



IRIS PAYE-MASTER

Release Notes

April 2025 - Version: 25.10

IRIS. Look forward

Contents

| | |
|--|---|
| Release Notes | 3 |
| April 2025 Version 25.10..... | 4 |
| PAYE Legislation | 8 |
| Student/Postgraduate Loan Thresholds..... | 8 |
| Tax Codes | 8 |
| National Minimum Wage/National Living Wage | 8 |
| Tax, NI and Statutory Payment Rates..... | 8 |
| Car and Fuel benefit thresholds | 8 |
| RTI | 9 |
| FPS - 2025/2026..... | 9 |
| EPS - 2025/2026 | 9 |
| EYFPS - 2024/2025 | 9 |
| Other Improvements | 9 |
| P60 Layout..... | 9 |

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

April 2025 Version 25.10

Statutory Neonatal Care Pay (SNCP)

Following the introduction of the Neonatal Care (Leave and Pay) Act 2023, 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 which, subject to meeting the relevant criteria, will be paid at the statutory rate. This new act comes into effect from 6th April 2025 (Tax year 2025/2026)

This includes a minimum entitlement of one week, in addition to other leave entitlements such as maternity, paternity and shared parental leave. SNCP applies to employees in England, Scotland, and Wales, but not currently Northern Ireland.

Key points of Statutory Neonatal care include:

- 26 weeks continuous service required
- Rate is the same as other statutory parental pay, for 2025/2026 £187.18 or 90% of average weekly earnings, whichever is lower
- The employee must take leave within the first 68 weeks of their baby's birth to qualify for SNCP
- Statutory Neonatal Care Pay and Leave can be taken in two tiers:

Tier One

- Applies to employees who take their leave while their child is in neonatal care or within the 1st week following their discharge. This tier can be taken flexibly in weekly periods that do not need be consecutive.

Tier Two

- Applies after the Tier One period ends and until the end of the 68-week period following the child's birth date. Any Tier Two leave must be taken in a single continuous block.

System Parameters

Under the Govt menu **SMP/SAP/SPP/ShPP/SPBP Rates** has been renamed **SMP/SAP/SPP/ShPP/SPBP/SNCP Rates**

On the **SMP/SAP/SPP/ShPP/SPBP/SNCP Rates** screen, there is a new **SNCP** row

Additions/Deductions

On the **Company | Details | Additions/Deductions** tab, we have added a **SNCP** addition which will appear on the first unused row. The **Tax, NI** and **QE** tick boxes will be ticked by default and disabled. The **Pen** tick box will be selected but can be deselected, if required.

Automatic Enrolment Configuration Tool

The **Pensions | Auto Enrolment Configuration Tool | Step 7 – Qualifying Earnings and Pensionable Earnings** screen now includes the new **SNCP** addition. Here, if required, you can deselect **SNCP** if you want to exclude it from **Pensionable Earnings**.

Employee Details

To cater for **SNCP**, on the **Employee | Details | Sundry** tab, a new **Total SNCP** field has been added.

Pay Variations

The following areas under the **Pay | Variations | Statutory Payments** have been amended to include **SNCP**:

SMP/SPP/ShPP/SAP/SPBP/SNCP

Auto Absence Calculation | Other | Detail View

Auto Absence Calculation | Other | Add

Auto Absence Calculation | Other | Delete - Please Note: you are required to keep **SNCP** records for at least 3 years. If the **Date** field is 3 years ago or older a prompt will be displayed asking you to confirm you want to delete the record, click **Yes** to proceed

To add a new SNCP Absence:

Go to **Pay | Variations**

From the **Statutory Payments** tab, click **Other**

Click **Add** and from the **Type** drop-down menu, select **SNCP** then **Submit**

The **Absences** screen will be displayed for the individual

Enter the **Date of Child's Neonatal Care**

Enter the **Date of Child's Birth**

Average Weekly Earnings will be populated with the calculated value, this can be overwritten if necessary – perhaps you were not using the software in the periods needed for the calculation

Enter the **Tier One Leave Start Date** (date cannot be more than 28 days after the **Date of Child's Birth**)

Enter the **Tier Two Leave Start Date** (date cannot be more than 68 weeks after the **Date of Child's Birth**)

Add the No. of Weeks to be taken (Cannot exceed 12 weeks)

Number of weeks already processed (This is a combination of **Tier One Leave Date** and **Tier**

Two Leave Date and cannot exceed 12 weeks total)
Click **Save** then **Close**

Please Note: If you pay less than 12 weeks SNCP and then want to pay additional weeks (at a later date) you should amend the existing absence for the second week, not create a new one.

Please Note: Employees may be entitled to SNCP along with another Statutory Payment, for example, SMP. If an employee is being paid SMP then this needs to be completed before they can receive SNCP as they cannot overlap.

PAYE Remittance Report

The **PAYE Remittance Report** has amended the SPBP Recovery and SPBP Compensation to be **SPBP/SNCP Recovery** and **SPBP/SNCP Compensation**. These are included in the calculation of Net NI, as with other statutory payments. Any references on this report to **SMP/SPP/SAP/ShPP/SPBP** have been changed to **SMP/SPP/SAP/ShPP/SPBP/SNCP**.

Reports

Statutory Neonatal Care Pay has been added to all relevant reports

Employee Workplace Postcode

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.

This update is part of the national insurance contribution, Special Tax Site NICs Relief for employers who operate in designated Special Tax Sites, such as freeports or investment zones.

National Insurance

On 30th October 2024, the Government announced changes to the National Insurance Contributions (NICs) Secondary Threshold and Secondary Class 1 rate. From 6th April 2025 until 5th April 2028, the Secondary Threshold has been decreased from £9,100 to £5,000. The Secondary (Employers) Class 1 NICs has increased from 13.8% to 15% for earnings paid on or after 6th April 2025. We have updated the system with this threshold and rate.

Employment Allowance

On 30th October 2024, the Government announced changes Employment Allowance from 6th April 2025. The maximum amount of Employment Allowance has been increased from £5,000 to £10,500. HMRC have removed the restriction that did not allow Employers who had incurred Secondary Class 1 NICs Liability of more than £100,000 in the previous year from being able to claim.

Also from 6th April 2025, Employment Allowance 'de minimis state aid' has been renamed 'state aid'. The system has been updated with these figures.

National Insurance for Married Women

From tax year 2025/2026 onwards, a rule has been introduced to reject the FPS if an employee is on NI letter B, E or I if their Date of Birth is after 5th April 1961

Small Employers Relief Compensation

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

From 6th April 2025, the rate of compensation will increase from 3% to 8.5%. This means that employers who qualify for Small Employers Relief will be able to reclaim 108.5% from HMRC.

This compensation rate will apply to the following Statutory Payments:

- Statutory Maternity Pay
- Statutory Paternity Pay
- Statutory Adoption Pay
- Statutory Parental Pay
- Shared Parental Pay
- Statutory Parental Bereavement Pay
- Statutory Neonatal Care Pay

The Small Employers Relief threshold will remain at £45,000

Scottish Arrestment of Earnings

Scottish Arrestment of Earnings deductions table has been updated from April 2025. We have updated the system with these rates

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.

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.

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 - 2024/2025

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: 0300 052 3030 | 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 |