



Key Highlights of the UK Budget 2025 Measures to Support Workers and Economic Growth

The UK budget presented by the Chancellor includes several key measures aimed at boosting employment and supporting workers. Overall, these measures have been introduced to support economic growth, improve financial stability for workers, and streamline payroll processed for employers.

There has been increase in National Minimum Wages and various thresholds/ tax rates like NIC, SMP, etc. Apart from this increase, following are the major highlights of the UK budget 2025:

No deduction of student and postgraduate loan repayments for employees working under 'Off payroll working (OPW)'

- The employer who has employees working under the OPW rules are NOT required to deduct student or postgraduate loan

repayments from the payments that go through payroll for OPW workers.

- An OPW worker is considered as a 'deemed employee' and they are responsible for making student and postgraduate loan repayments through their own Self-Assessment tax returns after the end of the tax year.

Additional guidance by His Majesty's Revenue and Customs (HMRC) on amending payroll for female employees who pay less National Insurance

- HMRC has advised employers to check employee's date of birth, gender for female employee to pay reduced rate of National Insurance, and select another National Insurance category before payroll submission.
- If a female employee gives a 'certificate of election' form to employer, she may be able to pay less National Insurance. HMRC has provided updated guidance on details of the certificate and also explains which National Insurance category letter the employer must use for employee's payroll submission.

Paying Pay As You Earn (PAYE) and Value Added Tax (VAT) bill by Direct Debit

- PAYE and VAT payments have been made simpler for employers by signing up to pay Direct Debit.
- Payments will be automatically collected from employer's bank account based on the information provided in Full Payment Summary and Employer Payment Summary for PAYE tax bill and VAT return.

Guidance on employer National Insurance contributions relief for employers operating in Freeport and investment zone special tax sites

- From 6 April 2025, eligible employers operating in a designated tax site who wish to claim the employer National Insurance contributions relief will be required to provide the workplace postcode for each employee within RTI (Real Time Information) Full Payment Submission.
- HMRC has published updated guidance on the same.

Change in notifications by employers to operate PAYE of a globally mobile employee's income and changes to Overseas Workday Relief

- From 6 April 2025, the new process introduced by HMRC allows an employer to send notification to HMRC specifying a proportion of income paid to a globally mobile employee or treaty non-resident employee which will be treated as not being PAYE income.
- Employers can notify HMRC by using a new online notification form and can operate PAYE on the reduced amount of income as soon as HMRC acknowledges the receipt of the form.

- Any HMRC directions that were issued before 6 April 2025 will have ceased to have effect.
- If employment income is paid to employee after 6 April 2025 but which relates to an earlier tax year in which
 - the employee was non-UK-resident
 - the employee was UK resident but qualified for Overseas Workday Relief and had elected remittance basis
 - the year was a split year in relation to that employee.

The payment is treated as PAYE income on the basis of best estimate.





Changes in Overseas Workday Relief rules

- Employees eligible for foreign income and gains will also be eligible for relief on relevant employment income which relates to duties performed outside the UK.
- Employer will not be required to pay any foreign employment income into a designated bank account overseas for the employees to benefit from Overseas Workday Relief unless it relates to tax year prior to 6 April 2025.
- The relief will now be available to employees for the first 4 years of UK residence.

- The eligibility criteria for Overseas Workday Relief have changed, so the employer will have to consider whether employee meets the revised eligibility criteria for the tax year.
- Employer may make employees aware that:
 - Foreign employment income will no longer be required to be kept offshore for eligibility of Overseas Workday Relief unless it relates to tax year prior to 6 April 2025.
 - Overseas Workday Relief will be subject to an annual financial limit for each qualifying year.
 - They must continue to keep necessary records of their work overseas correctly to complete their Self-Assessment tax return at the end of the tax year.

'Find National Insurance Number' service

- If employees do not know their National Insurance number, they can now use 'Find your National Insurance,' an online service introduced by HMRC.
- The employer can hire new employee before receiving confirmation of National Insurance number from HMRC, if they can confirm that the new employee is legally entitled to work in the UK and provide as many personal details as possible while making Real Time Information submission.

HTML format of employer bulletin

- The employer bulletin published by HMRC will now have contents page, with links which is fully scrollable.
- Articles are classified into categories with a heading which is within the introduction to make it easier to find the updates and information.
- The HTML format of employer bulletin allows you to print the document, save the document as PDF.

About Nexdigm

Nexdigm is a privately held, independent global organization that helps companies across geographies meet the needs of a dynamic business environment. Our focus on problem-solving, supported by our multifunctional expertise, enables us to deliver customized solutions tailored for our clients.

We provide integrated, digitally-driven solutions encompassing Business and Professional Services across industries, helping companies address challenges at all stages of their business lifecycle. Through our direct operations in the USA, Poland, the UAE, and India, we serve a diverse range of client base, spanning multinationals, listed companies, privately-owned companies, and family-owned businesses from over 50 countries. By combining strategic insight with hands-on execution, we help businesses not only develop and optimize strategies but also implement them effectively. Our collaborative approach ensures that we work alongside our clients as partners, translating plans into tangible outcomes that drive growth and efficiency.

At Nexdigm, quality, data privacy, and confidentiality are fundamental to everything we do. We are ISO/IEC 27001 certified for information security and ISO 9001 certified for quality management. Additionally, we comply with GDPR and uphold stringent data protection standards through our Personal Information Management System, implemented under the ISO/IEC 27701:2019 Standard.

Over the years Everest Group PEAK Matrix®, ISG Provider Lens™, and Avasant RadarView™ have featured us for our competitive Procurement and Finance & Accounting Outsourcing Services and Business Process Transformation. We have also been recognized by International Tax Review, World Commerce and Contracting, International Accounting Bulletin, and Global Sourcing Association (GSA) UK.

Nexdigm resonates with our plunge into a new paradigm of business; it is our commitment to ***Think Next.***

USA Canada Poland UAE India Japan

www.nexdigm.com

Reach out to us at ThinkNext@nexdigm.com

Follow us on



Listen to our
podcasts on all
major platforms

This document contains proprietary information of Nexdigm and cannot be reproduced or further disclosed to others without prior written permission from Nexdigm unless reproduced or disclosed in its entirety without modification.

Whilst every effort has been made to ensure the accuracy of the information contained in this document, the same cannot be guaranteed. We accept no liability or responsibility to any person for any loss or damage incurred by relying on the information contained in this document.