April 2027. Tax Year 2026-27 will still be processed on voluntary basis.</p> <p>If you wish to start payrolling the benefits from the 2026-27 Tax Year - before it becomes mandatory, you must first register your intention with HMRC. The deadline for the new Tax Year is 5<sup>th</sup> April 2026. <b>If you intend to start payrolling the benefits in April this year, please let us know.</b> Currently most of the benefits can be payrolled with the exception to loans and accommodation, which will still need to be submitted via P11D form following Tax Year end.</p>	

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<p><b>12. Holiday Pay</b></p> <p>Where your employees receive a regular or contractual payment such as overtime, commission, bonus etc, these may need to be included in the calculation of holiday pay. Please let us know if you need assistance.</p>	
<p><b>13. Working from home allowance</b></p> <p>From April 2026 this will be abolished. This applies to employees who do not receive a gross payment from the Employer. Employers can continue to pay allowances as gross amounts and deduct the appropriate PAYE.</p>	
<p><b>14. General Housekeeping</b></p> <p>If you had any changes to the employees' contractual working hours, pension contribution, personal addresses, emails, etc please advise us at your earliest convenience. Please note, that it is the employees' responsibility to advise HMRC and pension provider of any changes to the personal circumstances.</p>	

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