

# progeny

CONNECTED  
FINANCIAL  
THINKING

# TAX TABLES 2025/2026

CONNECTED FINANCIAL THINKING

Progeny is a trading style of The Progeny Group Limited and is used by various companies within the Progeny group of companies including Progeny Law & Tax Limited. The Progeny Group Limited is a limited company registered in England and Wales number 09276612. The company's registered address is 1A Tower Square, Leeds, LS1 4DL. As a designated professional body Progeny Law & Tax services are not required to be regulated by the Financial Conduct Authority.



# TAX RATES AND ALLOWANCES 2025/26

**We have summarised the key rates and allowances which are fundamental to our business and personal lives. We are sure that you will find them a useful point of reference and have set out below a few examples of how they can be used.**

## Personal tax rates

As the UK tax system becomes more developed, it is important to keep abreast of the changes taking place in the Scottish and Welsh Income Tax rates and bands. We have summarised the relevant information together with the rates and allowances which apply to investment income.

## Buying property

If you buy property then property taxes payable are different depending where

the property is in the United Kingdom. Stamp Duty Land Tax is payable on property in England and Northern Ireland, whilst Land and Buildings Transaction Tax is payable on property in Scotland and Land Transaction Tax on property in Wales. Our tax rates highlight the main rates so that you can consider the potential cost of buying property.

## Business or asset sale

If you sell an asset such as shares or your business, capital gains tax may be due. Our tax rates highlight the main rates and reliefs so that you can consider the tax bill that may arise.

## Rates for businesses

If you run a business, obtaining the right allowances on equipment that your business buys can affect the tax that your business has to pay each year. We have summarised the main allowances that are available.

## Rates for employees

Our guide explains how these are computed to help ensure that you are paying the correct amount of tax.

## Rates that affect us all

Long term planning for a comfortable retirement can never start too early. Our tax rates explain how much can be contributed to an approved pension scheme each year tax efficiently.

Our tax rates contain the main inheritance tax rates and exemptions but early planning can mitigate these tremendously.

**These rates are intended for use as a quick point of reference. Should you require any further information, have a simple question or require detailed advice we are only a phone call away.**



# CAPITAL ALLOWANCES - PLANT AND MACHINERY

- ◆ The cost of purchasing capital equipment in a business is not a revenue tax deductible expense. However, tax relief is available on certain capital expenditure in the form of capital allowances.
- ◆ Plant and machinery allowances may be available on items such as machines, equipment, furniture, certain fixtures in a building ('integral features'), computers, cars, vans and similar equipment used in a business.
- ◆ There are special rules for cars and certain 'environmentally friendly' equipment.
- ◆ Plant and machinery allowances may be available to owners of commercial property which is let out to a business.
- ◆ The Annual Investment Allowance (AIA) gives a 100% write-off on most types of plant and machinery (but not cars) up to an annual limit.
- ◆ Writing down allowances (WDA) are given for expenditure for which AIA is not, or cannot be, claimed.
- ◆ A Structures and Buildings Allowance of 3% may be available for qualifying investments to construct new, or renovate old, non-residential structures and buildings.

## AIA

- ◆ Special rules apply to accounting periods straddling the dates shown in the tables below.
- ◆ The AIA may need to be shared between certain businesses under common ownership.

## AIA limits - companies

Annual limit
£1,000,000

## AIA limits - sole traders and partnerships

Annual limit
£1,000,000

## Other plant and machinery allowances

- ◆ Expenditure upon which AIA is not given/claimed will obtain relief through the 'main rate pool' or the 'special rate pool' rather than each item being dealt with separately.
- ◆ The annual rate of WDA is 18% in the 'main rate pool' and 6% in the 'special rate pool'.
- ◆ A 100% first year allowance (FYA) may be available on certain energy efficient plant and cars.

## Other allowances

First Year Allowance (FYA) on certain plant, machinery and cars of 0g/km (for cars purchased before 1 April 2026)	100%
Corporation tax FYA ('full expensing') on certain new, unused plant and machinery	100%
Corporation tax FYA on new, unused long-life assets, integral features of buildings, etc.	50%

## Cars

- ◆ For expenditure incurred on cars, costs are generally allocated to one of the two plant and machinery pools.
- ◆ AIA is not available on any car but a 100% first year allowance may be available on certain cars. To qualify for first year allowance, the car must be purchased new.

## Cars acquired from April 2021

Emissions (g/km)	Pool	Allowance
0	Main rate	100% FYA
≤ 50	Main rate	18% WDA
>50	Special rate	6% WDA

# CAPITAL GAINS TAX (CGT)

- ◆ CGT is payable by individuals, trustees and personal representatives (PRs). Companies pay corporation tax on their capital gains.
- ◆ There are annual tax-free allowances (the 'annual exempt amount') for individuals, trustees and PRs. Companies do not have an annual exempt amount.
- ◆ For individuals, net gains are added to total taxable income to determine the appropriate rate of tax. The standard rate applies only to the net gains which, when added to total taxable income, do not exceed the basic rate band.
- ◆ Gains which qualify for Investors' Relief are charged at 14% for the first £1m of qualifying gains.
- ◆ Gains which qualify for Business Asset Disposal Relief are charged at 14% for the first £1 million.

## Rates and annual exemption

Individuals	2025/26	Trusts	2025/26
Exemption	£3,000	Exemption	£1,500
Standard rate	18%	Rate	24%
Higher rate	24%		

- ◆ The higher rate applies to higher rate and additional rate taxpayers.
- ◆ Additionally, prior to 30 October 2024 higher rates of 18% and 24% may apply to the disposal of certain residential property.

## Rates and annual exemption

Individuals	2024/25 (until 29/10/2024)	2024/25 (from 30/10/2024)
Exemption	£3,000	£3,000
Standard rate	10%	18%
Higher rate	20%	24%

- ◆ The higher rate applies to higher rate and additional rate taxpayers.
- ◆ Additionally, prior to 30 October 2024 higher rates of 18% and 24% may apply to the disposal of certain residential property.

Trusts	2024/25 (until 29/10/2024)	2024/25 (from 30/10/2024)
Exemption	£1,500	£1,500
Rate	20%	24%

# CAR BENEFITS

- ◆ The car benefit is calculated by multiplying the car's list price, when new, by a percentage linked to the car's CO2 emissions.
- ◆ For diesel cars generally add a 4% supplement (unless the car is registered on or after 1 September 2017 and meets the Euro 6d emissions standard).
- ◆ The overall maximum percentage is capped at 37%.
- ◆ The list price includes accessories.
- ◆ The list price is reduced for capital contributions made by the employee up to £5,000.
- ◆ Special rules may apply to cars provided for disabled employees.

2025/26		2024/25	
CO2 emissions g/km	% of list price taxed	CO2 emissions g/km	% of list price taxed
0	3	0	2
1- 50		1- 50	
Electric range	130 or more	Electric range	130 or more
	70 - 129		70 - 129
	40 - 69		40 - 69
	30 - 39		30 - 39
	under 30		under 30
51-54	16	51-54	15
55-59	17	55-59	16
60-64	18	60-64	17
65-69	19	65-69	18
70-74	20	70-74	19
75-79	21	75-79	20
80-84	22	80-84	21
85-89	23	85-89	22
90-94	24	90-94	23
95-99	25	95-99	24
100-104	26	100-104	25
105-109	27	105-109	26
110-114	28	110-114	27
115-119	29	115-119	28
120-124	30	120-124	29
125-129	31	125-129	30
130-134	32	130-134	31
135-139	33	135-139	32
140-144	34	140-144	33
145-149	35	145-149	34
150-154	36	150-154	35
155 and above	37	155-159	36
		160 and above	37

# CORPORATION TAX RATES

- ◆ Corporation tax rates are set for each Financial Year. A Financial Year runs from 1 April to the following 31 March.
- ◆ If the accounting period of a company straddles the 31 March, the profits are apportioned on a time basis to each Financial Year.
- ◆ The Northern Ireland Executive has committed to setting the rate of corporation tax at 12.5% when the Northern Ireland Executive demonstrates its finances are on a sustainable footing.

Year to 31.3.26	Profits band	Rate
Small profits rate	0 - £50,000	19%
Marginal rate	£50,001 - £250,000	19-25%
Main rate	Over £250,000	25%
Marginal relief fraction	3/200	25%



# EMPLOYEE'S STATUTORY PAYMENTS

## Statutory pay

- ◆ Payments may be required from an employer if an employee is not at work for a variety of reasons.
- ◆ There are detailed conditions for an employee to qualify for any of these statutory payments.
- ◆ Employees are only eligible for a statutory payment if they have sufficient average weekly earnings of at least the lower earnings limit.

## Statutory Sick Pay

- ◆ Payments may be required from an employer if an employee is too ill to work.
- ◆ SSP is generally payable for a period up to 28 weeks.

## Statutory Maternity Pay

- ◆ Payments may be required from an employer when an employee takes time off to have a baby.
- ◆ SMP is payable for a period up to 39 weeks.

## Statutory Paternity Pay

- ◆ Payments may be required from an employer when an employee takes time off during their partner's Statutory Maternity Pay period.
- ◆ Payment is for a period of either one or two complete weeks.

## Shared Parental Pay

- ◆ Payments may be required from an employer when an employee takes time off following the curtailment of the period of SMP by the mother.
- ◆ Payment is for up to a maximum of 37 weeks and is dependent on the mother's unused SMP period.

## Statutory Adoption Pay

- ◆ Payments may be required from an employer when an employee takes time off when they adopt a child.
- ◆ Payment is for a period up to 39 weeks.

## Statutory Parental Bereavement Pay

- ◆ Payments may be required from an employer when parents take time off following the death of a child or a stillbirth.
- ◆ Payment is for up to a maximum of two weeks.

With the exception of Statutory Sick Pay, statutory payments may be payable at 90% average weekly earnings throughout the payment period in certain circumstances. This applies where 90% weekly earnings are less than the standard rate of £187.18.

### 2025/26 Statutory pay rates - average weekly earnings £125 or over

Statutory Sick Pay	£118.75
Statutory Maternity Pay	
First six weeks	90% of weekly earnings
Next 33 weeks	£187.18
Statutory Paternity Pay - two weeks	£187.18
Statutory Adoption Pay - 39 weeks	
First six weeks	90% of weekly earnings
Next 33 weeks	£187.18
Shared Parental Pay	£187.18
Statutory Parental Bereavement Pay - two weeks	£187.18



# INCOME TAX ALLOWANCES

- ◆ A personal allowance gives an individual an annual amount of income free from income tax.
- ◆ Income above the personal allowances is subject to income tax.
- ◆ The personal allowance will be reduced if an individual's 'adjusted net income' is above £100,000. The allowance is reduced by £1 for every £2 of income above £100,000.
- ◆ An individual born before 6 April 1935 may be entitled to a married couple's allowance but this is reduced if 'adjusted net income' is above the married couple's allowance income limit (see table below).
- ◆ Marriage allowance - 10% of the personal allowance may be transferable between certain spouses where neither pays tax above the basic rate. The Marriage allowance is not available to couples entitled to the Married Couple's allowance.

Income tax allowances	2025/26	2024/25
Personal Allowance	£12,570	£12,570
Marriage Allowance	£1,260	£1,260
Blind person's allowance	£3,130	£3,070
Married couple's allowance Either partner born before 6 April 1935		
- Maximum reduction in tax bill	£1,127	£1,108
- Minimum reduction in tax bill	£436	£428
Married couple's allowance income limit		
Reduce married couple's allowance by £1 for every £2 of 'adjusted net income' above this limit	£37,700	£37,000

# INCOME TAX RATES ACROSS THE UK

- Income tax applies to the amount of income after deduction of personal allowances.
- Income is taxed in a specific order with savings and dividend income taxed last.
- Dividend income and savings income falling within the dividend and savings allowances still form part of total income of an individual.
- The starting rate band is only applicable to savings income. The 0% rate is not available if the taxable amount of non-savings income exceeds the starting rate band.
- The Scottish Parliament set the rates of income tax and the limits at which these rates apply for Scottish residents on non-savings and non-dividend income.
- Income tax is devolved to Wales on non-savings and non-dividend income.

2025/26 Band of taxable income		Rate	Rate if dividends
0 - £37,700	Basic rate	20%	8.75%
£37,701 - £125,140	Higher rate	40%	33.75%
Over £125,140	Additional rate	45%	39.35%
<b>Special rates for savings and dividend income falling into above bands of taxable income</b>			
<b>Savings Allowance</b>			
Basic rate taxpayers	£1,000	0%	
Higher rate taxpayers	£500	0%	
Additional rate taxpayers	Nil	N/A	
<b>Dividend Allowance</b>			
for all taxpayers	£500		0%

2024/25 Band of taxable income		Rate	Rate if dividends
0 - £37,700	Basic rate	20%	8.75%
£37,701 - £125,140	Higher rate	40%	33.75%
Over £125,140	Additional rate	45%	39.35%
<b>Special rates for savings and dividend income falling into above bands of taxable income</b>			
<b>Savings Allowance</b>			
Basic rate taxpayers	£1,000	0%	
Higher rate taxpayers	£500	0%	
Additional rate taxpayers	Nil	N/A	
<b>Dividend Allowance</b>			
for all taxpayers	£500		0%

# INCOME TAX RATES

## SCOTLAND

- ◆ Scottish resident taxpayers are liable on non-savings and non-dividend income as set out below.
- ◆ Savings income and dividend income are taxed using UK tax rates and bands.

2025/26 Band of taxable income		Rate
0 - £2,827	Starter rate	19%
£2,828 - £14,921	Basic rate	20%
£14,922 - £31,092	Intermediate rate	21%
£31,093 - £62,430	Higher rate	42%
£62,431 - £125,140	Advanced rate	45%
Over £125,140	Top rate	48%

  

2024/25 Band of taxable income		Rate
0 - £2,306	Starter rate	19%
£2,307 - £13,991	Basic rate	20%
£13,992 - £31,092	Intermediate rate	21%
£31,093 - £62,430	Higher rate	42%
£62,431 - £125,140	Advanced rate	45%
Over £125,140	Top rate	48%

# WALES

- ◆ Income Tax is devolved to Wales on non-savings and non-dividend income since April 2019 but no changes to the UK rates have been made to date.



# INDIVIDUAL SAVINGS ACCOUNT (ISA)

- ◆ The income from ISA investments is exempt from income tax. Any capital gains made on investments held in an ISA are exempt from capital gains tax.
- ◆ Savers are able to subscribe any amounts into a cash ISA, a stocks and shares ISA or an innovative finance ISA subject to not exceeding the overall annual investment limit.
- ◆ Investors may transfer their investments from one kind of ISA to another.
- ◆ The Lifetime ISA is available for those aged between 18 and 40. Save up to £4,000 each year up until the age of 50, and receive a government bonus of 25% (a bonus of up to £1,000 a year). Savers can use some or all of the money to buy their first home, or keep it until they are aged 60 when the account can be accessed tax free. Conditions apply to the account holder and property purchased. Penalties apply if funds are withdrawn in other circumstances.
- ◆ A Help to Buy ISA provides a tax free savings account for first time buyers wishing to save for a home. The scheme provides a government bonus to each person who has saved into a Help to Buy ISA at the point they use their savings to purchase their first home. For every £200 a first time buyer saves, the government will provide a £50 bonus up to a maximum bonus of £3,000 on £12,000 of savings. The bonus will be paid in the form of a voucher when the first home is purchased. Conditions apply to the account holder and to the property purchased. Help to Buy ISAs closed to new savers on 30 November 2019. Existing holders can continue saving until 30 November 2029 and will have until 1 December 2030 to claim their bonus.

## ISA limits 2025/26

Overall annual investment limit	£20,000
Junior ISA annual investment limit	£9,000
Help to Buy ISA monthly subscription limit	£200
Lifetime ISA annual investment limit	£4,000

## ISA limits 2024/25

Overall annual investment limit	£20,000
Junior ISA annual investment limit	£9,000
Help to Buy ISA monthly subscription limit	£200
Lifetime ISA annual investment limit	£4,000

# INHERITANCE TAX (IHT) 2025/26

- ◆ IHT may be payable when an individual's estate is worth more than the IHT nil rate band when they die.
- ◆ Lifetime and death transfers between UK domiciled spouses are exempt from IHT.
- ◆ A further nil rate band of £175,000 may be available in relation to current or former residences.
- ◆ The IHT threshold available on death may be increased for surviving spouses as there may have been a nil rate band not used, or not fully used, on the first death.
- ◆ There are reliefs for some business and farming assets which reduce their value for IHT purposes.
- ◆ IHT may also be payable on gifts made in an individual's lifetime but within seven years of death.
- ◆ Some lifetime gifts are exempt.
- ◆ Transfers of assets into trust made in an individual's lifetime may be subject to an immediate charge but at lifetime rates.
- ◆ There are also charges on some trusts.

## IHT rates and nil rate band 2025/26 and 2024/25

Nil rate band	£325,000
Lifetime rate	20%
Death rate	40%
Death rate if sufficient charitable legacies made	36%

## IHT reliefs for lifetime gifts

Annual exemption	£3,000
Small gifts	£250
Marriage/civil partnership	
- parent	£5,000
- grandparent	£2,500
- other spouse/civil partner	£2,500
- other	£1,000

## IHT - reduced charge on gifts within seven years of death

Years before death	% of death charge
0-3	100
3-4	80
4-5	60
5-6	40
6-7	20

# LAND & BUILDINGS TRANSACTION TAX

## 2025/26

- ◆ Land and Buildings Transaction Tax (LBTT) is payable on land and property transactions in Scotland.

### LBTT (Residential property)

Consideration	Rate
0 - £145,000	0%
£145,001 - £250,000	2%
£250,001 - £325,000	5%
£325,001 - £750,000	10%
£750,001 and above	IHT nil rate 12%

- ◆ The rates apply to the portion of the total value which falls within each band.
- ◆ From 5 December 2024 residential rates may be increased by 8% where further residential properties, costing over £40,000, are acquired.
- ◆ First-time Buyer relief raises the zero rate tax threshold for first-time buyers from £145,000 to £175,000.

Consideration	Rate
0 - £150,000	0%
£150,001 - £250,000	1%
Over £250,000	5%

The rates apply to the portion of the total value which falls within each band.

## 2024/25

- ◆ Land and Buildings Transaction Tax (LBTT) is payable on land and property transactions in Scotland.

### LBTT (Residential property)

Consideration	Rate
0 - £145,000	0%
£145,001 - £250,000	2%
£250,001 - £325,000	5%
£325,001 - £750,000	10%
£750,001 and above	12%

- ◆ The rates apply to the portion of the total value which falls within each band.
- ◆ From 5 December 2024 residential rates may be increased by 8% (6% until 4 December 2024) where further residential properties, costing over £40,000, are acquired.
- ◆ First-time Buyer relief raises the zero rate tax threshold for first-time buyers from £145,000 to £175,000.

Consideration	Rate
0 - £150,000	0%
£150,001 - £250,000	1%
Over £250,000	5%

The rates apply to the portion of the total value which falls within each band.

# LAND TRANSACTION TAX

2025/26

- ◆ Land Transaction Tax (LTT) is payable on land and property transactions in Wales.

## LBTT (Residential property)

Consideration	Rate
0 - £225,000	0%
£225,001 - £400,000	6%
£400,001 - £750,000	7.5%
£750,001 - £1,500,000	10%
Over £1,500,000	12%

- ◆ The rates apply to the portion of the total value which falls within each band.
- ◆ Residential rates may be increased where further residential properties costing over £40,000 or over are acquired.

## Higher residential tax rates

- ◆ Higher residential rates may apply when you already own one or more residential properties.

Consideration	Rate
0 - £180,000	5%
£180,001 - £250,000	8.5%
£250,001 - £400,000	10%
£400,001 - £750,000	12.5%
£750,001 - £1,500,000	15%
Over £1,500,000	17%

- ◆ The rates apply to the portion of the total value which falls within each band.

## LTT (Non-residential)

Consideration	Rate
0 - £225,000	0%
£225,001 - £250,000	1%
£250,001 - £1,000,000	5%
Over £1,000,000	6%

The rates apply to the portion of the total value which falls within each band.

## 2024/25

◆ Land Transaction Tax (LTT) is payable on land and property transactions in Wales.

### LBTT (Residential property)

Consideration	Rate
0 - £225,000	0%
£225,001 - £400,000	6%
£400,001 - £750,000	7.5%
£750,001 - £1,500,000	10%
Over £1,500,000	12%

- ◆ The rates apply to the portion of the total value which falls within each band.
- ◆ Residential rates may be increased where further residential properties costing over £40,000 or over are acquired.

### Higher residential tax rates

Higher residential rates may apply when you already own one or more residential properties. For transactions before 11 December 2024 these rates were 1% lower.

Consideration	Rate
0 - £180,000	5%
£180,001 - £250,000	8.5%
£250,001 - £400,000	10%
£400,001 - £750,000	12.5%
£750,001 - £1,500,000	15%
Over £1,500,000	17%

The rates apply to the portion of the total value which falls within each band.

### LTT (Non-residential)

Consideration	Rate
0 - £225,000	0%
£225,001 - £250,000	1%
£250,001 - £1,000,000	5%
Over £1,000,000	6%

- ◆ The rates apply to the portion of the total value which falls within each band.

### LTT (Residential property)

Consideration	Rate
0 - £225,000	0%
£225,001 - £400,000	6%
£400,001 - £750,000	7.5%
£750,001 - £1,500,000	10%
Over £1,500,000	12%

- ◆ The rates apply to the portion of the total value which falls within each band.
- ◆ Residential rates may be increased where further residential properties costing over £40,000 or over are acquired.

## Higher residential tax rates

- ◆ Higher residential rates may apply when you already own one or more residential properties. From 11 December 2024 these are:

Consideration	Rate
0 - £180,000	5%
£180,001 - £250,000	8.5%
£250,001 - £400,000	10%
£400,001 - £750,000	12.5%
£750,001 - £1,500,000	15%
Over £1,500,000	17%

- ◆ Higher residential rates may apply when you already own one or more residential properties. Between 22 December 2022 and 10 December 2024 these were:

Consideration	Rate
0 - £180,000	4%
£180,001 - £250,000	7.5%
£250,001 - £400,000	9%
£400,001 - £750,000	11.5%
£750,001 - £1,500,000	14%
Over £1,500,000	16%

The rates apply to the portion of the total value which falls within each band.

## LTT (Non-residential)

Consideration	Rate
0 - £225,000	0%
£225,001 - £250,000	1%
£250,001 - £1,000,000	5%
Over £1,000,000	8%

The rates apply to the portion of the total value which falls within each band.

# MILEAGE ALLOWANCE PAYMENTS (MAPS) FOR EMPLOYEES

## 2025/26

- ◆ MAPs represent the maximum tax free mileage allowances an employee can receive from their employer for using their own vehicle for business journeys.
- ◆ An employer is allowed to pay an employee a certain amount of MAPs each year without having to report payments to HMRC.
- ◆ If the employee receives less than the statutory rate, tax relief can be claimed on the difference.

## MAP rates per business mile 2025/26 and 2024/25

Cars and vans	Rate per mile
Up to 10,000 miles	45p
Over 10,000 miles	25p
Bicycles	20p
Motorcycles	24p

# MINIMUM WAGE

## 2025/26

- ◆ National Minimum Wage rates apply to employees up to the age of 20.
- ◆ National Living Wage (NLW) rates apply to employees 21 and over.
- ◆ The Apprentice rate applies to apprentices under 19, or 19 and over in the first year of apprenticeship.
- ◆ Penalties apply to employers who fail to pay minimum wages.

Age	NLW	18-20	16-17	Apprentice
From 1 April 2025	£12.21	£10	£7.55	£7.55

## 2024/25

- ◆ National Minimum Wage rates apply to employees up to the age of 20.
- ◆ National Living Wage (NLW) rates apply to employees 21 and over.
- ◆ The Apprentice rate applies to apprentices under 19, or 19 and over in the first year of apprenticeship.
- ◆ Penalties apply to employers who fail to pay minimum wages.

Age	NLW	18-20	16-17	Apprentice
From 1 April 2024	£11.44	£8.60	£6.40	£6.40

# NATIONAL INSURANCE CONTRIBUTIONS (NIC) - RATES AND ALLOWANCES

- ◆ Employees start paying Class 1 NIC from age 16 (if sufficient earnings).
- ◆ Employers pay Class 1 NIC in accordance with the table below.
- ◆ Employer NIC for employees under the age of 21 and apprentices under the age of 25 is reduced from the normal rate to 0% up to the Upper Secondary Threshold of £967 per week. Also applies to veterans in the first 12 months of employment.
- ◆ Employees' Class 1 NIC stop when they reach their State Pension age. The employer's contribution continues.

## Employees - Class 1 - 2025/26

Earnings per week	%
Up to £242*	Nil
£242.01 - £967	8
Over £967	2

- ◆ Entitlement to state pension and other contribution-based benefits is retained for earnings between £125 and £242 per week.

## Employers - Class 1 - 2025/26

Earnings per week	%
Up to £96	Nil
Over £96	15

- ◆ Entitlement to state pension and other contribution-based benefits is retained for earnings between £125 and £242 per week.

## Other National Insurance payable by employers

- ◆ **Class 1A** - 15% on broadly all taxable benefits provided to employees and on certain taxable termination payments in excess of £30,000.
- ◆ **Class 1B** - 15% on taxable PAYE Settlement Agreements.

## Self-employed - Class 2 and 4

- ◆ A self-employed person starts paying Class 2 and Class 4 NIC from 16 or over (if sufficient profits)
- ◆ Class 2 NIC stop when a person reaches State Pension age.
- ◆ From 6 April 2024, there is no longer a requirement to pay Class 2. Voluntary contributions can still be made.
- ◆ Class 4 NIC stop from the start of the tax year after the one in which the person reaches State Pension age.

## Self-employed - Class 2 - 2025/26

Flat rate per week	£3.50
Small Profits Threshold	£6,845 per year
Lower Profits Limit	n/a

- ◆ A self-employed person with profits below the Small Profits Threshold might decide to carry on paying Class 2 voluntarily to accrue entitlement to the State Pension and other benefits.

## Class 4 - 2025/26

Annual profits	%
Up to £12,570	Nil
£12,570.01 - £50,270	6
Over £50,270	2

## Class 3

- ◆ A person needs 35 years (30 years if State Pension age is before 6 April 2016) of NIC to get a full State Pension.
- ◆ Class 3 voluntary contributions can be paid to fill or avoid gaps in a NI record.

## Class 3 - 2025/26

- ◆ Flat rate per week £17.75.

## Employees - Class 1 - 2024/25

Earnings per week	%
Up to £242*	Nil
£242.01 - £967	8
Over £967	2

- ◆ Entitlement to state pension and other contribution-based benefits is retained for earnings between £125 and £242 per week.

## Employers - Class 1 - 2024/25

Earnings per week	%
Up to £96	Nil
Over £96	13.8

## Other National Insurance payable by employers

- ◆ **Class 1A** - 13.8% on broadly all taxable benefits provided to employees and on certain taxable termination payments in excess of £30,000.
- ◆ **Class 1B** - 13.8% on taxable PAYE Settlement Agreements.

## Self-employed - Class 2 and 4

- ◆ A self-employed person starts paying Class 2 and Class 4 NIC from 16 or over (if sufficient profits)
- ◆ Class 2 NIC stop when a person reaches State Pension age.
- ◆ From 6 April 2024, there is no longer a requirement to pay Class 2. Voluntary contributions can still be made.
- ◆ Class 4 NIC stop from the start of the tax year after the one in which the person reaches State Pension age.

## Self-employed - Class 2 - 2024/25

Flat rate per week	£3.45
Small Profits Threshold	£6,725 per year
Lower Profits Limit	n/a

- ◆ A self-employed person with profits below the Small Profits Threshold might decide to carry on paying Class 2 voluntarily to accrue entitlement to the State Pension and other benefits.

## Class 4 - 2024/25

Annual profits	%
Up to £12,570	Nil
£12,570.01 - £50,270	6
Over £50,270	2

## Class 3

- ◆ A person needs 35 years (30 years if State Pension age is before 6 April 2016) of NIC to get a full State Pension.
- ◆ Class 3 voluntary contributions can be paid to fill or avoid gaps in a NI record.

## Class 3 - 2024/25

- ◆ Flat rate per week £17.45.

# PENSIONS AUTOMATIC ENROLMENT

## 2025/26

- ◆ Auto enrolment places duties on employers to automatically enrol 'workers' into a work based pension scheme. Employers are required to automatically enrol all 'eligible jobholders' into a qualifying pension scheme and pay pension contributions on their behalf.

Employer minimum contribution	Total minimum contribution
3%	8%

- ◆ Where the employer does not make the total minimum contribution the employee is obliged to pay the balance.

	2025/26
Automatic enrolment earnings trigger	£10,000
Qualifying earnings band - lower limit	£6,240
Qualifying earnings band - upper limit	£50,270

## 2024/25

- ◆ Auto enrolment places duties on employers to automatically enrol 'workers' into a work based pension scheme. Employers are required to automatically enrol all 'eligible jobholders' into a qualifying pension scheme and pay pension contributions on their behalf.

Employer minimum contribution	Total minimum contribution
3%	8%

- ◆ Where the employer does not make the total minimum contribution the employee is obliged to pay the balance.

	2024/25
Automatic enrolment earnings trigger	£10,000
Qualifying earnings band - lower limit	£6,240
Qualifying earnings band - upper limit	£50,270

# PENSIONS - TAX RELIEF ON PENSION CONTRIBUTIONS

## 2025/26 & 2024/25

- ◆ Tax relief available for personal contributions is the higher of £3,600 (gross) or 100% of relevant earnings.
- ◆ Any contributions in excess of £60,000, whether personal or by the employer, may be subject to income tax on the individual.
- ◆ The limit may be reduced to £10,000 once money purchase pensions are accessed.
- ◆ Where the £60,000 limit is not fully used it may be possible to carry the unused amount forward for three years.
- ◆ The annual allowance is tapered for those with adjusted income over £260,000. For every £2 of income over £260,000 an individual's annual allowance will be reduced by £1, down to a minimum of £10,000.
- ◆ Employers will obtain tax relief on employer contributions if they are paid and made 'wholly and exclusively' for the purposes of the business. The tax relief for large contributions may be spread over several years.

# PROPERTY ALLOWANCE

## 2025/26

- ◆ A property allowance is available to individuals.
- ◆ The property allowance will not apply to partnership income or to income on which rent a room relief is given.

Income up to £1,000	Property income assessable NIL
Income over £1,000	Election to deduct £1,000 rather than the actual expenses

# SELF ASSESSMENT - KEY DATES

## 2025/26

- ◆ **31 January 2025** - First payment on account due for 2024/25 tax year.
- ◆ **31 July 2025** - Second payment on account for 2024/25 tax year.
- ◆ **5 October 2025** - Deadline for notifying HMRC of new sources of income (including the Child Benefit charge) if no tax return has been issued for 2024/25 tax year.
- ◆ **31 October 2025** - Deadline for submission of 2024/25 non-electronic returns.
- ◆ **30 December 2025** - Deadline for submission of 2024/25 electronic tax returns if 'coding out' of eligible underpayment is required.
- ◆ **31 January 2026** - Deadline for filing electronic tax returns for 2024/25. Balancing payment due for 2024/25 tax year. First payment on account due for 2025/26 tax year.

## 2024/25

- ◆ **31 January 2024** - First payment on account due for 2023/24 tax year.
- ◆ **31 July 2024** - Second payment on account for 2023/24 tax year.
- ◆ **5 October 2024** - Deadline for notifying HMRC of new sources of income (including the Child Benefit charge) if no tax return has been issued for 2023/24 tax year.
- ◆ **31 October 2024** - Deadline for submission of 2023/24 non-electronic returns.
- ◆ **30 December 2024** - Deadline for submission of 2023/24 electronic tax returns if 'coding out' of eligible underpayment is required.
- ◆ **31 January 2025** - Deadline for filing electronic tax returns for 2023/24. Balancing payment due for 2023/24 tax year. First payment on account due for 2024/25 tax year.

# STAMP DUTY

## 2025/26

- ◆ When you buy shares, you usually pay a tax or duty of 0.5% on the transaction. If you buy shares electronically Stamp Duty Reserve Tax (SDRT) is payable. For shares purchased using a stock transfer form, you will pay Stamp Duty if the transaction is over £1,000.

# STAMP DUTY LAND TAX (SDLT)

2025/26

- ◆ SDLT is payable on land and property transactions in England and Northern Ireland.
- ◆ Property transactions in Scotland are subject to Land and Buildings Transaction Tax (LBTT).
- ◆ Property transactions in Wales are subject to Land Transaction Tax (LTT).

## Residential property

- ◆ The rates apply to the portion of the total value which falls within each band.

Consideration	Rate
0 - £125,000	0%
£125,001 - £250,000	2%
£250,001 - £925,000	5%
£925,001 - £1,500,000	10%
£1,500,001 and above	12%

- ◆ These rates may be increased by 5% where further residential properties, costing over £40,000, are acquired on or after 30 October 2024 and by 3% before that date.

## First-time Buyer relief

- ◆ First-time buyers may be eligible for first-time buyer relief on purchases of residential property up to £500,000. The rates apply to the portion of the total value which falls within each band.

Consideration	Rate
0 - £300,000	0%
£300,001 - £500,000	5%
for purchases over 500,000	normal rates apply

## Non-residential SDLT rates

- ◆ The rates apply to the portion of the total value which falls within each band.

Consideration	Rate
0 - £150,000	0%
£150,001 - £250,000	2%
Over 250,000	5%

- ◆ Payable on consideration which falls in each band.

# STATE PENSIONS

## 2025/26

- ◆ The basic State Pension is a regular payment from the government that an individual may be entitled to when they reach State Pension age.
- ◆ The basic State Pension depends on the number of years an individual has paid National Insurance or has National Insurance credits, eg while unemployed or claiming certain benefits.
- ◆ To receive the basic State Pension an individual must have paid or been credited with National Insurance contributions (NIC).
- ◆ In 2016 the State Pension was reformed into a single-tier new State Pension. In order to benefit from the full amount the individual will need 35 years, rather than the previous 30 years of NIC or credits for the full amount, with pro-rating where 35 years is not achieved. You will usually need 10 qualifying years to get any State Pension. The amount an individual receives can be higher or lower depending on their National Insurance record. It will only be higher if you have over a certain amount of Additional State Pension.
- ◆ Currently an individual may also be entitled to the Additional State Pension. How much an individual gets depends on the number of qualifying years of NIC, the amount of earnings and whether the individual has been contracted out of the scheme.

### Weekly State Pension 2025/26

Basic - single person	£176.45
New State Pension	£230.25

### Weekly State Pension 2024/25

Basic - single person	£169.50
New State Pension	£221.20



# TAX RELIEFS FOR INDIVIDUALS

## Enterprise Investment Scheme (EIS)

- The Enterprise Investment Scheme (EIS) provides tax relief for individuals prepared to invest in new and growing companies. Investors can obtain generous income tax and capital gains tax (CGT) breaks for their investment and companies can use the relief to attract additional investment to develop their business. Individuals are entitled to relief on investments in certain unquoted trading companies through EIS. A junior version of EIS the SEIS is also available.

Maximum investment per annum	£1,000,000
Additional investment limit where investing in knowledge-intensive companies	£2,000,000
Income tax relief	30%
CGT treatment on disposal if held for 3 years	Exempt

- Capital gains from the disposal of other assets may be deferred by making an EIS investment.

## Seed Enterprise Investment Scheme (SEIS)

- The Seed Enterprise Investment Scheme (SEIS) provides tax relief for individuals prepared to invest in new and growing companies. Investors can obtain generous income tax and capital gains tax (CGT) breaks for their investment and companies can use the relief to attract additional investment to develop their business. SEIS is a junior version of EIS.

Maximum investment per annum	£200,000*
Income tax relief	50%
CGT treatment on disposal if held for 3 years	Exempt

- An individual who makes a capital gain on another asset and uses the amount of the gain to make a SEIS investment will not pay tax on 50% of the gain (subject to certain conditions).

- Capital gains from the disposal of other assets may be exempt up to £100,000\* per annum by making an SEIS investment.

\*Limits subject to Parliamentary approval.

## Social Investment Relief (SIR)

- Social Investment Relief (SIR) was designed to encourage private individuals to invest in social enterprises including charities.
- SIR closed to any new investments from 6 April 2023.

## Venture Capital Trusts (VCTs)

- Venture Capital Trusts (VCTs) are designed to encourage private individuals to invest in smaller high-risk unquoted trading companies. VCTs operate by indirect investment through a mediated fund. In effect they are very like the investment trusts that are obtainable on the stock exchange, albeit in a high-risk environment. Individuals are entitled to relief on investments in VCTs.

Maximum investment per annum	£200,000
Income tax relief	30%
Dividend income	Exempt
Capital gains treatment on disposal	Exempt

# TRADE ALLOWANCE

## 2025/26

- ◆ A Trade Allowance is available to individuals.
- ◆ There is an equivalent rule for certain miscellaneous income. This will apply to the extent that the £1,000 trading allowance is not used against trading income.
- ◆ The trade allowance is not available against partnership income.

Income up to £1,000	Profits assessable NIL
Income over £1,000	Election to deduct £1,000 allowance rather than the actual expenses

# VAN BENEFIT

## 2025/26

- ◆ Van benefit is chargeable if the van is available for an employee's private use.
- ◆ A fuel benefit may also be chargeable if an employee has the benefit of private fuel paid for in respect of a company van.
- ◆ The charges do not apply to vans if a 'restricted private use condition' is met throughout the year.
- ◆ A reduced benefit charge may apply to vans which cannot emit CO2 when driven.

### Van benefits 2025/26

Van benefit	£4,020
Fuel benefit	£769

### Van benefits 2024/25

Van benefit	£3,960
Fuel benefit	£757

# VAT

## 2025/26

- ◆ Registered businesses charge VAT on their sales. This is known as output VAT and the sales are referred to as outputs.
- ◆ Similarly VAT is charged on most goods and services purchased by the business. This is known as input VAT.
- ◆ There are three rates: standard which applies to most goods and services, reduced rate for some goods and services such as home energy and zero rate goods and services, for example, most food and children's clothes.
- ◆ Some supplies are exempt from VAT for example postage stamps, financial and insurance transactions.
- ◆ A business is required to register for VAT if the value of taxable supplies exceeds the annual registration limit.

### VAT - rates and limits

Standard rate	20%
Reduced rate	5%
Annual Registration Limit - from 1.4.25 - 31.3.26	£90,000
Annual Deregistration Limit - from 1.4.25 - 31.3.26	£88,000

## 2024/25

### VAT - rates and limits

Standard rate	20%
Reduced rate	5%
Annual Registration Limit - from 1.4.24 - 31.3.25	£90,000
Annual Deregistration Limit - from 1.4.24 - 31.3.25	£88,000



# VAT FUEL SCALE CHARGES

2025/26

- ◆ Businesses must use these new VAT fuel scale charges from the start of their next prescribed accounting period beginning on or after 1 May 2024.

CO2 band	Gross monthly £	VAT £	Net £
120 or less	58	9.67	48.33
125	87	14.50	72.50
130	92	15.33	76.67
135	98	16.33	81.67
140	105	17.50	87.50
145	110	18.33	91.67
150	116	19.33	96.67
155	122	20.33	101.67
160	127	21.17	105.83
165	134	22.33	111.67
170	139	23.17	115.83
175	145	24.17	120.83
180	151	25.17	125.83
185	157	26.17	130.83
190	163	27.17	135.83
195	169	28.17	140.83
200	174	29	145
205	180	30	150
210	186	31	155
215	192	32	160
220	198	33	165
225 or more	203	33.83	169.17

CO2 band	Gross 3 month period £	VAT £	Net £
120 or less	174	29	145
125	263	43.83	219.17
130	279	46.50	232.50
135	297	49.50	247.50
140	315	52.50	262.50
145	332	55.33	276.67
150	350	58.33	291.67
155	368	61.33	306.67
160	385	64.17	320.83
165	403	67.17	335.83
170	420	70	350
175	437	72.83	364.17
180	455	75.83	379.17
185	473	78.83	394.17
190	490	81.67	408.33
195	508	84.67	423.33
200	526	87.67	438.33
205	544	90.67	453.33
210	560	93.33	466.67
215	578	96.33	481.67
220	596	99.33	496.67
225 or more	613	102.17	510.83

CO2 band	Annual gross £	VAT £	Net £
120 or less	702	117	585
125	1,050	175	875
130	1,123	187.17	935.83
135	1,191	198.50	992.50
140	1,263	210.50	1,052.50
145	1,331	221.83	1,109.17
150	1,404	234	1,170
155	1,471	245.17	1,225.83
160	1,544	257.33	1,286.67
165	1,612	268.67	1,343.33
170	1,685	280.83	1,404.17
175	1,752	292	1,460
180	1,825	304.17	1,520.83
185	1,893	315.50	1,577.50
190	1,965	327.50	1,637.50
195	2,033	338.83	1,694.17
200	2,106	351	1,755
205	2,174	362.33	1,811.67
210	2,246	374.33	1,871.67
215	2,314	385.67	1,928.33
220	2,387	397.83	1,989.17
225 or more	2,454	409	2,045

Where the CO2 emission figure is not a multiple of five, the figure is rounded down to the next multiple of five to determine the level of the charge.

For a bi-fuel vehicle which has two CO2 emissions figures, the lower of the two figures should be used.

For cars which are too old to have a CO2 emissions figure, you should identify the CO2 band based on engine size. If its cylinder capacity is:

- ◆ If its cylinder capacity is 1,400cc or less, use CO2 band 140

- ◆ If its cylinder capacity exceeds 1,400cc but does not exceed 2,000cc, use CO2 band 175;

- ◆ If its cylinder capacity exceeds 2,000cc, use CO2 band 225 or above.

# VAT FUEL SCALE CHARGES

2024/25

- ◆ Businesses must use these new VAT fuel scale charges from the start of their next prescribed accounting period beginning on or after 1 May 2024.

CO2 band	Gross monthly £	VAT £	Net £
120 or less	61	10.17	50.83
125	91	15.17	75.83
130	97	16.17	80.83
135	103	17.17	85.83
140	110	18.33	91.67
145	115	19.17	95.83
150	122	20.33	101.67
155	128	21.33	106.67
160	134	22.33	111.67
165	140	23.33	116.67
170	146	24.33	121.67
175	152	25.33	126.67
180	159	26.50	132.50
185	164	27.33	136.67
190	171	28.50	142.50
195	178	29.67	148.33
200	183	30.50	152.50
205	190	31.67	158.33
210	195	32.50	162.50
215	202	33.67	168.33
220	208	34.67	173.33
225 or more	214	35.67	178.33

CO2 band	Gross 3 month period £	VAT £	Net £
120 or less	183	30.50	152.50
125	276	46.00	230.00
130	293	48.83	244.17
135	312	52.00	260.00
140	331	55.17	275.83
145	349	58.17	290.83
150	368	61.33	306.67
155	386	64.33	321.67
160	405	67.50	337.50
165	423	70.50	352.50
170	441	73.50	367.50
175	459	76.50	382.50
180	478	79.67	398.33
185	497	82.83	414.17
190	515	85.83	429.17
195	534	89.00	445.00
200	552	92.00	460.00
205	571	95.17	475.83
210	588	98.00	490.00
215	607	101.17	505.83
220	626	104.33	521.67
225 or more	644	107.33	536.67

CO2 band	Annual gross £	VAT £	Net £
120 or less	737	122.83	614.17
125	1,103	183.83	919.17
130	1,179	196.50	982.50
135	1,250	208.33	1,041.67
140	1,327	221.17	1,105.83
145	1,398	233.00	1,165.00
150	1,474	245.67	1,228.33
155	1,545	257.50	1,287.50
160	1,622	270.33	1,351.67
165	1,693	282.17	1,410.83
170	1,769	294.83	1,474.17
175	1,840	306.67	1,533.33
180	1,917	319.50	1,597.50
185	1,988	331.33	1,656.67
190	2,064	344.00	1,720.00
195	2,135	355.83	1,779.17
200	2,212	368.67	1,843.33
205	2,283	380.50	1,902.50
210	2,359	393.17	1,965.83
215	2,430	405.00	2,025.00
220	2,507	417.83	2,089.17
225 or more	2,578	429.67	2,148.33

Where the CO2 emission figure is not a multiple of five, the figure is rounded down to the next multiple of five to determine the level of the charge.

For a bi-fuel vehicle which has two CO2 emissions figures, the lower of the two figures should be used.

For cars which are too old to have a CO2 emissions figure, you should identify the CO2 band based on engine size. If its cylinder capacity is:

- ◆ If its cylinder capacity is 1,400cc or less, use CO2 band 140

- ◆ If its cylinder capacity exceeds 1,400cc but does not exceed 2,000cc, use CO2 band 175;

- ◆ If its cylinder capacity exceeds 2,000cc, use CO2 band 225 or above.

# VEHICLE EXCISE DUTY (VED) - PASSENGER CARS

2025/26

- For vehicles first registered on or after 1 April 2017, the VED or 'Road Tax' rate for the first 12 months is based on CO2 emissions shown on the V5 (Registration Document).
- Subsequent years are charged at the standard rate. Cars with a list price of over £40,000 when new pay an additional rate of £425 per year on top of the standard rate, in the second to sixth years after the car's first registration.
- New diesel vehicles that do not meet the Euro 6d emissions standard are charged a supplement on their First Year Rate to the effect of moving up by one VED band.

## VED bands and rates for cars first registered on or after 1 April 2017

CO2 emissions (g/km)	Standard rate	First year rate
0	£195	£10
1-50	£195	£110
51-75	£195	£130
76-90	£195	£270
91-100	£195	£350
101-110	£195	£390
111-130	£195	£440
131-150	£195	£540
151-170	£195	£1,360
171-190	£195	£2,190
191-225	£195	£3,300
226-255	£195	£4,680
Over 255	£195	£5,490

## VED bands and rates for cars registered on or after 1 March 2001 but before 1 April 2017

VED band	CO2 emissions (g/km)	Standard rate
A	Up to 100	£20
B	101-110	£20
C	111-120	£35
D	121-130	£165
E	131-140	£195
F	141-150	£215
G	151-165	£265
H	166-175	£315
I	176-185	£345
J	186-200	£395
K	201-225*	£430
L	226-255	£735
M	Over 255	£760

\*Including cars emitting over 225g/km registered before 23 March 2006.



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