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.

Employees have the right to request flexible working from day one of employment, and employers must provide a "reasonable" explanation if rejecting a request.

Annual Leave Entitlement

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

Full-time worker

From 1 April 2026 **5.6 weeks (28 days)**

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

Workers with irregular working hours and part-year workers 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 2026.

National Living Wage Hourly Rate

Category of Worker	Hourly Rate
Aged 21 and above (national living wage rate)	£12.71
Aged 18 to 20 inclusive	£10.85
Aged under 18[1]	£8.00
Apprentices aged under 19	£8.00
Apprentices aged 19 and over[2]	£8.00

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

Sickness Pay

Employees too ill to work will either receive the current rate for Statutory Sick Payments (SSP), or 80% of their average weekly pay, whatever is lowest. SSP is paid from the first full day of sickness absence.

From 6 April 2026

Current SSP	**£123.25 pw**
Duration	**Maximum of 28 weeks**

It is important to note that this guide is not a full statement of the law. The information in this leaflet is of a general nature and may not reflect your individual circumstances. You should receive individual advice before taking any action.

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THOMAS DUNTON SOLICITORS

Your guide to

Employee Rates and Entitlements

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Compensation Limits

The maximum amounts which might be payable from 6 April 2026 are:

Redundancy

Maximum Statutory Redundancy Payment	**£719 pw**

Unfair Dismissal

Maximum Basic Award	**£21,570**
Maximum Compensatory Award	**£118,223**

Discrimination

Race / Sex / Disability	**No limits**

Income Tax Reliefs 2026/27

Personal Allowance	**£12,570**
Basic Rate Limit	**£37,700**
Higher Rate Limit	**£125,140**
Blind Person's Allowance	**£3,250**

PAYE Tax Rates & Thresholds '26/27

Employee Personal Allowance	**£242 pw**
	£1048 pcm, £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 N.I. Rates 2026/27

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%	1.85%	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	**£129 pw**	**£559 pcm**	**£6,708 pa**
Primary Threshold	**£242 pw**	**£1,048 pcm**	**£12,570 pa**
Secondary Threshold	**£96 pw**	**£417 pcm**	**£5,000 pa**
Upper Secondary Threshold[1]	**£481 pw**	**£2,083 pcm**	**£25,000 pa**
Apprentice Upper Secondary Threshold[2]	**£967 pw**	**£4,189 pcm**	**£50,270 pa**
Upper Earnings Limit	**£967 pw**	**£4,189 pcm**	**£50,270 pa**

1. Under 1. 2. Apprentice under 25.

Employment Allowance

Eligible employers can reduce their National Insurance liability by up to £10,500. 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 6 April 2026

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 **£194.32 pw** 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 - **£194.32 pw** 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 **£194.32 pw** 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. Employees 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 if you have a stillbirth after 24 weeks of pregnancy. This leave can be taken within 56 weeks of the child's death – as one two week period of leave, or two one week periods of leave. The statutory rate is **£194.32 pw**, or **90%** of employee's weekly earnings if this is lower.

Tax and National Insurance needs to be deducted.

Bereaved Partner's Paternity Leave

Supports employees who lose the mother or primary adopter of their child within the first year of birth or adoption. Eligible from day one, employees may take up to 52 weeks' leave depending on when the bereavement occurs. There is no statutory pay requirement, and any paid leave is at the employer's discretion.

Carer's Leave

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.