UK PAYE, NIC & Dividend Rules (2023–24 → 2027–28)

2023–24

Item	Details
Personal Allowance	£12,570 per year (£242/wk; £1,048/mo)
Income Tax – England, Wales, NI	20%: £12,571–£50,270 40%: £50,271–£125,140 45%: over £125,140
Income Tax – Scotland	19%: £12,571–£14,732 20%: £14,733–£25,688 21%: £25,689–£43,662 42%: £43,663–£125,140 47%: over £125,140
Dividend Allowance & Rates	£1,000 allowance 8.75% / 33.75% / 39.35%
National Insurance (Employees – Class 1)	12% on £242–£967/wk (£1,048–£4,189/mo) 2% above £967/wk
Notes / Extras	Additional rate threshold cut from £150k → £125,140

2024–25

Item	Details
Personal Allowance	£12,570 (frozen)
Income Tax – England, Wales, NI	Same as 2023–24

Income Tax – Scotland	19%: £12,571–£14,876 20%: £14,877–£26,561 21%: £26,562–£43,662 42%: £43,663–£75,000 45%: £75,001–£125,140 48%: over £125,140
Dividend Allowance & Rates	£500 allowance 8.75% / 33.75% / 39.35%
National Insurance (Employees – Class 1)	Same as 2023–24
Notes / Extras	Threshold freeze continues

2025–26

Item	Details
Personal Allowance	£12,570 (frozen)
Income Tax – England, Wales, NI	Same as 2023–24
Income Tax – Scotland	19%: £12,571–£15,397 20%: £15,398–£27,491 21%: £27,492–£43,662 42%: £43,663–£75,000 45%: £75,001–£125,140 48%: over £125,140
Dividend Allowance & Rates	£500 allowance 8.75% / 33.75% / 39.35%
National Insurance (Employees – Class 1)	8% on £12,570–£50,270 2% above
Notes / Extras	Employer NIC rises from 13.8% → 15% (Apr 2025)

2026–27

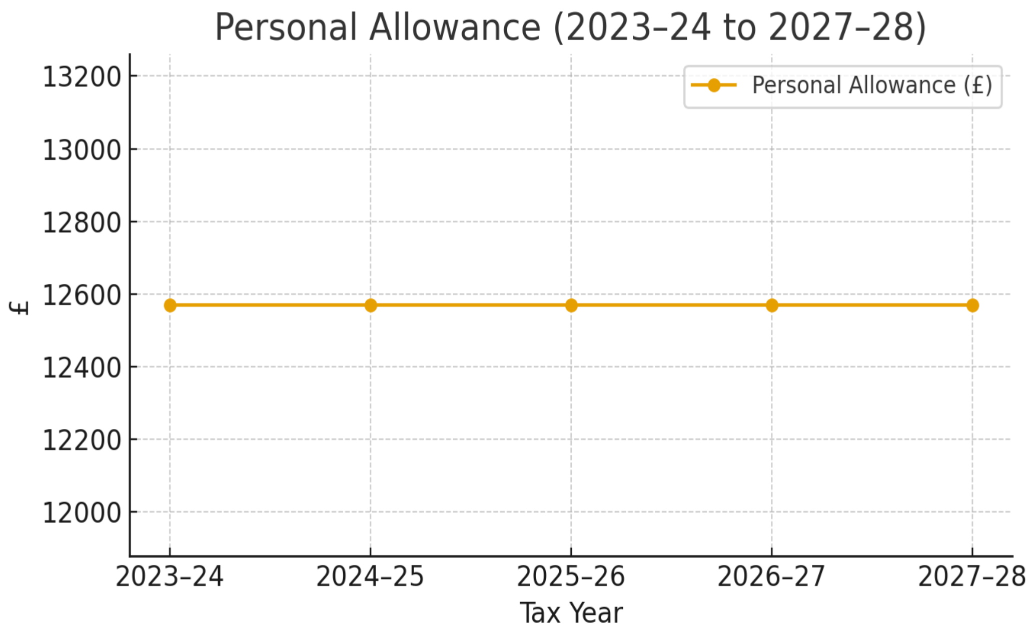
Item	Details
Personal Allowance	£12,570 (frozen)
Income Tax – England, Wales, NI	Same as 2023–24
Income Tax – Scotland	Scottish bands frozen (policy not diverged yet)
Dividend Allowance & Rates	£500 allowance
National Insurance (Employees – Class 1)	NIC aligned with PA/HR thresholds
Notes / Extras	Freeze confirmed until 2028

2027–28

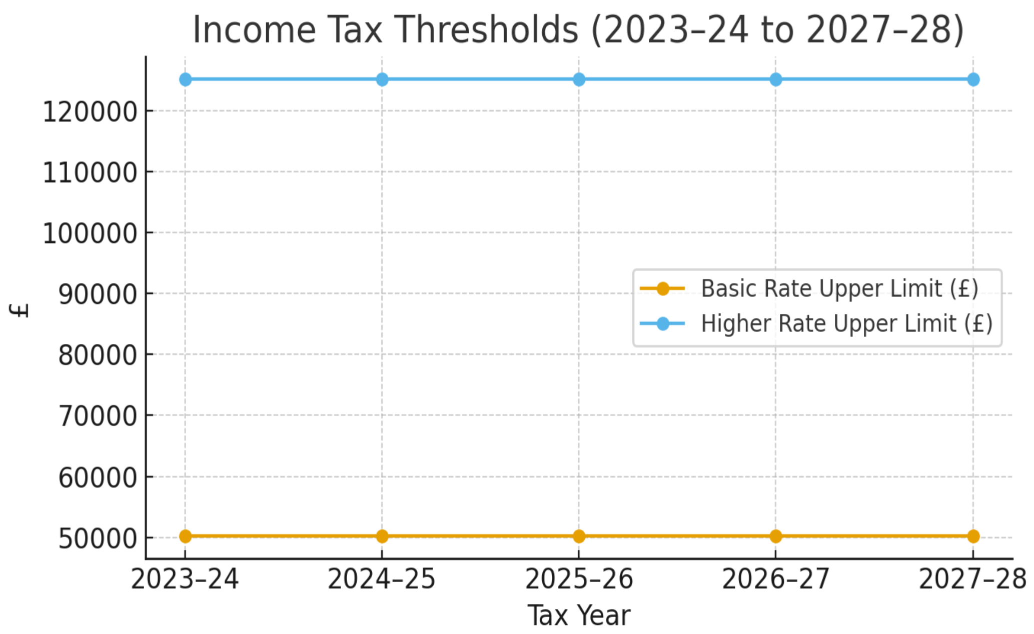
Item	Details
Personal Allowance	£12,570 (frozen)
Income Tax – England, Wales, NI	Same as 2023–24
Income Tax – Scotland	Same as 2026–27
Dividend Allowance & Rates	£500 allowance
National Insurance (Employees – Class 1)	Same as 2026–27
Notes / Extras	Fiscal drag continues

Graphical Illustrations

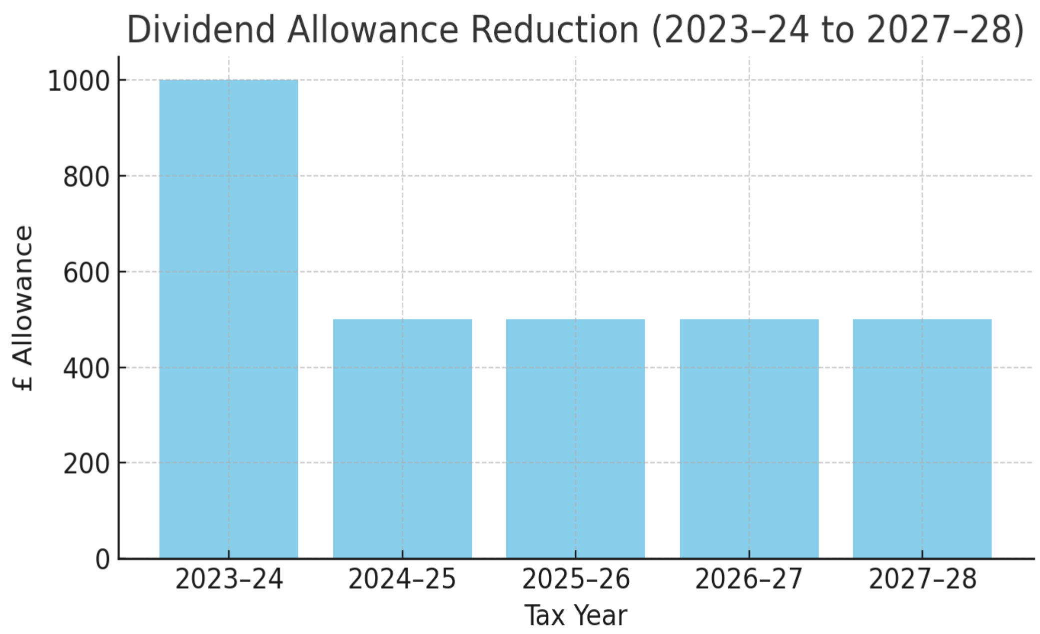
Personal Allowance Trend



Income Tax Thresholds (Basic vs Higher)



Dividend Allowance Reduction


Dividend Allowance Reduction (2023–24 to 2027–28)
£ Allowance
1000
800
600
400
200
0
2023–24
2024–25
2025–26
2026–27
2027–28
Tax Year

National Insurance Classes

Class 1 – Employees (over £242/wk). Deducted at source.
Class 1A/1B – Employers on expenses/benefits.
Class 2 – Self-employed; £3.45/wk if profits ≥ £6,725.
Class 3 – Voluntary; £17.45/wk (£907.40/year).
Class 4 – Self-employed profits > £12,570: 9% on £12,570–£50,270; 2% above.

Allowances

Personal Allowance: £12,570 (frozen until April 2028).
Trading Allowance: £1,000/year (casual services or sole trader side-income).
Property Allowance: £1,000/year (gross property income per owner).
Rent a Room Scheme: separate higher exemption.
Savings Allowances: £1,000 (basic rate), £500 (higher rate).

Practical Accounting & Tax Tips for the General Public

- Keep accurate records – Organise invoices, receipts, and bank statements to reduce stress and claim all allowable expenses.
- Understand your tax bands – Know how personal allowances and thresholds impact your tax. Plan if near £50,270 or £125,140 thresholds.
- Make use of allowances – Trading (£1,000), property (£1,000), dividend allowance, and ISAs can reduce tax exposure.
- Plan for National Insurance – Contributions affect State Pension and benefits. Review your NI record annually.
- Think about retirement early – Pension contributions can reduce taxable income and save NICs.
- Be aware of deadlines – 31 Jan (Self Assessment), 9m+1d (Corporation Tax). Avoid penalties and interest.
- Use professional support – Rules change often. Expert advice helps minimise liabilities and stay compliant.

Why Choose MK & Co Services Ltd?

- Trusted Expertise – Experience advising individuals, SMEs, and corporate clients.
- Full-Service Offering – Payroll, VAT, corporation tax, HMRC & Companies House compliance.
- Tailored Solutions – Advice designed for your unique income, family, or business structure.
- Up-to-Date Knowledge – We track HMRC rule changes to keep you compliant and tax-efficient.
- Personal Support – Friendly, approachable, and clear explanations.

MK & Co Services Ltd is the best place to handle your **tax and accounting matters**.
We take care of the numbers so you can focus on your life and business with confidence.

[Insert MK & Co Logo Here]
Contact: info@mkcoservices.co.uk **|** www.mkcoservices.co.uk

UK PAYE, NIC & Dividend Rules (2023–24 → 2027–28) with Updated Minimum Wage Rates

National Minimum Wage / National Living Wage Rates

Effective From	21+ / NLW	18–20	Under 18	Apprentice
1 April 2025	£12.21	£10.00	£7.55	£7.55
1 April 2024	£11.44	£8.60	£6.40	£6.40
1 April 2023	£10.42	£10.18	£7.49	£5.28

Note: Rates apply from the start of each April as legislated by HMRC / Low Pay Commission.