THOMAS DUNTON
SOLICITORS



Pocket Employment Guide

2024/25

Information correct as at 6 April 2024

Compensation Limits

The maximum amounts which might be payable for dismissal from 6 April 2024.

Redundancy

Maximum Statutory Redundancy Payment	**£700 per week**

Unfair Dismissal

Maximum Basic Award	**£21,000**
Maximum Compensatory Award	**£115,115**

Discrimination

Race / Sex / Disability	**No limits**

Income Tax Reliefs 2024/25

Personal Allowance	**£12,570**
Basic Rate Limit	**£37,700**
Higher Rate Limit	**£125,140**
Blind Person's Allowance	**£3,070**

Annex A: rates and thresholds for employers 2024 to 2025

PAYE Tax Rates and Thresholds 2024/25

Employee Personal Allowance	**£242 per week** **£1048 per month, £12,570 per year**
UK Basic Tax Rate	**20%**[1]
UK Higher Tax Rate	**40%**[2]
UK Additional Tax Rate	**45%**[3]

1. On annual earnings up to £37,700
2. On annual earnings from £37,701 to £125,140
3. On annual earnings above £125,140

The amount of Income Tax the employer deducts from employees depends on their tax code and how much of their taxable income is above their **Personal Allowance**.

Class 1 National Insurance Rates 2024/25

Employee (Primary) Contribution Rates

Deduct primary contributions (employee's National Insurance) from employees' pay through PAYE.

NI Letter	Up to Primary[1]	Above Primary up to Upper[2]	Above Upper[3]
A	0%	8%	2%
B	0%	3.85%	2%
C	nil	nil	nil
H[4]	0%	8%	2%
J	0%	2%	2%
M[5]	0%	8%	2%
Z[6]	0%	2%	2%

1. Earnings at or above lower earnings limit up to and including primary threshold
2. Earnings above the primary threshold up to and including upper earnings limit
3. Balance of earnings above upper earnings limit
4. Apprentice under 25 5. Under 21 6. Under 21 - deferment

Class 1 National Insurance Thresholds

Lower Earnings Limit	**£123 per week** **£533 per month** **£6,396 per annum**
Primary Threshold	**£242 per week** **£1,048 per month** **£12,570 per annum**
Secondary Threshold	**£175 per week** **£758 per month** **£9,100 per annum**
Upper Secondary Threshold *(under 21)*	**£967 per week** **£4,189 per month** **£50,270 per annum**

Apprentice Upper Secondary Threshold *(apprentice under 25)*	**£967 per week** **£4,189 per month** **£50,270 per annum**
Upper Earnings Limit	**£967 per week** **£4,189 per month** **£50,270 per annum**

Employment Allowance

Eligible employers can reduce their National Insurance liability by up to **£5,000**. To be eligible your business (or charity's) employer's Class 1 National Insurance liabilities must be less than **£100,000** in the previous tax year.

Parental Entitlements

There are a variety of parental entitlements, some of which are subject to sufficient continuous service, and/or notice, by the employee.

Shared Parental Leave (SPL)

From 7 April 2024

Employees may be entitled to Shared Parental Leave (SPL) and Statutory Shared Parental Pay (ShPP) if they've had a baby or adopted a child. The weekly Statutory Adoption Pay (SAP) and Statutory Shared Parental Pay is **£184.03** or **90%** of average weekly earnings (whichever is lower).

Employees can start **SPL** if they're eligible and they, or their partner, end their maternity or adoption leave or pay early. The remaining leave will be available as SPL. The remaining pay may be available as ShPP under certain circumstances.

Maternity Leave

Totalling 52 weeks

26 weeks 'Ordinary Maternity Leave' and the following 26 weeks as 'Additional Maternity Leave'.

Statutory Maternity Pay (SMP)

SMP for eligible employees can be paid for up to 39 weeks, usually as follows:

- the first 6 weeks - **90%** of their average weekly earnings before tax;
- the remaining 33 weeks - **£184.03** or **90%** of average weekly earnings (whichever is lower).

Tax and National Insurance need to be deducted.

Note: If the Employee is not entitled to Statutory Maternity Pay, then she may be entitled to Maternity Allowance. To claim Maternity Allowance see:www.gov.uk/maternity-allowance/how-to-claim.

Statutory Adoption Leave and Pay

Employees can take up to 52 weeks' Statutory Adoption Leave, the first 26 weeks as 'Ordinary Adoption Leave' and the following 26 weeks as 'Additional Adoption Leave'.

Statutory Adoption Pay (SAP) is calculated the same as Statutory Maternity Pay.

Paternity Leave

Statutory Paternity Pay (SPP): for eligible employees is either **£184.03** per week or **90%** of their average weekly earnings (whichever is lower). Tax and National Insurance must be deducted.

Employees may be **eligible** for **Statutory Paternity Leave** and **Pay** if they and their partner are having a baby, adopting a child or having a baby through a surrogacy arrangement.

Under new rules, employees, whose child is born on or after 6 April 2024, are entitled to take two non-consecutive weeks of leave at any point in the first year after the birth or adoption of their child.

Parental Leave

Parental leave is unpaid. Employees are entitled to 18 weeks' leave for each child and adopted child, up to their 18th birthday, limited to 4 weeks in a year.

Statutory Parental Bereavement Leave (SPBP)

Employees are entitled to take up to two weeks' paid leave owing to the death of a child aged up to 18, or who suffer a still birth after 24 weeks. This leave can be taken within 56 weeks of the child's death, taken in a two-week block, or two one-week blocks.

The statutory rate is **£184.03** per week, or **90%** of employee's weekly earnings if this is lower. Tax and National Insurance needs to be deducted.

Carer's Leave

As of 1 April 2024, employees with a caring responsibility for a dependant (a spouse, civil partner, child or parent with long-term care needs*, or anyone who reasonably relies on the employee for care) have the right to take one week's unpaid carer's leave per year, from the first day of work for their employer.

**Defined as a disability under the Equality Act 2010, an illness or injury (whether physical or mental) that requires/likely to require care for more than three months, or old age.*

Extended redundancy protection for women and new parents

Expectant employees now have greater protection from redundancy during pregnancy and new parents have extended protection when they return from maternity, adoption and shared parental leave. This applies where an employer is informed of the pregnancy on or after 6 April 2024 and to maternity / adoption leave ending on or after 6 April 2024.

Flexible Working

Flexible working is a way of working that suits an employee's needs, e.g. having flexible start and finish times, or working from home.

From 1 April 2024, employees have the right to request flexible working from day one of their employment.

Annual Leave Entitlement

Amounts are pro-rata for those that work less than 5 days a week.

Full-time worker

From 1 April 2024 **5.6 weeks (28 days)**

An employer can include bank holidays as part of statutory annual leave.

NB: From 1 April 2024, both workers with irregular working hours and part-year workers will accrue holiday in hours, based on 12.07% of the hours they work in a pay period, up to a maximum of 5.6 weeks.

National Minimum Wage Hourly Rate

The rates below apply from 1 April 2024.

National Living Wage Hourly Rate

Category of Worker	Hourly Rate
Aged 21 and above (national living wage rate)	**£11.44**
Aged 18 to 20 inclusive	**£8.60**
Aged under 18[1]	**£6.40**
Apprentices aged under 19	**£6.40**
Apprentices aged 19 and over[2]	**£6.40**

1. But above compulsory school leaving age
2. But in the first year of their apprenticeship

Sickness Pay

In order to be eligible for Statutory Sick Payments (SSP), employees must have been sick for at least 4 days in a row (including weekends and Bank Holidays). You start paying SSP from the fourth qualifying day.

Employees must also work for their employer under a Contract of Service.

Current SSP	**£116.75 per week**
Duration	**Maximum of 28 weeks**



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217-219 High Street, Orpington, Kent BR6 0NZ

01689 822554

www.thomasdunton.co.uk

employment@thomasdunton.co.uk

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