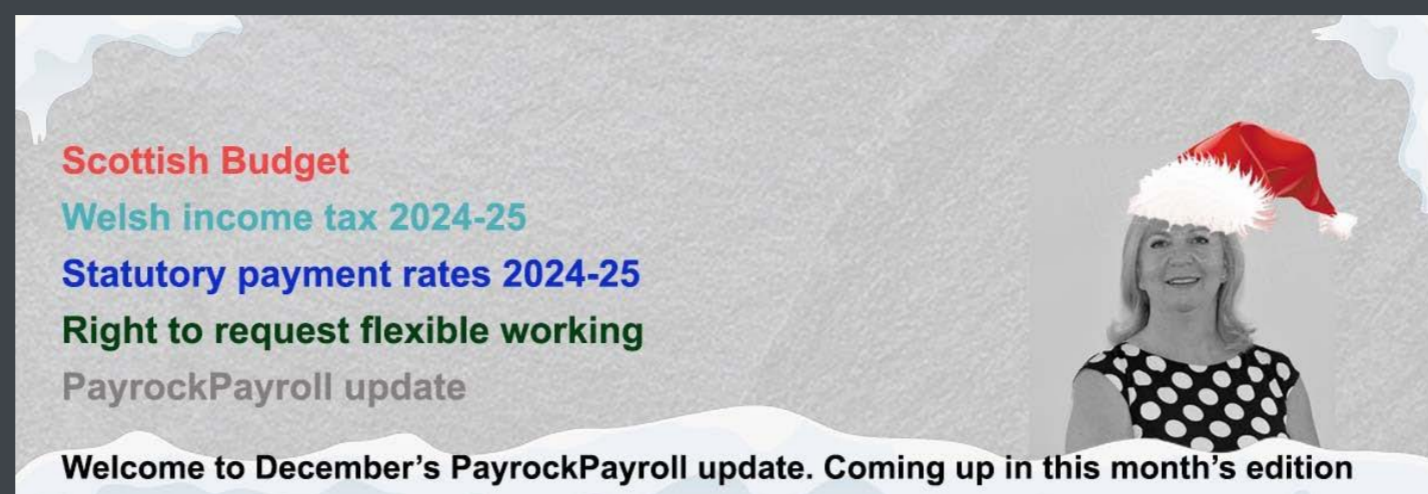


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Hi

This month, following the Scottish and Welsh Government Budgets on 19 December, we now have most of the information we need for the start of the 2024-25 tax year, unless of course anyone else pulls a rabbit out of a hat before April.

Scottish Budget

We know in payroll never to get too comfortable, because there's always something waiting around the corner to keep us on our toes. The latest surprise came from Scottish Finance Secretary Shona Robinson as she announced the Scottish Budget on 19 December. Scotland already has five tax bands whereas the rest of the UK has three, but the latest announcement introduced a sixth tax band, for those earning between £75,000 to £125,140 from 6 April 2024.

The personal allowance remains at £12,570, but there have been increases to the starter and intermediate rate thresholds, along with an increase of 1% to the top rate, up from 47% to 48%. The income tax rates and thresholds applying in Scotland in the 2024-25 tax year are as follows:

	Band	Rate
Starter	£12,571 - £14,876	19%
Basic	£14,877 - £26,561	20%
Intermediate	£26,562 - £43,662	21%
Higher	£43,663 - £75,000	42%
Advanced	£75,001 - £125,140	45%
Top	Above £125,140	48%

Also remember, under the UK Government's Personal Allowance policy, those earning more than £100,000 will see their Personal Allowance reduced by £1 for every £2 earned over £100,000.

Welsh income tax 2024-25

The Welsh Government also set out its draft Budget on 19 December. The income tax rules for the Welsh Government are different to those for the Scottish Government, which means that while the Welsh Government is able to vary the three income tax rates (basic, higher and additional) for Welsh taxpayers, all other aspects of the tax remain the responsibility of the UK Government. The process for Wales involves the UK Government reducing each of the three income tax rates for Welsh taxpayers by 10p. The Welsh Government then decides whether to set the Welsh rates at 10p, thereby retaining parity between Welsh and English taxpayers or to set different rates.

In this week's draft Budget, the Finance Minister, Rebecca Evans, proposed to set Welsh Rates of Income Tax for 2024-25 at 10p keeping parity with English taxpayers.

Statutory payment rates 2024-25

The statutory payment rates for the new tax year have been announced and are as follows:

Rates effective from Sunday	07 April 2024
Lower Earnings Level	£123
SMP and SAP for the first 6 weeks	90% of AWE
SMP and SAP for the next 33 weeks, SPP and SBPB 1 or 2 weeks and ShPP balance of entitlement	Lower of 90% AWE or standard weekly rate of £184.03
Recoverable amount for large employers	92%
Recoverable amount for small employers	103%
Annual NIC threshold for Small Employer Relief	£45,000

The weekly amount of Statutory Sick Pay increases to £116.75 from 6 April 2024.

Right to request flexible working

Legislation has been laid down to ensure that any request for flexible working made on or after 6 April 2024 will be subject to the new rules and can be made from day one of employment.

We are still waiting for additional information about what this will mean in practice, but I will let you know as soon as that detail is available.

PayrockPayroll Update

Upcoming training courses

11 January 2024

Statutory payments part 3

Covering the role and responsibilities of an organisation and the obligations it has when administering statutory shared parental, paternity and parental bereavement leave and pay.

22 January 2024

Employee expenses and benefits part 1

Covering the statutory obligations an organisation has when providing certain expenses and benefits to employees.

Christmas closure

The MBKB offices will close at 2pm on Friday 22 December and re-open at 9am on Wednesday 3 January.

To end this newsletter I would like to thank you for working with us, we truly value our relationship with you all.

The whole of the MBKB team would like to wish you a holiday season which is full of peace, joy, and happiness.

Take care, stay safe and see you next year.

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