

EMPLOYER COMPLIANCE – 2025/26

Employment Tax Reporting

Following the end of the UK tax year on 5 April, there are a number of tax reporting obligations for employers.

EMPLOYMENT TAX YEAR END REPORTING - DEADLINES FOR EMPLOYERS

Date	Deadline for
31 May 2026 (noting that this is a Sunday)	<ul style="list-style-type: none"> Providing employees with details of payrolled benefits for 2025/26 Short Term Business Visitor Agreement report (Appendix 4) to be filed with HMRC Appendix 8 payroll submission (including payment due) Providing P60s to employees
5 July 2026 (noting that this is a Sunday)	<ul style="list-style-type: none"> Agreeing with HMRC (or amending an existing agreement) a PAYE Settlement Agreement (PSA) for 2025/26
6 July 2026	<ul style="list-style-type: none"> Electronic submission of form P11D and P11D(b) for 2025/26 Registering new employee share plan arrangements with HMRC for 2025/26 (but this should be done as soon as possible) Submission of Employment Related Securities (ERS) return(s) for 2025/26
22 July 2026	<ul style="list-style-type: none"> Electronic payment of Class 1A NIC for 2025/26 (19 July if paid by post)
31 July 2026/31 August 2026	<ul style="list-style-type: none"> Non-statutory deadline for notifying HMRC of PSA liability for 2025/26 (this is based on individual employer agreements with HMRC)
22 October 2026	<ul style="list-style-type: none"> Electronic payment of income tax and Class 1B NIC PSA liability for 2025/26 (19 October if paying by post)

PENALTIES

Late or inaccurate filings will result in late paid interest and potential penalties from HMRC.

YEAR END REPORTING GUIDANCE

1



Short-Term Business Visitors (STBV): If you have an Appendix 4 STBV agreement with HMRC, the 2025/26 report must be submitted by 31 May 2026. Nil returns are no longer required, but annual visitor data should still be reviewed to confirm if any reporting is necessary. This is also a good opportunity to check that all visitors meet the Appendix 4 conditions. Where individuals do not, PAYE may need to be operated separately, or an Appendix 8 payroll arrangement may need to be considered.

2



Form P11D: Employers must submit P11D forms for employees who receive benefits that have not been payrolled. The deadline for submitting 2025/26 P11Ds is 6 July 2026. Employers should review benefits provided during the tax year to ensure all taxable benefits are captured and correctly valued.

3



Employment Related Securities (ERS) Annual Returns: Employers that operate employee share plans must also submit ERS returns to report relevant share transactions during the tax year. The deadline for submitting 2025/26 ERS returns is 6 July 2026. Further information can be found [here](#).

4



Payments of Class 1A NIC: Employers are required to pay Class 1A NIC on most taxable benefits provided to employees, based on benefits reported on Forms P11D and via payroll. Class 1A NIC relating to the 2025/26 tax year must be reported on Form P11D(b) by 6 July 2026 and paid by 22 July 2026 if paying electronically (or 19 July 2026 if paying by post).

5



PAYE Settlement Agreement (PSA): A PSA allows employers to settle the tax and NIC on certain expenses or benefits on behalf of employees, and is commonly used for items such as staff entertainment, small or irregular benefits, and benefits that are difficult to allocate to individual employees. Employers should review expenses and benefits provided during the year to determine whether they should be included in the PSA. Payment under the PSA for the 2025/26 tax year is due by 22 October 2026 where payment is made electronically (or 19 October 2026 otherwise).

RECENT CHANGES

Mandatory Payrolling of Benefits

Payrolling of benefits in kind (PBIK) will become mandatory for the majority of benefits from 6 April 2027 (for all benefits except living accommodation and beneficial loans). Employers should take action now to ensure that payroll systems can support mandatory payrolling and to check how benefits are currently captured and reported. Early preparation will help ensure a smoother transition once the new rules are introduced.

Section 690 (S690) Directions

Employers with internationally mobile employees may operate PAYE under a Section 690 direction, which allows PAYE to apply only to the UK portion of an employee's earnings. HMRC now requires Section 690 applications to be submitted annually, on or after the start of each tax year, ideally before the first April payroll. Employers should treat Section 690 directions as an ongoing compliance requirement rather than something dealt with retrospectively.



HOW CAN A&M TAX HELP?

At Alvarez & Marsal Tax, our Equity Reward and Employment Tax team have extensive experience in advising employers on their ongoing employment tax and NIC obligations.

Please contact your usual A&M point of contact or Louise Jenkins, Linda Cameron, Monica Houston or Scott Hutchison.

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ABOUT ALVAREZ & MARSAL TAX

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