STATUTORY INSTRUMENTS

2025 No. 294

INCOME TAX

The Income Tax (Pay As You Earn) (Amendment) Regulations 2025

Made - - - -	*7th March 2025*
Laid before the House of Commons - - - -	*12th March 2025*
Coming into force - -	*6th April 2025*

The Commissioners for His Majesty's Revenue and Customs make these Regulations in exercise of the powers conferred by section 684(1) and (2) of the Income Tax (Earnings and Pensions) Act 2003(**1**) and now exercisable by them(**2**).

Citation and commencement

1. These Regulations may be cited as the Income Tax (Pay As You Earn) (Amendment) Regulations 2025 and come into force on 6th April 2025.

Amendment of the Income Tax (Pay As You Earn) Regulations 2003

2. The Income Tax (Pay As You Earn) Regulations 2003(**3**) are amended as follows.

3. In regulation 2(1) insert in the appropriate place—

"“secondary threshold” means the secondary threshold for Class 1 contributions for the purposes of section 5(1) of the Social Security Contributions and Benefits Act 1992(**4**);"

4. In regulations 47(2), 48(2), 49C(2) and 49D(2)—

(a) before “the lower earnings limit” insert “either”; and

(b) after “the lower earnings limit” insert “or the secondary threshold, whichever is the lesser amount,”.

(**1**) 2003 c. 1. Section 684 was relevantly amended by section 145 of the Finance Act 2003 (c. 14), paragraph 102 of Schedule 4 to the Commissioners for Revenue and Customs Act 2005 (c. 11) (“CRCA”) and paragraphs 1, 2, 3 and 7 of Schedule 58 to the Finance Act 2009 (c. 10).

(**2**) The functions of the Commissioners of Inland Revenue were transferred to the Commissioners for His Majesty's Revenue and Customs by section 5(2) of the CRCA. Section 50(1) of that Act provides that a reference to the Commissioners of Inland Revenue, however expressed, shall be taken as a reference to the Commissioners for Revenue and Customs.

(**3**) S.I 2003/2682. Relevant amending instruments are 2005/2691, 2007/2969, 2009/588 and 2012/822.

(**4**) 1992 c. 4. Section 5 was substituted by paragraph 1 of Schedule 9 to the Welfare Reform and Pensions Act 1999 (c. 30) and subsection (1) was amended by section 1(1)(a) of the National Insurance Contributions Act 2008 (c. 16).

Angela MacDonald
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Two of the Commissioners for His Majesty's Revenue and Customs

7th March 2025

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations amend the Income Tax (Pay As You Earn) Regulations 2003 ("the PAYE Regulations") (S.I. 2003/2682) which make provision for the assessment, charge, collection and recovery of income tax in respect of pay as you earn income.

Regulation 3 of these Regulations amends regulation 2(1) of the PAYE Regulations which contains the definitions of terms in those Regulations. Regulation 3 inserts a new definition of "secondary threshold" into the PAYE Regulations.

Regulation 4 of these Regulations amends regulations 47(2), 48(2), 49C(2) and 49D(2) of the PAYE Regulations to add reference to the secondary threshold so that the PAYE Regulations now require an employer to apply either the lower earnings limit or the secondary threshold, whichever is the lesser amount, on the making of the first relevant payment.

A Tax Information and Impact Note has not been prepared for these Regulations as they contain no substantive changes to tax policy.