



P60 DEADLINE: ACTIONS TO TAKE BEFORE 31 MAY

Many business owners treat P60s as a simple box-ticking exercise. While meeting the deadline is important, stopping there means missing a valuable opportunity to identify payroll errors early, before they become more costly to resolve later in the year. With the 31 May deadline approaching, here is what you need to know and why it matters.

P60 deadline: 31 May 2026

Every employee on your payroll as at 5 April 2026 must receive their P60 by 31 May 2026. There are no extensions. Missing the deadline may result in HMRC penalties, as well as issues for employees who require their P60 for mortgage applications, tax returns, or benefit claims.

If you manage payroll in-house, ensure this is scheduled. If you outsource payroll, confirm with your provider that it is being handled.

Key change for 2026/27: Plan 5 student loans

From the 2026/27 tax year, Plan 5 student loans will enter repayment. The threshold is £25,000, which is lower than Plan 2, meaning more employees may be affected than expected. Now is the time to check which plan each employee is on. Errors in this area can lead to payroll corrections, HMRC queries, and additional administrative work. Accountant's tip: Use the P60 process to review student loan plans and ensure the correct deductions are in place for the new tax year.

Use P60s as a payroll review

While reviewing P60s, carry out a sense check on Benefits in Kind ahead of the July P11D deadline. Common issues include company cars, private medical insurance, and interest-free loans being incorrectly classified or overlooked. Identifying any issues now allows time to correct them properly, rather than dealing with pressure and potential penalties closer to the deadline.

What to review before 31 May

- Confirm all eligible employees will receive their P60 on time
- Review student loan plans, particularly where employees may fall under Plan 5
- Cross-check Benefits in Kind against payroll records
- Ensure 2026/27 tax codes are correct from the start of the tax year

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