



Reform's new overtime tax policy torn to shreds

## Description

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Reform leader Nigel Farage in a room full of journalists

Reform UK unveiled an attention-grabbing new policy proposal on Sunday 24 May:

Reform will scrap income tax on overtime.

It's time to make work pay. [pic.twitter.com/Q0IuvT9WPM](https://pic.twitter.com/Q0IuvT9WPM)

Reform UK's Nigel Farage MP (@Nigel\_Farage) [May 24, 2026](#)

The problem for Reform is that the policy has also grabbed the attention of people who think things through.

## Reform's Avoidance opportunities

Sam Dumitriu of the Britain Remade thinktank had 5 points on the new policy

1. This appears to be an import of Trump's extremely dumb (but clearly popular) no tax on tips policy.
2. If your aim is to boost growth and incentivise work, this isn't a good use of £5bn. It's a luxury policy in all honesty: can they honestly say £5bn couldn't go further elsewhere (either in tax cuts, infrastructure investment, or just improving public services)?

3. This will likely create lots of avoidance opportunities.
4. There will also be genuine cases of unfairness. What about workers with second jobs?
5. This is likely to create a massive cliff-edge problem where taking an extra hour of overtime or getting a raise leaves someone thousands of pounds worse off.

To be clear, Britain Remade isn't a left-wing think tank; [it's actually linked to the Tories](#). You could respond by saying "well of course they'd object to a Reform policy", but arguably the Tories would be more likely to steal it if it made sense [and it wouldn't be the first time they'd poached an idea from Farage](#).

One banker offered a perspective on how businesses could exploit these "avoidance opportunities":

If someone on a £75k salary with a 41 hour week with 1 hour guaranteed overtime restructured the contract to a minimum wage (age 21+ at £12.21/hour) for the first 40 hours which is £25,396.80 and the rest of the year £49,603.20 is overtime this would reduce their tax by about £17,000! <https://t.co/XWUlnbOIwt>

David Hollidge (@DavidHollidge) [May 23, 2026](#)

This tax specialist did the same:

I've only been thinking about this for about 10 minutes, but take someone earning, say, £50k in a 40 hour week doing an hour's overtime (extra £1,250 a year). Their hourly rate is currently £24/hr.

They could agree to change their contract so that:

The first 40 hours <https://t.co/jwWlj2vR6X>

Stuart (@StuartMaggs) [May 23, 2026](#)

Steve Loftus is another figure on the centre right who took issue with Reform's policy, [noting](#)

France did this in 2007 in almost exactly the same way.

It cost ~£4.5b a year in lost revenue for no gain. No more hours were worked, people just shifted their work to game the system.

It did nothing but give people more take home pay and it ended in 2012.

But if you want to give people more take home pay there are a dozen easier way to do it.

## Gimmicks

Finally getting to someone who isn't a banker or a tax wonk, trade unionist commenter Josh noted:

The UK working time directive means you can't be forced to work more than an average of 48 hours a week.

Reform's attempts to normalise 40+ hour working weeks are a clear attempt to set an agenda of rolling back on employment rights workers have fought for over the past century

<https://t.co/hU9Wp88TgF>

Josh  (@jhendy\_10) [May 23, 2026](#)

The Trades Union Congress's general secretary Paul Nowak, meanwhile [said the following](#)

Nigel Farage's overtime tax proposal is just a cynical gimmick.

Working people don't need politicians encouraging a culture of ever-longer hours. They need decent pay rises, secure jobs and strong rights at work.

If Mr Farage was truly serious about reducing the tax burden on workers, he'd support fairer taxes on wealth and clamping down on tax avoiders in his own ranks like Richard Tice. But that might upset his corporate donors.

He added:

Reform want to strip away protections that keep workers safe and healthy - including limits on excessive hours and rights to paid holidays and rest breaks.

And Farage's claim to stand up for working people is frankly laughable. He wants to tear up the Employment Rights Act and scrap protections like day one sick pay, bans on exploitative zero-hours contracts and measures to stop fire-and-rehire abuses.

This is not a plan to make work pay. It's a charter for weaker rights, longer hours and exhaustion at work.

And what about the millions of workers - mainly women - who work part time? Does Nigel Farage think their jobs matter less?

## Popularity contest

While Reform is proposing ill-thought-out tinkering, the Green Party has been proposing more serious solutions. [As the Canary's Rachel Charlton-Dailey wrote](#)

the Greens have proposed to introduce a 10:1 pay ratio. This would mean the highest-paid person in a company couldn't earn more than ten times what the lowest-earning employees do.

In practice, minimum-wage employees would get a pay rise, but crucially, we would also see the end to sky-high executive salaries and ridiculous bonuses.

The overtime tax policy has at least proven to be popular with the *Sun's* Kate Ferguson:

Breaking news – a politician actually proposes to cut tax.

Reform UK will stop paying workers for mugs and ban tax on overtime.

Robert Jenrick writes for us on Reform UK's new policy. <https://t.co/jbX2LUZGBw>

– Kate Ferguson (@kateferguson4) [May 23, 2026](#)

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So it's a question of who you trust: the nation's least trustworthy newspaper or everyone else.

Featured image via [Getty Images \(Ryan Jenkinson\)](#)

By [Willem Moore](#)

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