

EMPLOYMENT TAXES

Employer National Insurance Contributions (NICs)

Please remember that the significant changes to the NICs paid by employers will start to apply from 6 April 2025. An **increase in the rate of employers' NICs from 13.8% to 15%** is combined with:

- **A decrease in the threshold at which an employer starts to pay NICs** on each employee's salary from £9,100 to £5,000*.

** A higher threshold of £50,270 applies for employees who are under 21 and apprentices under 25. Other variations can also apply.*

- **An increase in the amount of the 'employment allowance'**, which eligible employers can offset against their employers' NICs liability, from £5,000 to £10,500.
- **A relaxation in the rules** that determine which employers are eligible for the employment allowance. Until 5 April 2025, the employment allowance has only been available to businesses with a prior tax year employers' NICs liability of less than £100,000. This rule no longer applies for 2025/26, meaning employers may be able to access the £10,500 allowance, even if their 2024/25 employers' NIC cost exceeded £100,000. Other restrictions on claiming the employment allowance still apply (including a limit of just one allowance between connected employers), so please do check with us if you are unsure whether you are able to make the claim or how to do so.

