



IRIS Payroll Basics

Release Notes

Version: 25.10

IRIS. Look forward

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Release Notes

Welcome to your software update for the 2025/2026 tax year. This update includes new features, enhancements, and any necessary legislative changes. You will find information on all software improvements in this document. For detailed information on legislative changes, click [here](#). If you encounter any difficulties, please visit: www.iris.co.uk/contactus

IRIS Payroll Basics Release 25.10

Statutory Neonatal Care Pay (SNCP)

From 2025/2026 tax year onwards, employees with a parental or other personal relationship with a baby who is receiving neonatal care can take up to 12 weeks of paid leave.

- Employees are entitled to a minimum of one week, in addition to other leave entitlements such as maternity, paternity, and shared parental leave.
- SNCP applies in England, Scotland, and Wales, but not currently in Northern Ireland.

Key factors of Statutory Neonatal care include:

- Leave must be taken within the first 68 weeks of the baby's birth.
- SNCP can be taken in two tiers:

Tier One

- Applies when leave is taken while the child is in neonatal care or within one week after discharge.
- Can be taken flexibly in non-consecutive weekly periods.

Tier Two

- Applies after the Tier One period ends and until the end of the 68-week period.
- Must be taken in a single continuous block.

Software adjustments for SNCP:

- Added a new tab in **Employee | Statutory Payments**, labelled **SNCP**.
- Selecting **SNCP** displays a new **SNCP Details** screen, allowing you to complete the fields for an employee who qualifies for SNCP.
- In **Employee Details | To-Date**, we have added an **SNCP** field.
- In the **Configure Earnings | Salary** tab, we have added an option **for Statutory Neonatal Care**.
- Updated the **Input/Edit Payroll Details** screen to include an **SNCO** field.
- Updated all necessary reports and payslips to include SNCP.
- Amended **Company Options | Company | Automatic Contra, SMP. SAP, SPP, ShPP, SPBP** to **SMP. SAP, SPP, ShPP, SPBP & SNCP**.
- In **Company | Holiday Set-Up | Configure Earnings**, we have added a **Neonatal Care**

Pay option.

- The **Data Import | Fields** tab now includes a **SNCP To-date** and **SNCP YTD** field.
- The **Data Export | Fields** tab now includes a **SNCP Current Month**, **SNCP Paid This Period**, and **SNCP To-date** fields.
- Updated the **Audit** to accommodate SNCP.
- The **Quick Report Writer** now includes an option for SNCP.

National Insurance

On 30th October 2024, the Government announced changes affecting National Insurance contributions Secondary Threshold and Secondary Class 1 rate. From 6th April 2025, the NICs Secondary Threshold decreases from £9,100 to £5,000, and the main rate of Secondary (Employers) Class 1 NICs increases from 13.8% to 15%. We have updated the system with the new threshold and rate.

Employee Workplace Postcode

From April 2025, HMRC intends to reject an FPS if a Freeport or Investment Zone NIC category letter is reported for an employment but does not contain the workplace postcode for any qualifying employee.

In **Employee Details | Tax/NI** tab, we have added an **Employee Workplace Postcode** field, which is active if the employee has either **Working in a Freeport** or Working in **an Investment Zone** selected.

Employment Allowance

- The Employment Allowance rate has increased from £5,000 to £10,500. The restriction preventing employers with a secondary Class 1 NIC liability of more than £100,000 in the previous tax year from claiming it has been removed.
- We have updated the wording on all Employment Allowance screens to reflect these changes.
- We have also removed the de minimis state aid wording from Employment Allowance and reworded it to: State aid rules do not apply.

Female Employee - NI Letter

When updating a female employee's record and selecting NI letters B, E, or I, their date of birth has to be on or before the 5th April 1961.

This change follows a new rule introduced by HMRC where the FPS will be rejected when a reduced rate NICs category letter (B, E or I) is supplied but does not qualify based on the date of birth.

NICs compensation rate on Statutory Payments

Employers can currently reclaim 92% of employees' Statutory Maternity, Paternity, Adoption, Parental Bereavement and Shared Parental Pay, or if a business has paid £45,000 or less in Class 1 National Insurance (ignoring any reductions like Employment Allowance) in the last complete tax year they can qualify for Small Employers Relief, and reclaim 100% of the Statutory Payment, plus an additional 3% compensation.

From 6th April 2025, the rate or compensation increases from 3% to 8.5%. We have updated the system with the new rate.

PAYE Legislation

Student/Postgraduate Loan Thresholds

Student and postgraduate loan thresholds for the 2025/2026 tax year. We have updated the system with these figures.

Scottish Arrestment of Earnings

Scottish Earnings Arrestment Deduction tables have been updated from April 2025. We have updated the system with these rates.

Tax Codes

Personal allowance tax code rates for the 2025/2026 tax year. We have updated the system with these rates.

National Minimum Wage/National Living Wage

National Minimum Wage and National Living Wage rates for the 2025/2026 tax year. We have updated the system with these rates.

NI Thresholds have changed:

- ST is now below the LEL
- Employers now pay 15% NI instead of 13.8%.

Tax, NI and Statutory Payment Rates

Tax, NI, and statutory payment rates for the 2025/2026 tax year. We have modified the system with these rates.

Car and Fuel benefit thresholds

Car and fuel benefit thresholds for the 2025/2026 tax year. We have updated the system with these thresholds.

RTI

FPS – 2025/2026

In line with government legislation, we have updated the FPS schema for the 2025/2026 tax year.

EPS - 2025/2026

We have updated the EPS schema for submissions relating to the 2025/2026 tax year.

EYFPS - 2025/2025

We have amended the EYFPS schema for submissions relating to the 2024/2025 tax year.

Other Improvements

P60 Layout

A new P60 layout for year-end 2024/2025 is now available.

Useful numbers

HMRC online service helpdesk	HMRC employer helpline
Tel: 0300 200 3600	Tel: 0300 200 3200
Fax: 0844 366 7828	Tel: 0300 200 3211 (new business)
Email: helpdesk@ir-efile.gov.uk	

Contact Support

Your Product	Phone	E-mail
IRIS PAYE-Master	0344 815 5555	payroll@iris.co.uk
IRIS Payroll Business	0344 815 5555	ipsupport@iris.co.uk
IRIS Bureau Payroll	0344 815 5555	ipsupport@iris.co.uk
IRIS GP Payroll	0344 815 5555	gpsupport@iris.co.uk
IRIS GP Accounts	0344 815 5555	gpaccsupport@iris.co.uk
Earnie or Earnie IQ	0344 815 5555	earniesupport@iris.co.uk
IRIS Payroll Professional (formerly Star)	0344 815 5555	payroll-support@iris.co.uk