ORACLE HCM CLOUD PAYROLL

Navigating UK Legislative Updates 2026-27

WHAT'S CHANGING IN 2026-27

INCOME TAX

- Personal Allowance remains frozen at £12,570
- No rate or threshold changes for England, Wales, or NI
- Emergency tax code remains 1257L
- Rates unchanged: 20% | 40% | 45%
- Scotland: thresholds adjusted, rates unchanged
- No tax code uplifts expected

SCOTTISH INCOME TAX

- HMRC determines Scottish taxpayer status
- "S" prefix on tax codes
- Personal Allowance unchanged at £12,570
- Rates unchanged
- Starter rate (19%) → £3,967
- Basic rate (20%) → £16,956

WHAT'S CHANGING IN 2026-27

WELSH INCOME TAX

- Wales cannot set thresholds

- UK rates reduced by 10%, Welsh rates added

- "C" prefix on tax codes

- Welsh rates remain 10%

- No net tax change

NATIONAL INSURANCE

- Only the Lower Earnings Limit increases → £129 per week

- All other thresholds unchanged

- Employee & employer rates unchanged

- NI Rates Snapshot: Employee: 8%, 2% above UEL; Employer: 15%; Class 1A NI: 15%

WHAT'S CHANGING IN 2026-27 EMPLOYMENT ALLOWANCE

- Allowance remains £10,500
- Available to most employers
- Must be re-declared annually
- Change - De Minimis State Aid rules removed

STATUTORY SICK PAY — A MAJOR SHIFT

FROM 6 APRIL 2026:

- Waiting days removed
- SSP payable from day one
- Lower Earnings Limit eligibility removed
- SSP paid at lower of flat rate or 80% of AWE

WHAT'S CHANGING IN 2026-27 STUDENT LOANS

- Plan 5 introduced (threshold £25,000)
- Default deduction now applies to the lowest threshold plan
- Applies to courses from Aug 2023
- Repayments from April 2026
- Deduction rate: 9%

Other Plans

- Plan 1: £26,900
- Plan 2: £29,385
- Plan 4: £33,795
- Postgraduate: £21,000

WHAT'S CHANGING IN 2026-27

FAMILY & BEREAVEMENT LEAVE

- Parental Bereavement Leave becomes a day-one right
- Extended coverage (including miscarriage in NI)
- Paternity Bereavement Act extends leave to 52 weeks (pay unchanged)

CARS, VANS & BENEFITS

- Updated Car & Van BIK rates
- Low-emission vehicle percentages increase
- Car fuel & van benefit multipliers rise
- Payrolling of benefits processing enhanced and aligned to tax-year logic. Mandatory from April 2027.

WHAT'S CHANGING IN 2026-27

REPORTING

- New RTI (FPS/EPS) versions

- Updated P60, P11D, and P46(Car)

- No structural change to year-end/start-of-year flows

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Oracle Delivered Capabilities

- Waiting days removed automatically

- Day-one SSP supported

- New AWE Override for edge cases

- Correct handling of transitional absences

Oracle Statutory Pay Actions

Customer Actions Required

- Run Evaluate Absences

- Include open-ended absences

- Follow My Oracle Support effective-date guidance

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Oracle Student Loan Support

- Student Loan Plan 5 delivered

- Run Feature Upgrade - Student Loan Elements

- Compile Student Loan Fast Formula

- Default to lowest threshold plan automatically

Oracle RTI, P60 & P11D

- New FPS & EPS schemas

- New statutory balances supported

- Updated P60 & P11D formats

- XML updates effective 6 April 2026

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Oracle Cars, Vans & BIK

- Updated BIK rates delivered

- Manual overrides must be removed

- Correct multipliers applied automatically

WHEN ORACLE DELIVERS THESE CHANGES

Oracle delivers UK payroll legislative updates via:

- UK Legislative Update Bundles, aligned to major releases
  - Primary delivery for 2026-27 via Release 26A
  - Additional statutory functionality (e.g. Neonatal Care Pay) via 26B
- Critical Workforce Business Updates (CWBs) where required
- Deployment follows each environment's regular update cadence

Final deployment dates are communicated through:

- Customer Console notifications
- Oracle Knowledge Articles (refer KA1327 – UK Payroll Legislative Updates 2026/27)

WHEN ORACLE DELIVERS THESE CHANGES

For customers who require additional testing time, Oracle supports request early deployment for:

- Major SSP reforms

- Large or complex payroll populations

- Parallel payroll testing requirements

Oracle will assess eligibility and confirm timelines before deployment.