



# The Budget 2024: what HR and payroll need to know webinar

## Questions and answers

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## The Budget 2024: what HR and payroll need to know – Q&A

Q: Are these changes effective from 6th April 2025?

A: Yes, we're discussing the changes announced in the autumn Budget, which will take effect from April 2025.

Q: Does the change in LEL affects pensions calculations?

A: Yes, this could have an impact - it will depend on the pension scheme and what they deem pensionable pay.

Q: Are these all changes that will happen April next year, including the Salary Sacrifice scheme?

A: Yes – all these changes are from April 2025 BIK.

Q: I thought it was the National Living Wage that was increasing NOT National Minimum Wage?

A: Both are changing from April 2025.

Q: Do we now need to uplift those on NMW to include salary sacrifice on pension contributions?

A: Nothing needs to be done now, these changes are from April 2025, but do look at the impact of the increases.

Q: Can multi academies colleges now claim the employment allowance? We stopped once we became a MAT as it was above the threshold but now it's been removed can MATs now claim?

A: If you meet all the other criteria, you will be able to claim from April 2025 now the upper limit is being removed.

Q: Has any modelling been done to predict which sectors and businesses are going to be most significantly impacted by this?

A: no modelling as such, but sectors that employ a lot of 18-20yr olds will be impacted – hospitality and retail for example.

Q: RE: Tax Simplification, is there any news on the potential for tax and NI collection to be combined to become a single deduction?

A: No, this hasn't been raised as yet – the rules are very different on when the liability hits etc – this would be a major change.

Q: The example given of estimated NIC increase of £926, how did you arrive at that figure?

A: Based on the re-calculation of NIC amounts based on the new ST.

Q: With car allowance, does this need to increase?

A: Car allowances are contractual so this will depend on the organisation.

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Q: Regarding double cabs – if someone "orders" the double cab prior to April 25 but delivered after April 25, will the tax increase come into play April 29 or will they have to pay the new tax straight away?

A: Please do check the additional guidance but we believe it said signed contracts before.

Q: Cars obtained by giving up car allowance though will still be attractive won't they? Due to optional remuneration rules as long as only electric vehicles are provided.

A: This will depend on individual calculations and specific vehicles – the taxable charge is going to increase over the next 5 years.

Q: Whilst the Living Wage is generally higher than the NMW, you have shared the new rates from April 2025....are these rates to be applied in both instances?

A: Yes, the rates apply from April 2025.

Q: Regarding Payrolling benefit Class 1A NIC due in real time? is it confirmed? Thanks.

A: Awaiting final guidance, but we are expecting this change to be included.

Q: Payrolling Benefits – the talk is always about "on a monthly basis", but does it depend on the payroll frequency (e.g. Weekly payrolls)?

A: Sorry, even for weekly payrolls the payments to HMRC are monthly, and things like quarterly payrolls are included in the next payment due.

Q: Just moving to payrolled benefits from April 2025 – please confirm if Class 1A must be calculated and sent to HMRC on the monthly basis from BIK or can this be still calculated and paid once the year end is done?

A: As of now, the payment of Class 1A remains annual.

Q: Do we need to contact HMRC in order to set up Payrolling BIK? What are the timescales etc.?

A: Yes, you will need to register with HMRC. Unfortunately we don't know the time frame for this to happen – our suggestion is sooner rather than later.

Q: With payrolling BIK, do you recommend to early adopt rather than wait until April 26?

A: We recommend to be an early adopter – there may be lots of config work that needs to be done, so the sooner you speak to your provider, the better.

Q: When do company car changes occur?

A: Changes from April 2025, some have transitional periods extending to 2029.

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Q: If we are payrolling all benefits, will the deadline for registering PBIK be removed particularly if you introduce a new benefit or change a payroll mid year?

A: This hasn't been confirmed as yet – more guidance will be due by end of 2025.

Q: When payrolling of benefits comes into force will they remove the deadlines to register for example if implementing a payroll mid year or introducing a new benefit?

A: This hasn't yet been announced/confirmed.

Q: The transition year would effectively mean double taxation?

A: Yes, potentially for some employees.

Q: On the Payroll Benefits webinar you suggested that we should consider doing this from April 2025. Are you providing support in how we implement this in our payroll system?

A: Yes, we are supporting our customers with this changeover. We went through BIK and our support for customers in our earlier webinar, [here](#).

Q: Would you say it is more beneficial to switch to payrolling BIK from April 2025, or hold off until full guidance is released in April 2026?

A: Answered live – we recommend being an early adopter if you can!

Q: We use CiphR HR, where does the BIK sit on this site if we can pull the benefits across to payroll, is this a new tab that needs to be introduced?

A: Answered live in Q&A portion of broadcast.

Q: Will CIPHR charge for the implementation of BIK? Because the BIK will be mandatory, will CIPHR drop prices who already use BIK and paid fee for that services?

A: Answered live in Q&A portion of broadcast.

Q: Does this apply to Scotland too? Currently we no longer have access to the funding for the apprenticeship Levy funds it was ceased last year.

A: If you look [here](#) and search 'growth and skills levy', this change appears to apply to England only. But we await further clarification.

Q: When will the access to use funds other than apprentices start please?

A: The government is yet to confirm the start date, so keep any eye out for further announcements.

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Q: If the company registers to payroll benefits before the 2025/2026 tax year do we have to start payrolling benefits from April 25 or can we defer to April 26?

A: No, you can defer as long as you have registered.

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