



HM Revenue
& Customs

Employer Bulletin

Your route to the latest in payroll news and views

April 2014 Issue 47



National Insurance Employment Allowance
- Have you claimed yours yet?

Welcome

Welcome to another edition of the Employer Bulletin

When we published last April's edition of the Bulletin, the move to reporting PAYE in real time had only just been introduced. Since then, things have continued to go well and the vast majority of individual PAYE records (over 99%) are now being reported in real time. HMRC would like to thank all employers for working with us to make this a success. This has been the most significant change to PAYE reporting for decades and the article on pages 6 to 10 takes a look back at what went well and outlines what still needs to be done.

The Chancellor delivered his Budget to Parliament on 19 March. On page 4 you will find a summary of those announcements which may have an impact on your payroll obligations and a link which takes you to all the Budget announcements.

If you are a business or a charity that pays employer Class 1 National Insurance Contributions on your employees' or directors' earnings, have you claimed for the new Employment Allowance? This could be worth up to £2,000 per year. The article on page 5 tells you all about the allowance and what you need to do to make a claim.

There is also an article on page 11 about a new tax free childcare scheme that will be launched in autumn 2015. There is no mandatory role for employers in this new scheme, but you can be involved if you wish. The new scheme may however have an impact if you operate an Employer Supported Childcare scheme.

I'd also like to remind you that the Employer Orderline fax facility will be withdrawn from June 2014.

There is a lot of important payroll information contained in the Bulletin and looking back, each edition now seems to be bigger than the last. With this in mind, we are going to publish the Employer Bulletin on a bi-monthly basis for a trial period, so your next edition will be available in June. This will allow us to target information and messages that are more appropriate to that point in the PAYE year and you won't be overburdened with the amount of information you receive.

To make sure you don't miss an issue of the Employer Bulletin why not sign up for our free email alert facility at

www.hmrc.gov.uk/payerti/forms-updates/forms-publications/register.htm

Signing up means we can notify you each time a new version of the Employer Bulletin is available or when other PAYE products have been updated online.




We will carry out a full review of the Employer Bulletin after 12 months, so if you have any comments about the frequency, format or content, or if there is something specific you would like to see featured, please contact me at

Alison.bainbridge@hmrc.gsi.gov.uk



Alison Bainbridge
Editor

Contents

- | | |
|---|---|
| <p>4 Budget Announcements </p> <p>5 Get up to £2,000 reduction in your employer Class 1 National Insurance Contributions (NICs) payment each tax year </p> <p>6 Operating PAYE in real time – RTI: One year in </p> <p>11 Tax-Free Childcare</p> <p>12 HMRC's Basic PAYE Tools</p> <p>13 HMRC online services – new look and features</p> <p>14 Mandating the Scheme Contracted out Number (SCON) via Real Time Information Submissions from April 2014</p> <p>15 Regional Employer National Insurance Contributions (NICs) Holiday for New Businesses</p> <p>16 Reminder that deductions from pay begin in April 2014</p> <p>17 Use the correct Payment reference to ensure your electronic payment is allocated correctly</p> <p>18 Percentage Threshold Scheme and the Health and Work Service</p> <p>20 A new service for those needing the most help</p> <p>21 Reporting 2013-14 Expenses and Benefits</p> | <p>27 Automatic enrolment: what every employer needs to know</p> <p>28 Statutory Payment Advance Funding</p> <p>29 Moving to GOV.UK – Statutory Payments Guidance</p> <p>31 National Minimum Wage: Government cracks down on non-paying employers</p> <p>33 Agencies and employment intermediaries</p> <p>34 Construction Industry Scheme (CIS)</p> <p>34 Reminder: 'Extra' paydays (week 53, 54 or 56) and underpayments of tax</p> <p>35 Child Maintenance – what's new?</p> <p>36 What is Shared Parental Leave?</p> <p>37 Extension of the right to request flexible working</p> <p>38 Tax credits – why it's better for employees who renew early</p> <p>39 Disability Confident – Support for businesses to employ disabled people</p> <p>40 The Future of Apprenticeships in England: Funding Reform Technical Consultation</p> <p>41 Employer diary</p> <p>44 Helpline & Orderline numbers</p> |
|---|---|

Need to know

Essential reading, articles and information

Budget Announcements

The Chancellor of the Exchequer delivered his Budget on 19 March 2014. This is a brief summary of the announcements which may have some effect on the operation of your payroll obligations to HMRC. Full details of the Chancellor's announcements can be found at www.gov.uk/government/topical-events/budget-2014

Current tax year - 2014-15

In his Budget on 19 March 2014, the Chancellor of the Exchequer confirmed the announcements made in his Autumn Statement on 5 December 2013 on Personal Allowances, Income Tax rates and Income Tax bandwidths for 2014-15. The Class 1 National Insurance contributions (NICs) earnings limits and thresholds remain unchanged from those confirmed on 5 December 2013.

Details of the PAYE and NICs rates, thresholds and limits can be found at www.hmrc.gov.uk/payerti/forms-updates/rates-thresholds.htm

For 2014-15 tax codes, you should continue to use the information provided on the form P9X (2014) 'Tax codes to use from 6 April 2014' to enter the correct tax code on the employee's payroll record. Form P9X is available online to download or print at www.hmrc.gov.uk/helpsheets/p9x.pdf

There are no changes to the April 2014 versions of Payroll software and Tax Tables which should be used from 6 April 2014.

2015-16 Tax Year

Changes to the basic rate limit and the personal allowance from 6 April 2015

The basic rate limit will be reduced to £31,785. The personal allowance for people born after 5 April 1948 will be increased to £10,500.

No changes were announced to the 'age related' personal allowances meaning that the personal allowance for those born after 5 April 1948 will be aligned with the lower age related personal allowance of £10,500 for those people born after 5 April 1938 and before 6 April 1948. The higher age related personal allowance for those born before 6 April 1938 remains at £10,660.

Car fuel charge, van and van fuel benefit

The fuel benefit multiplier used to calculate the tax payable on the benefit of free fuel for company cars will increase in line with inflation. The van benefit charge and the van fuel benefit charge will also increase in line with inflation. These increases will be based on the Retail Prices Index (RPI) figure for September 2014. These increases will be legislated by Order in the autumn.

The current van benefit charge exemption for zero emission vans is being phased out between April 2015 and April 2020.

From the 2015-16 tax year a special low rate of 20% of van benefit charge will apply for zero emission vans.

This special rate will then increase each year until by 2020 it becomes the same as the full van benefit charge, as follows:

- 40% of van benefit charge in 2016-17
- 60% of van benefit charge in 2017-18
- 80% of van benefit charge in 2018-19
- 90% of van benefit charge in 2019-20
- 100% of van benefit charge in 2020-21.

The change will also be legislated by Order in the autumn.

Get up to £2,000 reduction in your employer Class 1 National Insurance Contributions (NICs) payment each tax year

Time for Action - Claim your Employment Allowance now

Across the UK 1.25 million businesses, charities and Community Amateur Sports Clubs are eligible to claim the new NICs Employment Allowance.

Claiming the Employment Allowance can reduce your employer Class 1 NICs by up to £2,000 for each tax year.

The NICs Employment Allowance is straightforward and easy to claim.

NICs Employment Allowance: Only two steps away

Step 1: Determine your eligibility

You can claim the Employment Allowance if you are a business or charity that pays employer Class 1 NICs on your employees' or directors' earnings.

You cannot claim the Employment Allowance, if you:

- employ someone for personal, household or domestic work, such as a nanny, au pair, chauffeur, gardener, care support worker
- already claim the allowance through a connected business or charity
- are a public authority, this includes; local, district, town and parish council
- carry out functions either wholly or mainly of a public nature (unless they have charitable status)
- are a Personal or Managed Service Company who pays contract fees instead of a wage or salary, Service companies can only claim part of the allowance, if there is an employer Class 1 NICs liability and cannot claim the allowance for any deemed payments of employment income.

For more details of eligibility go to www.hmrc.gov.uk/nicsemploymentallowance

Step 2: Claim the allowance

You can use your own payroll software (see your software provider's instructions), or HM Revenue and Customs' (HMRC's) Basic PAYE Tools to claim the Employment Allowance.

Using the Basic PAYE Tools software is a simple process and it is free to download. Full guidance is given, and it lets you know how much Employment Allowance is used.

You can only claim the Employment allowance against one PAYE scheme, for example; If your company or charity has one PAYE scheme for employees and another for directors'; you must choose which scheme to claim the £2,000 Employment Allowance against.

When you make your claim (using the system of your choice), you must remember to reduce your employer Class 1 NICs payment by an amount of Employment Allowance up to a maximum of £2,000 per year.

Once made, we automatically carry your claim forward each tax year.

If you have signed up for; HMRC's Business Tax Dashboard or PAYE Online Services, you can see how much Employment Allowance you have used, by clicking on 'View PAYE Liabilities and Payments'.

If you are exempt from filing online, you can claim the Employment Allowance using the paper Employer Payment Summary. For more information, see the Employment Allowance guidance we sent to you earlier this year.

For more information, details of eligibility and how to claim the NICs Employment Allowance go to www.hmrc.gov.uk/nicsemploymentallowance

Operating PAYE in real time - RTI: One year in

Real Time Information (RTI) affects every employer and every pension provider in the country. It's now a year since most employers started reporting PAYE information in real time - the biggest change to the PAYE system in 70 years - so it is worth taking stock of what has gone well and the work we still need to do.

First of all, though, we want to take this opportunity to thank you all for working with us to make RTI a success.

The vast majority of individual PAYE records (over 99%) are being reported in real time, and the majority of employers have told us that RTI has been either very or fairly easy to deal with.

We knew that 2013-14 would be a year of transition for everyone, including HMRC. As expected with such a major change, there have been some issues but, overall, the hard work that people throughout the country have put in to making RTI work means that we are regularly being told that RTI is a success.

Thank you for helping to make this happen.

What has gone well?

All the way through RTI we have worked closely with our many stakeholders, including employers and their representative groups, agents, government departments, banks and software developers.

They have helped us to design RTI around employers' payroll processes. We've also heard some great examples of employers and agents who have used RTI as an opportunity to look again at their processes and make changes which have saved them time and money.

We have undertaken a significant amount of consultation, and while it has not always been possible to take on board every suggestion, we have used the opportunity presented by the year long pilot and this first year of live running to tune and adapt our systems and approach as we learn more. We have listened when you have raised concerns; for example we have introduced easements to the on or before reporting rules and staggered the introduction of new RTI penalties.

We have also received lots of helpful advice to make sure that RTI communications, guidance and education products are as clear as possible and have been widely distributed.

Our systems have performed well. We have successfully received over **31m Full Payment Submissions covering 663 million payments** to individuals.

We are using this information, for example, to issue tax codes when someone starts a new job, and in the Universal Credit Pathfinder.

Data quality has been high with over 99% of individual records matching to a valid national insurance number. This is great testament to the work employers, agents, payroll providers and software developers did prior to joining RTI to clean up their data.

[article continues >](#)

Learning lessons and making improvements

We always knew that with a change of this magnitude, there would be some issues. We also know that if you are affected by an issue it can be worrying and take time to sort out. The issues that we have had have only affected a minority of employers. But if you have been affected, then thank you for your patience as we've worked to resolve the problem.

Over the coming weeks and months we will continue to work with employers and their representative bodies to address areas of concern, including:

- difficulties and misunderstandings in reconciling the amount of tax HMRC thinks is due with the employer's view of their charge – and seeing how we might be able to improve how information is presented on the Business Tax Dashboard
- adding safeguards to our systems that greatly reduce the potential to create duplicate employments. Employers can help with this too: see the hints and tips at www.hmrc.gov.uk/payerti/reporting/employee-records.htm
- improving both the wording and the targeting of our Generic Notification Service messages.

We also know that some employers and agents are still getting used to regular PAYE reporting. In December last year we announced a package of support for micro employers – those with 9 or fewer employees. We will continue to work with employers, agents, developers and representative bodies to monitor use of the time-limited relaxation to 'on or before' reporting, to understand the concerns of businesses and to help those who are struggling to report 'on or before' to do so in good time for April 2016.

This means that, if you are an employer with between 10 and 49 employees who previously used the reporting relaxation to submit your PAYE on a monthly basis during 2013-14, from 6 April 2014 you should now be reporting on or before the date you pay your employees.

The rest of this article contains the latest news on RTI.

Final PAYE submissions for the 2013-14 year

With 5 April having recently passed, most of you will now have made your final PAYE submissions for the 2013-14 year. Don't forget you must give relevant employees a P60 by 31 May.

If you are making your final submission for 2013-14 by way of an Employer Payment Summary (EPS) don't forget to:

- confirm that it is your final submission for the tax year
- answer the additional questions and complete the declaration; and
- send it to HMRC by 19 April.

Don't forget: you may be charged a penalty if submissions are made late.

For more information about making a successful final PAYE submission go to www.hmrc.gov.uk/payerti/end-of-year/tasks.htm

[article continues >](#)

As well as detailed guidance, you will find there:

- a flowchart – see www.hmrc.gov.uk/payerti/end-of-year/finish-payroll-flow.pdf
- an ‘At a glance’ – see www.hmrc.gov.uk/payerti/end-of-year/finish-payroll.pdf
- and we also have a video on YouTube – go to <http://youtu.be/E6SAom6GrMo>

If you have already sent your final submission for 2013-14, but have now discovered an error, don't worry – you can easily put things right:

- Before 20 April: just correct the year-to-date figures and send an additional submission. You don't need to complete the additional questions and declaration again.
- On or after 20 April: correct the 2013-14 information by sending an Earlier Year Update (EYU) as soon as possible.

You can find out more about correcting errors for previous years by going to www.hmrc.gov.uk/payerti/reporting/errors/previous-year.htm

It's important that you send HMRC accurate PAYE information on time. We will use what you send us to make sure that you and your employees have paid the right amounts of tax, National Insurance contributions and student loan deductions for the tax year. The information is also used to calculate entitlement to state benefits, tax credits and pensions.

No PAYE/NICs payment due

Employers operating PAYE in real time must use either an Employer Payment Summary (EPS) or Full Payment Submission (FPS) to advise HMRC that no payment is due. If you try to report you have nothing to pay in any other way, your record won't be updated.

For further information about how to notify HMRC if no PAYE/NICs payment is due go to www.hmrc.gov.uk/payerti/paying/deadline.htm#8

If you have yet to move over to PAYE in real time please see www.hmrc.gov.uk/payerti/getting-started/payee-basics/rti.htm

Interest charges from April 2014

In February's Bulletin we told you that from April 2014, HMRC will charge interest on any payments not made by the due date. This will be charged daily – rather than annually – on unpaid:

- PAYE, including specified charges
- Construction Industry Scheme charges
- Late payment penalties
- Late filing penalties
- Class 1A NIC charges.

[article continues >](#)

Employer Bulletin > Operating PAYE in real time - RTI: One year in

We have prepared an 'At a glance' to help employers and agents understand these charges. It covers:

- how in-year interest is calculated
- when HMRC will issue a demand for payment
- how employers will know they have been charged interest; and
- what to do if you don't agree with the interest charged.

It also links to further guidance, such as current rates of interest and what employers should do if they think they will have difficulty paying.

View the 'At a glance' www.hmrc.gov.uk/news/payee-interest.pdf

How we're using your RTI data to help customers

Every year, we ask our tax credits customers to confirm their details are correct and give us their income, this is part of our annual renewals campaign. For the first time, this year we will use the income information you have sent to us on your Final Full Payment Submission (FPS). We call this

Income for 2013-14 that your employer(s) or occupational pension provider(s) told us about.

To ensure the income details we use are accurate, you should submit your final FPS as usual on or before the time you pay your employees. So for most employers, this means you will send your final FPS on or before your last payday in the tax year, which ends on 5 April 2014.

If you need to correct your final submission you can do so:

- **By 19 April 2014:** by sending an additional FPS with corrected year-to-date figures for 2013-14.
- **On or after 20 April 2014:** by sending an Earlier Year Update (EYU) as soon as possible.
- This is because, from 19th April, we will start to work out your employees' tax credits.

If the PAYE information is incomplete, the income calculations we send to your employees may be incorrect and we may need to contact you and your employees. This information is also used in the calculation of entitlement to state benefits and pensions.

We will give your employee details of their reported taxable pay to date and any benefits taxed via payroll Year to Date. We also use information you provide us about occupational pensions payments, statutory payments and pension contributions to help the employee calculate their income correctly.

We will provide this information to your employee between April and July 2014. We will ask them to check this income information and let us know if anything needs to be changed or is missing. We also ask them to let us know if any of their circumstances have changed such as childcare costs they pay.

[article continues >](#)

It is important that the information you give us is correct to prevent employees asking you why the information HMRC is telling them is different.

In addition to the annual checks we undertake, we also examine a number of tax credits awards. We use the information you provide about income and hours worked. The number of hours your employee works determines if they are entitled to tax credits and how much they should receive. Your information is vital in ensuring that customers receive the right amount of tax credits. So, it is important that you accurately record the number of hours your employees normally work.

If you give us inaccurate information your employee may receive too much or too little tax credits.

If you want to help make sure your employees renew early and receive the correct tax credits, please direct them to this guidance

www.hmrc.gov.uk/taxcredits/keep-up-to-date/renew-claim/help-renew.htm

Universal credit rolls out

Universal Credit is now live in 10 areas covering England, Scotland and Wales (Ashton-under-Lyne, Bath, Hammersmith, Harrogate, Inverness, Oldham, Rugby, Shotton, Warrington and Wigan).

These areas are currently taking Universal Credit claims from single people but from the summer these areas will progressively start to take new claims for couples and, in the autumn, from families. By the end of the year, Universal Credit will also start to expand to cover more of the north-west of England. Universal Credit will therefore expand in scope and scale over the next 2 years.

Current plans will see new claims to existing benefits closed during 2016. This will mean that all new benefit claimants across the country will claim Universal Credit instead of the legacy benefits like Jobseeker's Allowance or Housing Benefit.

Meanwhile, most of the existing benefit claimants (including those currently claiming Tax Credits) will be moved over to Universal Credit during 2016 and 2017.

The PAYE information sent from HMRC allows the Department for Work and Pensions (DWP) to see details relevant to claimants, such as pay frequency, earnings and deductions. This enables the Universal Credit system to automatically reduce or increase the Universal Credit payment to reflect the claimant's earnings.

Therefore, if PAYE information is reported late, it may affect the Universal Credit payment for that month, depending on when the person's monthly Universal Credit payment date is.

It also helps DWP to tackle fraud or error, for example, in relation to final payments from a job, or if and when a claimant has started a job.

The latest information on Universal Credit is on the partner toolkit at

www.gov.uk/universal-credit-toolkit-for-partner-organisations

Tax-Free Childcare

The government is introducing Tax-Free Childcare (TFC) to support working families.

The new scheme will be introduced in autumn 2015, and extends help with childcare costs to significantly more families, supporting parents in the decision to return to the workplace or increase their working hours.

Tax-Free Childcare is not reliant on the employer being involved and there will be no mandatory employer role within this new scheme. However, employers can play a role if they wish to do so. And from responses received during last year's consultation, it was clear that many employees would like their employers to play a role – and many employers want to do so.

The Government's consultation response at www.gov.uk/government/consultations/tax-free-childcare sets out the next steps, and in Chapter 4 makes some suggestions on how employers may wish to participate in the new scheme.

The existing scheme, Employer-Supported Childcare (ESC; childcare vouchers and directly contracted childcare) will remain available to employees who are already members of their employer's scheme when Tax-Free childcare is introduced for as long as they remain with their employer, and for as long as their employer continues to offer the scheme.

Alternatively, they may wish to move to Tax-Free Childcare – but they will not be able to be in receipt of support through both schemes at once. There will be help and advice so parents can understand the benefits of each scheme.

ESC will be closed to new members when Tax-Free Childcare is introduced in autumn 2015. Workplace nurseries will not be affected by the changes.

ESC is part-funded by a National Insurance Contributions disregard for employers. Such arrangements will not be available in Tax-Free Childcare. This will ensure that the extra funding made available for Tax-Free Childcare will maximise support for working families with their childcare costs.

The new scheme will be run by HMRC, in partnership with NS&I.

For more information go to www.gov.uk/government/consultations/tax-free-childcare

HMRC's Basic PAYE Tools

In February's edition of the bulletin we told you that the 2014-15 version of Basic PAYE Tools will be provided as an update to the existing version rather than a separate download. This means that you will not need to transfer your database as you have done in previous years.

If you've not already done so, you must send in any outstanding FPS for 2013-14 and then send your final submission for the tax year declaration. To do this you should

- Open Basic PAYE Tools
- From the Home page select the employer name from the Employer list on the left
- At the top of the screen on the left, below the employer name, the tax year needs to show 2013-14; if any other year is shown then please click on the 2013-14 link to the right
- From the Menu on the left, select the 'Final submission for tax year' link
- From the Menu on the left, select the 'Complete final submission for tax year details' link
- Answer the questions and select 'Next'
- From the Menu on the left, select the 'Outstanding submissions' link and select the 'Send all outstanding submissions' link to ensure you submit all the information.

Guidance on 'PAYE final submission for the year and end-of-year tasks' is on our website at www.hmrc.gov.uk/payerti/end-of-year/tasks.htm

P60s for 2013-14

By the 31 May 2014 you need to give each employee who was working for you on 5 April 2014 a P60 for 2013-14. If you used Basic PAYE Tools to run your payroll in 2013-14, you need to take the 2014-15 software update, then you will be able to access the P60s for 2013-14; you can print them, or save and email them to your employees. To do this you should check that you are running the latest version of the software:

- Open Basic PAYE Tools and from the Home page follow the 'Settings' link
- Select the 'Update' link from the left of the screen
- Click the 'Check now' button
- Take the update if one is available
- Select 'Home' from the green stripe at the top of the screen
- Select the employer name from the Employer list on the left
- At the top of the screen on the left, below the employer name, the Tax year: needs to show 2013-14; if any other year is shown then please click on the 2013-14 link to the right
- From the Menu on the left, select the 'P60 forms' link.

Major upgrade in summer 2014

In July or August 2014, some new functionality will be provided to employers who use Basic PAYE Tools. It is essential that all users take this upgrade when it is made available. To ensure that you are prompted when the update is released you should:

- Open Basic PAYE Tools and from the Home page follow the 'Settings' link
- Select 'Yes' to 'Automatic update?'
- Scroll to the bottom of the screen and select 'Save'.

HMRC online services - new look and features

HMRC is releasing to a small group of customers (as a pilot) three new digital services, which will gradually be rolled out to their target audiences over the course of the year.

- **Your tax account** – A service that will make it easier, quicker and simpler for businesses to deal with HMRC online.
- **Digital Self Assessment** – An improved service for Self Assessment (SA) customers which will mean they can opt to receive email alerts and view messages from HMRC online through a secure, personalised portal.
- **PAYE for Employees** – A new digital service that will mean Pay As You Earn customers can tell HMRC about changes to their car and car fuel benefits that affect their tax code online for the first time.

More about 'Your tax account'

'Your tax account' will, for the first time, bring together on a new personalised screen (homepage) access to HMRC online services and information for SA, VAT, CT and PAYE for employers. It will present a clear summary of a business customer's tax position (liabilities and payments made) and links to key functions and help needed to manage their business tax affairs. 'Your tax account' will replace the current 'Your HMRC services' page, for those customers who move over to it. For SA customers it will also provide access to the Digital Self Assessment service.

Customers using third party software to interact with HMRC's online filing services will not need to go through their tax account to access the filing services. However, they will be able to access the tax account, if they wish, by logging in using their existing Government Gateway credentials (User ID and password), to – for example – access payment/liabilities information. Businesses can let acting agents continue to file returns online on their behalf.

Mandating the Scheme Contracted out Number (SCON) via Real Time Information Submissions from April 2014

The article in the February Employer Bulletin gave the background to recording the SCON via RTI submissions.

The facility to record SCONs has been available for some time on a voluntary basis. However it is now mandatory that employers record the SCON on their Full Payment Submissions (FPS), for each individual who is employed in a contracted-out capacity.

Where to find your SCON

Each employer has one ECON under which they may have set up several SCONs. You can find your SCON(s) on your Employers Contracting out certificate – which must be retained as it is the authority which allows you to deduct the lower rate of NICs payable for those employees who are members of contracted-out occupational pension schemes.

If this certificate is unavailable you should contact your pension scheme administrator who will be able to provide you with the relevant SCON(s).

It is important that you obtain and use the correct SCON in order to prevent errors with the contracted-out pension scheme membership and to avoid further contact from HMRC to both Employers and Pension Schemes.

If you need to report multiple SCONs for one employment, for example you have an employee who is a member of two or more pension schemes; please see on-line guidance at www.hmrc.gov.uk/payerti/reporting/what-to-report.htm for further information.

RTI validation checks will reject any FPS received with an invalid SCON or without a SCON present where National Insurance category letters D, E, L, N or O are reported. Where an employer genuinely cannot ascertain the correct SCON for one or more of their employees prior to April 2014, we have invested in a contingency plan to ensure employers can still submit their FPS. The automatic failure error message will provide a temporary valid dummy SCON to facilitate the immediate resubmission of the FPS. **You must not however, use the temporary dummy SCON as an automatic default.**

We will monitor use of the dummy SCON and take remedial action, such as contacting employers or payroll software developers where they continue to submit invalid and or incorrect data.

If you do not have a contracted-out pension scheme, you should leave this field blank. If you are prompted for a SCON you should make sure you are using the correct National Insurance contribution category letter for your employee.

More information regarding this can be found at www.hmrc.gov.uk/payerti/getting-started/ni-basics.htm

Regional Employer National Insurance Contributions (NICs) Holiday for New Businesses

The Regional Employer National Insurance Contributions (NICs) Holiday for New Businesses scheme ended on 5 September 2013.

We have recently issued an Employer NICs Holiday End of Year Return (forms E92 and E89) for the 2013-14 tax year to all employers who may have been entitled to claim a credit during the first half of 2013-14, or to their agent where we have received the appropriate instructions to do so.

If you have not received these forms by 30 April 2014, but have applied for the NICs holiday and have received your acknowledgement from HMRC, you should contact the Employer Helpline on 0300 200 3211.

The Employer NICs Holiday End of Year Return (E92 and E89(s)) should be submitted by all employers, including those who operated PAYE in real time, who were entitled to withhold employer Class 1 NICs under this scheme during the period 6 April 2013 to 5 September 2013. The Employer NICs Holiday End of Year Return (E92 and E89(s)) must be returned to the address shown at the top of page 1 of form E92 and reach us by 19 May 2014. If you have completed form(s) E89 using the interactive recording tool available at <http://search2.hmrc.gov.uk/kb5/hmrc/forms/view.page?record=qYj19V3Dxw&formId=3988> you should print off and enclose form E89 for each employee. If you require additional copies of the manual form E89 please use photocopies.

Your final Employer Payment Summary (EPS) for this year should reflect the total amount of employer NICs that you were entitled to withhold as shown on your form E92 and supporting form(s) E89.

To find step by step guidance on completing your Employer NICs Holiday Return go to www.hmrc.gov.uk/payerti/getting-started/nics-holiday/what-happens-eoy.htm

Is it too late to apply for the NICs holiday?

No it is not too late to apply.

Provided that you meet all the criteria you may apply retrospectively. Go to www.hmrc.gov.uk/payerti/getting-started/nics-holiday/eligibility.htm and check if you are eligible to make a claim for the NICs holiday.

Reminder that deductions from pay begin in April 2014

Class 2 National Insurance Contributions (NICs) debts

From April this year outstanding Class 2 National Insurance Contributions (NICs) debts can be collected by adjusting an employee's tax code.

If an employee has not taken action to pay their outstanding Class 2 NICs debt, their tax code may have been adjusted to recover the debt owed. If their tax code has been adjusted, this will mean that from April 2014 deductions for the outstanding debt will start to be made from their pay.

Details of the amount of debt to be coded out will have been included in the employees Annual Coding Notice (P2). The Coding notice issued between January and March this year advises an employee of their new tax code for 2014-15.

Between April and October 2013 HMRC sent payment requests to those employees who owed Class 2 NICs. The payment requests stated that if they were not paid, HMRC may collect the debt through the employee's PAYE code from April 2014. Customers were asked to pay or contact HMRC if they thought their payment request was wrong.

How can employers help?

It's not too late for an employee to pay if they do not wish the debt to be recovered through their tax code.

To help raise your employees' awareness about how they can pay their Class 2 NIC debt please refer them to our web pages at www.hmrc.gov.uk/payinghmrc/class2nics.htm

An employee can contact the HMRC NICs helpline on 0300 200 3505 to arrange payment. Once the payment has been made in full we will amend their tax code.

Please note that we cannot take payments over the telephone.

If your employees would like more information about their tax codes they can go to www.hmrc.gov.uk/incometax/understand-p2.htm

Use the correct Payment reference to ensure your electronic payment is allocated correctly

With the end of one tax year and the start of another, it is very important that you make your payment in good time to ensure your payment is allocated to the correct tax year.

The table below shows you what payment reference to use with your electronic payment for the final month of 2013-14 and the first month of 2014-15. If you use a payslip to pay, then of course please make sure you use the correct one for the month you're paying.

| Payment for period ended (Tax Year & month) | HMRC has to receive cleared electronic funds by * | Reference to use | Reference to use |
|---|---|--|--|
| 5 April 2014 (2013-14 month 12) | 22 April 2014 ** | If your payment will clear between 6 April and 5 May, use your Accounts Office Reference | If your payment will clear after 5 May, use your Accounts Office Reference followed by 1412 |
| 5 May 2014 (2014-15 month 1) | 22 May 2014 | If your payment will clear between 6 May and 5 June, use your Accounts Office Reference | If your payment will clear after 5 June, use your Accounts Office Reference followed by 1501 |

* If your payment arrives late you may be liable for interest or a late payment penalty.

** Due to the Easter Bank Holidays, electronic payments may need to be initiated earlier than usual. On or before Wednesday 16 April unless you are able to arrange a Faster Payment to clear on or before the 22 April. If you post your payment the suggested last posting date is the 14 April.

Percentage Threshold Scheme and the Health and Work Service

On 26 March 2014 the Regulations for the abolition of the Percentage Threshold Scheme (PTS) reimbursement for Statutory Sick Pay (SSP) were approved by Parliament.

From 6 April 2014 you can no longer claim reimbursement under the scheme for payments of SSP made after 5 April 2014. You will have until the end of the 2015-16 tax year to recover SSP paid for periods before the end of the 2013-14 tax year.

The SSP record-keeping requirements associated with PTS have also been abolished from 6 April 2014. Employers will be able to keep records in a more flexible way which best suits their own business needs.

What do employers need to do?

Employers need to be aware of the changes and how they might be affected.

From 6 April 2014, you are no longer required to report details of SSP paid to HMRC. The Real Time Information (RTI) data items for SSP paid year to date and SSP recovered year to date have been removed from April 2014. This means that you cannot report any SSP paid or SSP recovered under PTS after 6 April 2014.

We are aware that there may be circumstances when you are not due to pay your employee for a period of sickness up to 5 April 2014 until after this date, for example, due to the pay pattern or late notification. If you are entitled to recover some of the SSP paid for this period under the PTS, you cannot do this through RTI, you will need to make a clerical application for any PTS you are due.

What you need to do

To make a clerical application for any PTS you are due, complete form SP32 <http://search2.hmrc.gov.uk/kb5/hmrc/forms/view.page?record=0kGreK1Dnkg&formId=950> before signing and forwarding to the address on the form.

What happens next?

Once we have received your completed form and validated the information, we will send you a payment for the amount of PTS you are due. This form should only be used if you are paying SSP after 5 April 2014, that relates to the 13-14 tax year and you are entitled to PTS. If you have paid SSP in a closed tax-year up to 13-14 and have not claimed PTS due then you should follow normal procedures. Details on how to do this for RTI years can be found at –

www.hmrc.gov.uk/payerti/reporting/errors/previous-year.htm

Currently, you can make a late claim for PTS for the previous six years, however from 6 April 2016 no further claims for PTS can be made.

SSP Record-keeping

Although the Government has abolished PTS specific regulations for SSP record keeping, you will still have the obligation to produce SSP records to show you are meeting the legal SSP obligations, should HMRC require them. However, you have the freedom to keep these records in a more flexible manner which best suits your organisation. Guidance on GOV.UK has been updated to reflect these changes at www.gov.uk/employers-sick-pay/overview

[article continues >](#)

The Health and Work Service

The funding released from the abolition of PTS is being reinvested into the new Health and Work Service (HWS). The Government believes HWS could save employers between £70 million-£160 million a year in reduced sickness absence costs.

The **Service** will provide occupational health advice and support for employees, employers and GPs to help individuals with a health condition to stay in and/or return to work.

There are two elements to the service:

- **Assessment:** Once the employee has reached, or is expected to reach, four weeks of sickness absence they will normally be referred by their GP for an assessment by an occupational health professional, who will look at all the issues preventing the employee from returning to work
- **Advice:** Employers, employees and GPs will be able to access advice via a phone line and website.

The primary referral route for an assessment will be via the GP. Following an assessment, employees will receive a return to work plan containing recommendations to help them to return to work more quickly and information on how to access appropriate interventions.

Provision by appropriately qualified professionals

The service will be delivered by healthcare professionals who have an occupational health qualification; occupational health experience; or are able to demonstrate experience and skills appropriate to working in an occupational health context. Their expertise will ensure that the service will identify the full range of issues preventing a return to work and provide appropriate advice in line with best practice.

Early intervention that is prompt and rapid

The Health and Work Service provides advice at an appropriate point to reduce the length of an employee's sickness absence. Once an employee is referred by their GP – the main referral route – they are contacted and assessed promptly, and a Return to Work Plan provided quickly. The service will not increase the length of time an individual is off work on sickness absence.

Who can access the Service?

GPs, employers, and employees can access independent and objective advice via the telephone and web on issues preventing a sustained return to work and on how to prevent sickness absence occurring. The service is impartial and does not assume an advocacy role for one group or the other. The assessment element of the Service will be available to employees who have reached, or are expected to reach, four weeks' sickness absence. They can be referred by their GP or employer for an assessment by an occupational health professional.

[article continues >](#)

A new service for those needing the most help

Tax Exemption

The Government will introduce a tax exemption for amounts up to £500 a year, per employee, paid by employers for medical treatments for employees recommended by HWS or by employer-arranged occupational health services. Without such tax exemption, the payment would be liable to income tax and employer National Insurance contributions.

Present Position

The commercial process to procure a supplier for the Health and Work Service began on 13 February 2014 and is ongoing.

The Health and Work Service will be introduced from late 2014.

For more information on the Health and Work Service go to www.gov.uk/government/policies/helping-people-to-find-and-stay-in-work/supporting-pages/co-ordinating-the-health-work-and-wellbeing-initiative

HMRC is introducing a new service for customers who need extra help to get their taxes and entitlements right, which will mean the closure of the current network of Enquiry Centres. The service will offer customers who need extra help more in-depth support on the phone and a mobile advisory service if they need a face-to-face appointment.

The new telephone and mobile advisory service will be introduced across the UK at the end of May. We plan to close our network of Enquiry Centres by the end of June.

For more information on how we are delivering the new service please see the issue briefing on the gov.uk website at www.gov.uk/government/publications/issue-briefing-a-new-service-for-those-needing-the-most-help

Employees who need help with their Income Tax can visit our website at www.hmrc.gov.uk/incometax/index.htm or phone our Income Tax helpline on 0300 200 3300.

For further information on how to contact HMRC please see our website at www.hmrc.gov.uk/contactus

Reporting 2013-14 Expenses and Benefits

Helping you to get it right first time

We frequently have to reject P11D forms/lists and request resubmission because they do not meet the P11D Quality Standard or common mistakes have been made. We also reject forms P11D(b) that have not been signed correctly.

Errors in the completion of forms P11D, P9D and P11D(b) can cause delays in processing and problems with employees tax codes. We've pulled together the following information to use when completing these forms, which should help you get them right the first time.

Are You Completing P9D's Needlessly for Employees in Receipt of Medical Benefit?

Do you know that if your employees earn less than the rate of £8,500 AND you arrange and pay the provider directly for the treatment or insurance a P9D does NOT need to be completed.

For more information go to www.hmrc.gov.uk/payerti/exb/a-z/m/medical-treatment.htm

P11D Quality Standard

Here is a reminder of the quality standard requirements that every form P11D must meet:

- You must include your employer reference
- You must include your employee's name and National Insurance number.
If you don't know the employee's National Insurance number, you must provide their date of birth **and** gender

- If you're reporting a car that you've provided to an employee, you must include its list price
- If you complete box 10 in section F (total cash equivalent of car fuel provided), then you must also complete box 9 (total cash equivalent of cars provided)
- If you've provided a beneficial loan to an employee and are reporting it in section H, you must also complete box 15 (cash equivalent of loans).

If you submit your P11D information in list format rather than on P11D forms, then the quality standard requires that you must:

- Present your list in an easy-to-read format using a font size no smaller than 11-point Arial when printed
- Sort your list by employee, not by type of benefit
- Include your employer reference
- Include each employee's name, National Insurance number or date of birth **and** gender
- Include all the expenses and benefits provided to an employee on the same list – we cannot accept separate lists for each benefit
- Show the code letters assigned to each benefit as on form P11D – these are the letters in the dark blue boxes at the left of each section of the form
- Where the list contains payrolled expenses and benefits, the front of the list and each of its pages, are clearly marked 'PAYROLLED'.

[article continues >](#)

Common Mistakes

The following is a list of common errors which are easily avoidable but can delay processing and cause problems with employees' tax codes each year;

- Submitting duplicate P11D information on paper where P11D information has already been filed online to ensure 'HMRC have received it'. These duplicates can cause processing problems
- Using a paper form that relates to the wrong tax year – check the top right hand corner of the first page
- Not ticking the 'director' box if the employee is a director
- Not including a description or abbreviation, where amounts are included in sections A, B, L, M or N of the form
- Leaving the 'cash equivalent' box empty where you've entered a figure in the corresponding 'cost to you' box of a section
- Not correctly completing the declaration on the final FPS/EPS submission (for those employers operating PAYE in 'real time') or the box in Part 5 of form P35 (Employers Annual Return) to indicate whether or not P11Ds are due
- Where a benefit has been provided for mixed business and private use, entering only the value of the private-use portion – you must report the full gross value of the benefit
- Not completing the fuel benefit box/field where this applies. This means an amended P11D has to be sent in
- Incorrectly completing the 'from' and 'to' dates in the 'Dates car was available' boxes. For example entering 06/04/2013 to 05/04/2014 to indicate the car was available throughout that year. If the car was available in the previous tax year, the 'from' box should not be completed and if the car is to be available in the next tax year, the 'to' box should not be completed i.e. left blank.

Payrolled Expenses and Benefits - what you need to do and how to record them on your P11Ds

Currently no formal system is in place to payroll expenses and benefits in kind but some employers do this, typically under an informal HMRC agreement.

You still need to send in forms P11D or equivalent lists and form P11D(b) even if you have arranged to payroll expenses and benefits because you may be liable to penalties if you fail to do so.

To avoid incorrect data processing of any payroll P11Ds you wish to submit online, it is essential that you notify us that payroll has taken place before you submit your P11Ds.

To avoid incorrect processing of other information, please send only P11D related correspondence with your paper forms or lists. For example, P11D(b)s, Section 336 claims submitted on behalf of your employees attached to the relevant P11Ds, covering letters etc. Sending other correspondence with P11Ds may cause processing delays.

[article continues >](#)

Expenses and Benefits that have been wholly payrolled

This applies to employers who payroll all expenses and benefits provided to their employees. Where all expenses and benefits have been payrolled, this P11D information can be sent online or on paper. If sent on paper, all paper P11D forms or all pages of a P11D list, must be clearly marked 'PAYROLLED'.

Where you intend to send these online or by other electronic submission, it is important that **prior** to sending your payrolled P11D information that you contact HMRC to advise us of your intention to do so. You can do this either by using the electronic notification form available on our website at <https://online.hmrc.gov.uk/shortforms/form/EXBEFullPayroll?dept-name=&sub-dept-name=&location=44&origin=http://www.hmrc.gov.uk> or by telephoning the Employer Helpline on 0300 200 3200.

On the P11D form/list enter the amount payrolled in the 'amount made good or from which tax deducted', where this is available for the relevant benefit. Where there is 'no amount made good or from which tax deducted' box available for the relevant benefit, enter the amount payrolled in the 'cash equivalent' box. All payrolled expenses and benefits must be declared even if the net 'cash equivalent' is nil, as the amount of the benefit payrolled may be liable to Class 1A National Insurance.

The P11D(b) in respect of payrolled expenses and benefits should be completed as described below.

Expenses and Benefits that have been partially payrolled

This applies to employers who payroll some **expenses and benefits** for all or some employees.

The non-payrolled benefit P11D information can be sent online or on paper. Where the non-payrolled benefit P11D information has or will be submitted online, the payrolled benefit P11D information must be sent on paper. (Payrolled P11D information can only be sent online where all the P11D information in the online submission relates to payrolled expenses and benefits).

Where appropriate, complete the 'amount made good or from which tax deducted' box on the P11D where this is available for the relevant benefit.

The payrolled benefit P11D information where there is an 'amount made good or from which tax deducted' box, can be included with either the non-payrolled information or the payrolled information. But if included with the payrolled P11D information, then all paper forms or all pages of a P11D list, must be clearly marked 'PAYROLLED'.

[article continues >](#)

All payrolled expenses and benefits must be declared even if the net 'cash equivalent' is nil, as the amount of benefit payrolled may be liable to Class 1A. The P11D(b) in respect of payrolled expenses and benefits should be completed as described below.

P11D(b)

Where an employer files a paper form P11D(b) which includes a Class 1A National Insurance (CL1A) charge amount, the declaration on the form must include a signature that is written in ink ('wet signature'). Also HMRC will not accept a form that is a photocopy or scanned image of a completed form or a form that includes a stamp of a signature.

A paper form P11D(b) that includes a CL1A charge amount and is submitted without a 'wet signature' will be rejected and returned to the employer for correction. If the employer returns the corrected form to HMRC after the due date, this may result in a late filing penalty.

Where an employer files a paper form P11D(b) which does not include CL1A charge amount and the declaration on the form does not include a signature that is written in ink (wet signature), the form will not automatically be rejected but the employer may receive a telephone call from HMRC to confirm the information shown. Where the information on the form is confirmed, the unsigned P11D(b) will be accepted.

Completion of a form P11D (b) for payrolled expenses and benefits

Employer's Class 1A National Insurance is payable on all relevant expenses and benefits even if payrolled and should be calculated on the gross amount not the net 'cash equivalent' after payrolling has taken place.

The entries in the brown '1A' boxes on the form P11D normally make up the total value of all expenses and benefits liable to CL1A NIC, which is then entered in box 1A on the form P11D(b). But for payrolled expenses and benefits where there is an 'amount made good or from which tax deducted' box, the entries in the '1A' boxes will not provide you with the correct value on which CL1A NIC is payable. In these cases you will need to recalculate the total value of all expenses and benefits on which you are liable to pay CL1A NIC, ensuring the actual gross amount of the expense or benefit is used in your calculation not the net 'cash equivalent'.

Where the recalculated total value of expenses and benefits liable to CL1A NIC exceeds that shown in box 1A on your P11D(b), the excess should be entered in box 4B, then added to the amount in box 1A and CL1A NIC recalculated on the revised total.

[article continues >](#)

Amended P11Ds/P11D(b)s

Where an employer submits a further form P11D to amend the expenses and benefits previously reported for an employee, the form should not only show the amended amounts/items but it must include any amounts/items previously submitted on the original form that were correct.

Where an employer submits a further form P11D(b) to amend a Class 1A National Insurance charge, the form must show the revised CL1A position not just the amount of the amendment.

To ensure that payments are allocated correctly, employers should ensure they provide the correct payment reference. This is the employers' 13 character Accounts Office reference suffixed with 1413 for 2013-14 (for employers paying by BillPay suffixed with 1412).

Further information on options for making payments of Class 1A National Insurance contributions can be found at www.hmrc.gov.uk/payinghmrc/class1anics.htm

Note: The automatic issue of P11D(b) forms and payslips for employers not in RTI are not affected by this delay.

Car Averaging Schemes

Where an employer in the motor manufacturing/retail car sales industry operates a car averaging scheme, it is the 'notional car' for the relevant group that must be returned on the P11D for each employee participating in the scheme. Exceptionally if an employee changes car groups within the scheme during the year, then the employer will need to report two 'notional cars' on the employee's P11D.

Further information on how car averaging schemes operate, how to allocate cars into groups and how to calculate the benefit of a 'notional car' to be returned on P11D can be found in the Employment Income Manual at EIM23825 onwards <http://home.inrev.gov.uk/eimanual/EIM23825.htm>

Information on how to complete the 'Cars and car fuel' section of the P11D for an employee participating in a car averaging scheme can be found on our web site at www.hmrc.gov.uk/cars/averaging.pdf

P11D information submitted on Removable Media

You are reminded that the only format of removable media that is accepted by HMRC for the submission of P11D information is 3½ inch floppy disk.

The technical specification for these submissions are detailed in document EEC1 available on HMRC website at www.hmrc.gov.uk/softwaredevelopers/payemagmedia/eec1-2013-14.pdf

Any floppy disks received that do not meet the technical specification will not be accepted.

HMRC cannot accept P11D information on CD or memory stick.

The submission of a S336 claim is the responsibility of the individual but where a S336 claim is submitted by an employer (on behalf of an employee) attached to an original paper P11D, the S336 claim and the P11D form should be submitted to the P11D processing office. On receipt, HMRC will keep the S336 claim attached to the P11D to ensure the two are processed together at the same time.

[article continues >](#)

Where a S336 claim is submitted separately on a form P87, form P810 or in letter format and is not attached to an original P11D, irrespective of when the claim is submitted it should be sent to the following address:

HM Revenue & Customs
Pay As You Earn
PO Box 1970
Liverpool
L75 1WX

Section 336 claims sent separately, not attached to an original P11D, should be attached to a copy of the P11D if possible (P11D noted 'Copy') and the claim clearly headed 'S336 Claim' so these can be easily identified when received by HMRC to ensure that they are forwarded as quickly as possible to the correct processing section/destination.

Dispensations

Don't forget that you can apply to HMRC for a dispensation to cover routine expenses and benefits for which an employee gets a full tax deduction and would remove the necessity for you to report these on form P11D/P9D.

For example, business expenses incurred in the performance of the duties of an employment for which an employee would normally have to submit a S336 claim to receive a tax deduction.

You can apply online at www.hmrc.gov.uk/payerti/exb/schemes/dispensation.htm#4 or download the application form and post the completed form to the following address. Alternatively you can apply by letter but this must include the information as requested on the application form.

HMRC
Local Compliance
Specialist Employer Compliance
Bowback House
299 Silbury Boulevard
Witan Gate West
Milton Keynes
Buckinghamshire
MK9 1NG

Further information on what items can/cannot be included in a dispensation and a reminder on how to apply can be found at www.hmrc.gov.uk/payerti/exb/schemes/dispensation.htm

Free online Toolkits to reduce errors

We also produce free online Toolkits that give support and guidance to help avoid some of the common errors we see in completed returns. The Toolkits are principally aimed at tax professionals and accountants but they may also be useful to individual businesses, particularly if they run their own payroll for example.

We have recently reviewed and republished the 'Expenses and Benefits from Employment Toolkit' – see www.hmrc.gov.uk/agents/toolkits/exp-ben-frm-emp.pdf along with the 'National Insurance Contribution and Statutory Payments Toolkit'.

For more information about all of the toolkits that cover a wide range of tax areas please visit www.hmrc.gov.uk/toolkits

Automatic enrolment: what every employer needs to know

By now all the UK's medium employers – those with around 50-250 employees – should have their automatic enrolment plans in place. In the next 12 months, around 30,000 medium sized employers will need to meet their new workplace pension duties.

The Pensions Regulator is the UK regulator of work based pension schemes and has a statutory duty to maximise employer compliance with the automatic enrolment duties. It does this through providing education and support, but it also has powers to take enforcement action if necessary. This includes fines.

The regulator is warning employers not to be caught in a last minute rush to comply with changes in workplace pension law. You should allow plenty of time to prepare to meet your duties. You should check the regulator's website, which provides information and tools to help employers find out their staging date and meet their automatic enrolment duties.

Automatic enrolment is not a 'one off' event. Employers have ongoing duties such as paying into workers' pension schemes and assessing their workforce's eligibility – both new and existing members of staff.

The employer journey to compliance

As a result of automatic enrolment every employer has new legal duties to help workers in the UK save for retirement. There are several actions that need to be taken ahead of automatic enrolment, including:

- Choosing a pension scheme or modifying an existing one
- Making any necessary changes to payroll so it can handle the new requirements

- Putting systems in place to monitor the ages and earnings of your workers (your payroll may be able to do this for you)
- Writing to all your workers with appropriate information.

In order to plan for the actions you need to take, you must find out your 'staging date'. This is the date when your new duties come into force.

Common mistakes in implementing automatic enrolment

1. Getting the staging date wrong

Employers should not guess their staging date. The date is determined by the number of persons in an employer's largest PAYE scheme, based on data from HMRC held by the regulator on 1 April 2012.

Some employers' preparations for automatic enrolment have been complicated because they began to plan for an incorrect later date, believing their staging date was based on their current PAYE count rather than the one at 1 April 2012.

Employers must check their staging date by entering their PAYE reference into a tool on The Pensions Regulator's website. The date will also appear on any letters the regulator sends directly to an employer about their duties.

Check your staging date now:

www.thepensionsregulator.gov.uk/employers/tools/staging-date.aspx

[article continues >](#)

2. Failing to identify a scheme early enough

The Pensions Regulator recommends that employers have made arrangements with both a pension provider and a payroll software provider six months before they are due to stage. Don't just assume the first provider you contact will be able to help you or that your current payroll software will be suitable. Putting these things in place early enough is likely to save you time and ensure your pensions scheme and payroll software work together.

3. Engaging with advisers in a timely manner

If you intend to use external assistance to meet your duties, from an IFA, accountant, or another type of adviser you should also contact these in good time to understand if they can provide the help you are looking for in the necessary timeline.

4. Underestimating the time taken to implement payroll changes

Lessons learned from larger employers who have already implemented automatic enrolment show the importance of being certain that your pension provider can provide what you need and that your payroll systems are compatible – employers should test their systems in advance of their staging date. It is also important to ensure your records are accurate and up to date.

There's a timeline planner on the regulator's website at www.thepensionsregulator.gov.uk/employers/planning-for-automatic-enrolment.aspx

When to act

Most employers due to stage by October 2014 will by now have done the following:

- Agreed with a provider on a pension scheme
- Selected software to help automate the process.

Employers staging between November 2014 and April 2015 should:

- Know their staging date and have a plan
- Know when they need to have agreed a scheme with their chosen pension provider
- Plan to have payroll software in place six months before staging.

Employers staging after April 2015 should:

- Know their staging date and have a plan.

For further details on employers' automatic enrolment duties visit:

www.thepensionsregulator.gov.uk

Statutory Payment Advance Funding

PAYE Employers can now receive Statutory Payment Advance Funding by Bank Transfer.

The guidance at www.gov.uk/recover-statutory-payments and online form for requesting Advance Funding has been updated to reflect this change.

Moving to GOV.UK

- Statutory Payments Guidance

Issue 41 of The Employer Bulletin advised that our Statutory Payments Employer Helpbooks would be withdrawn from April 2014 with appropriate information from the Helpbooks to be incorporated into online guidance.

On 3 April 2014, Statutory Payments guidance moved from the HMRC website to GOV.UK. This includes guidance previously contained in the employer helpbooks.

Why is HMRC guidance being transitioned to GOV.UK?

One of the underpinning components of the Government Digital Strategy is that all central government websites will transition to GOV.UK; essentially from 2014 this becomes the single website for all government information and the place to access all government services:

- Phase 1 transitioned HMRC content from the Directgov and Business Link websites – which then closed in October 2012.
- Phase 2 was the transition of our corporate site – about the department our consultations, announcements etc – completed in February 2013.
- Phase 3 planning has been underway since 2013, considering the size – around 100,000 pages – and complexity of HMRC's main web offering. We expect this final phase to be completed during 2014.

What we'll do during transition

We are now working directly with Government Digital Service counterparts – who own and manage GOV.UK – on delivering new and repurposed material which is simpler, clearer and faster for our customers to use.

We'll make sure nothing gets lost during this transition. We'll also ensure that anyone trying to access a page on the HMRC site which has already moved gets automatically redirected to the new page on GOV.UK. Anything that is no longer needed will still be available on the National Archives site.

What we won't do during transition

HMRC's existing online services that you need to sign into such as PAYE online won't be moving as part of this transition. But GOV.UK will be where you access them from and there may be some changes to how they look – such as adding the GOV.UK logo. In the longer term, these services will be completely transformed and will join our forthcoming exemplar services on GOV.UK.

We won't be editing HMRC manuals, notices or other technical content from the HMRC Library. But these will be presented in a format which makes them easier to search, easier to browse, easier to view and easier to print.

At this stage HMRC will still support 'contact us' and continue to publish forms so the GOV.UK content will link back to HMRC pages for this detail – until a GOV.UK solution is launched.

[article continues >](#)

What we've done already

We've been working with GDS to add new content to various topics on GOV.UK, including the Statutory Payment Calculators and supporting guidance under the subject Statutory leave and time off at

www.gov.uk/browse/employing-people/time-off Gov.uk contains guidance not just from HMRC but other government departments also – all designed to help employers run their business.

You can also see many examples for you and your employees ranging from;

- Employing people at gov.uk/browse/employing-people to
- how to Claim Income Tax Reliefs (see www.gov.uk/income-tax-reliefs) and
- Your pay, tax and National Minimum Wage (see www.gov.uk/browse/working/tax-minimum-wage)

HMRC and GDS have also been meeting representatives from the payroll community to gain valuable user insight about content specifically aimed at tax agents and advisers. See <https://hmrctransition.blog.gov.uk/2014/02/12/what-weve-been-up-to-in-the-last-week-12-february/> for further information.

What about the rest of HMRC employer guidance

The remaining guidance for employers and payroll, including real time information, is being developed right now and will be available on GOV.UK in the summer. And for a short time will also be available on HMRC's website before customers move to GOV.UK.

What you need to do

Our aim is that this work should have no impact on HMRC's customers – you shouldn't need to do anything except start to use our guidance on GOV.UK.

But you can choose to get involved and help us to make sure the content and tools we develop meet your needs. All pages on GOV.UK include a link (near the bottom of the page) for you to tell us if there's something that isn't working well for you.

You can find out more about transition and keep up to date with what we're doing by signing up for email alerts on the HMRC transition blog at <https://hmrctransition.blog.gov.uk/>

And there's more on the future of our online services on the digital transformation blog at <https://digitaltransformation.blog.gov.uk/>

National Minimum Wage: Government cracks down on non-paying employers

As part of government efforts to toughen up on enforcement of the National Minimum Wage (NMW) and clamp down on businesses who fail to meet their legal obligations, two significant changes have recently been introduced.

The first will see employers who fail to pay NMW to their workers publicly named and shamed. The second delivers a significant increase to the penalties that will be faced by such employers.

Naming and shaming

Naming employers who fail to pay NMW to their workers is not new. However, the revised NMW naming scheme, which came into effect in October 2013, makes it much simpler for government to name employers who break the law.

Under the original scheme, employers had to meet one of seven criteria before they could be named. Furthermore, naming was only considered where the total arrears owed was at least £2,000 and the average arrears per worker at least £500.

The revised scheme removes these restrictions so that any employer who breaks NMW law can be named. The revised scheme will therefore apply to all employers who are issued a Notice of Underpayment (NoU) by HMRC in respect of unpaid NMW.

Employers have 28 days to appeal against the NoU. Any employer who does not appeal, or appeals unsuccessfully, will be considered for naming by the Department for Business, Innovation and Skills (BIS).

The employer then has 14 days to make representations to BIS if they think they meet any of the following criteria:

- Naming by BIS carries a risk of personal harm to an individual or their family;
- There are national security risks associated with naming;
- There are other factors which suggest it would not be in the public interest to name the employer of company.

If BIS do not receive any representations, or if representations are unsuccessful, the employer will be named via a BIS release.

Increase in NMW penalties

Since April 2009 employers who have failed to pay NMW to their workers have had to pay a financial penalty, calculated as 50% of any unpaid wages, as well as the wages which are underpaid. The penalty ranged from a minimum of £100 to a maximum of £5,000.

Following a Government announcement in November 2013, there is now a revised enforcement procedure that came into force from 7 March 2014 which sees the penalty rate increase to 100% of the total underpayment. The minimum amount remains at £100, however the maximum is significantly increased to £20,000.

The intention is to penalise those with the highest level of arrears and, as such, employers who have underpaid their workers by more than £20,000 will face the possibility of receiving more than one notice of underpayment from 7 March 2014.

[article continues >](#)

After 7 March 2014 any underpayment found to be due for pay reference periods prior to 7 March 2014 will be treated under the old regime; attracting a penalty of 50% of the underpayment; minimum of £100; and a maximum of £5,000. Thus, the employer will be issued with a single notice of underpayment for all workers who have been underpaid in these pay reference periods. In addition, any underpayments found to be due for the pay reference periods starting on or **after** 7 March 2014, further notices of underpayment will be issued in order to achieve the maximum penalty with the fewest number of notices of underpayment. The laws which are in force, during the period in which the underpayment arose, will be applied when the notice(s) of underpayment are issued.

Under the previous rules the penalty was reduced by 50% if the unpaid wages are paid within 14 days. This rule continues to apply after 7 March 2014.

The government wants to go further and will bring in legislation at the earliest opportunity so that the maximum £20,000 penalty can apply to each underpaid worker. This change will mean that employers will be issued with one notice of underpayment **per worker** up to a maximum of £20,000 per worker.

Social Care and the National Minimum Wage

HMRC recently published a report detailing the outcomes of NMW enforcement activity across the UK social care sector. Over a two year period HMRC looked at jobs across the sector and investigated 224 employers. Some investigations are ongoing, but to date 98 employers have been found to be non-compliant owing arrears of over £400,000 to 2,868 workers. Employers who have been found breaking the law have incurred penalties of over £117,000.

HMRC investigations found that the reasons for not paying the legal wage varied from unpaid working time spent training or travelling between care appointments to making deductions from workers' pay that brought their pay below the minimum wage.

The report provides scenarios which explain how the law works in practice and highlights some useful steps that employers can take to make sure they are abiding by the law. These include keeping full records of the precise hours being worked, being aware that travelling time is considered working time for minimum wage purposes and deductions from workers pay can result in workers receiving less than NMW rates, as well as being aware of the amount of the accommodation offset and ensuring that this is factored into workers' pay where accommodation is provided.

A copy of the report can be found at www.gov.uk/government/publications/national-minimum-wage-compliance-in-the-social-care-sector

Agencies and employment intermediaries

The Government introduced legislation from 6 April 2014 to

- prevent avoidance in the payment of Secondary NICs by offshore umbrella and agency companies
- prevent avoidance in the payment of Secondary NICs where workers are employed on the UK Continental Shelf
- prevent the avoidance of employment taxes by employment intermediaries which facilitate false self employment.

Offshore umbrella and agency companies

The new legislation changes the position of a UK based Agency where they supply workers from a foreign employer or through a foreign agency.

A UK based Agency is now the ‘secondary contributor’ where they are involved in a contractual relationship to supply workers liable to pay NICs in the UK to:

- a UK based client and the worker is employed by a foreign employer;
- a client outside the UK and the worker is employed by a foreign employer;
- a UK based client and the worker is employed by or through a foreign agency; and
- from a UK based client to a person outside the UK.

The relevant legislation can be found at www.legislation.gov.uk/uksi/2014/635/made

Workers employed on the UK Continental Shelf

The new legislation states the ‘secondary contributor’ who is liable for payment of tax and NICs is now:

- the employer, if they are present in the UK; or
- the associated company, where the employer is not present in the UK but has an associated company in the UK; or
- the oil field licensee, (who holds a license under Part 1 of the Petroleum Act 1998), where the employer is not present and does not have an associated presence in the UK.

Where the oil field licensee is the secondary contributor, a certificate system has been introduced. An offshore employer can apply to HMRC for a certificate to discharge the oil field licensee’s secondary contributor responsibilities.

Where HMRC issues a certificate, the offshore employer takes over the oil field licensee’s secondary contributor responsibilities. This will allow oil field licensees to continue dealing with offshore employers and agencies within the industry without exposing themselves to liabilities for tax and NICs.

The relevant legislation can be found at www.legislation.gov.uk/uksi/2014/572/made

[article continues >](#)

Onshore Employment Intermediaries - False Self Employment

Existing legislation relating to employment agencies has been strengthened by removing the obligation for personal service. Instead it focuses on whether the worker is subject to, or the right of, supervision, direction or control as to the manner in which duties are carried out.

- Where a worker is engaged by or through an intermediary there will now be a presumption that there is control over the worker
- It will be the responsibility of the intermediary that contracts with the end client to operate PAYE and NICs in respect of workers they place with an end client.

The relevant legislation can be found at www.legislation.gov.uk/ukxi/2014/635/made

The Government does not intend that the proposed strengthened legislation applies to personal service companies (PSCs) differently to the way it does currently. The interaction between, and the order in which, the agency legislation, managed service company legislation and intermediaries legislation (IR35) apply will remain as it is.

Clarification on the interaction between Personal Service Companies and the proposed changes to the Agency Legislation can be found at www.gov.uk/government/uploads/system/uploads/attachment_data/file/275993/Interaction_of_Personal_Service_Companies_with_the_Proposed_Changes_to_Chapter_7_S44-47 ITEPA_2003.pdf

Further information about all of these changes can be found on our website at <http://home.inrev.gov.uk/nimmanual/nim33700.htm>

Construction Industry Scheme (CIS)

- Repayment claims for limited company subcontractors

We have updated the helpcard that sets out how subcontractors that are limited companies should reclaim any deductions they have had taken from their payments under the Construction Industry Scheme (CIS).

HMRC will send a copy of the helpcard to the limited company subcontractors they contact about claims for repayment of deductions through the P35 process.

For more information go to www.hmrc.gov.uk/cis/claimrepayments.pdf

Reminder: 'Extra' paydays (week 53, 54 or 56) and underpayments of tax

In previous editions of the Employer Bulletin we have explained that if you operate a weekly, two weekly or four weekly payroll, it is possible for an extra pay-day to occur in the tax year and your employees may underpay tax for the tax year as a result. It is important that you explain this to all employees that may be affected. Please go to www.hmrc.gov.uk/payerti/payroll/non-standard/week-53.htm for further information.

Child Maintenance - what's new?

The Child Maintenance Service (CMS) is now open to all new applicants. Plus, the Employer Self Service Portal now enables any employer with a CMS Deduction from Earnings Order (DEOs) to view and maintain their CMS cases much like you manage a bank account online.

The Child Maintenance Service opens to all new applicants

The CMS is being gradually introduced as a replacement for the Child Support Agency (CSA). To ensure that it's effective and that its implementation is smooth, the CMS was originally opened in December 2012 only to new applications from separated parents with four or more children. We followed the principle that we would only open the CMS to new applications from a wider group of parents when we were sure it was working well. So, in July 2013, we opened the CMS to new applications from parents with two or more children and at the end of November 2013 we opened the CMS to all new applications.

With the CMS open to all new applications, the CSA is no longer accepting new applications for child maintenance. However, for the moment, the CSA is continuing to manage the cases already on its books.

The important thing for employers to be aware of is that CMS DEOs work slightly differently to CSA DEOs. For example, protected earnings must be calculated by the employer as a percentage of net income, rather than being provided as an amount by the CMS. With all new applications being to the CMS, you are likely to see more of these CMS DEOs.

A dedicated CMS Employer Support Team is in place and will proactively contact every employer when they receive a CMS DEO to help them make the necessary changes. Employers do not need to make any changes until they are contacted. However, employers who would like further information at this stage can email EMPLOYER.INFORMATION@CHILDMAINTENANCE.GSI.GOV.UK

Employer Self Service Portal is now live

The CMS's Employer Self Service Portal is a new service that allows employers with a DEO from the CMS to view and maintain CMS cases online in a way that is similar to online banking. Employers can use their Government Gateway login to register and amongst many things can make payments, view payment schedules and contact us via the portal.

Only employers with CMS DEOs can use the online Self Service Portal – it is not available for DEOs from the CSA.

The Employer Self Service Portal is available at childmaintenanceservice.direct.gov.uk/employer

You do not need to do anything to find out if your DEOs are being managed by the CMS or the CSA. If you are asked to deal with a CMS DEO, the CMS will contact you to let you know and introduce you to this new system.

For more information go to www.gov.uk/child-maintenance-for-employers/overview

What is Shared Parental Leave?

The Government is reforming the statutory pay and leave entitlements available to employed parents. For babies due on or after 5 April 2015 a new entitlement of Shared Parental Leave (SPL) will replace Additional Paternity Leave and Pay. The parents of babies due on or before 4 April 2015 will continue to be eligible for Additional Paternity Leave and Pay.

SPL gives families greater choice over how they arrange childcare in the first year, by allowing working mothers the option to end their maternity pay and leave early and to share untaken leave and pay with their partner. An adopter will similarly be able to bring their adoption leave and pay to an early end to opt into Shared Parental Pay and Leave.

It is intended to enable fathers to take a greater role in caring for a child, and to help both parents to better balance childcare responsibilities with staying in work. For businesses, this helps them keep their best talent and allows employers to recruit with confidence that their women employees will be less likely to drop out of the workforce when they have children.

How does it work?

Current entitlement to 52 weeks statutory maternity/adoption leave, 39 of which is paid, and 2 weeks of statutory paternity leave and pay is all unchanged. The first six weeks of Statutory Adoption Pay will increase to 90% of average weekly earnings.

Working parents of a baby due or an adoptive child placed on or after 5 April 2015 may be eligible for SPL and ShPP. Under SPL, mothers/adopters will be able to

choose to end their maternity/adoption leave and pay early (at any point from 2 weeks after the birth/placement), and share their untaken pay and leave with their partner. Shared parental leave and pay can be stopped and started and parents can be off at the same time, if they wish.

Parents will be able to take their leave in phases, for example 20 weeks for the mother/adopter, followed by 20 weeks for the father/partner, followed by 10 weeks for the mother/adopter. So it may be the case that statutory parental pay is paid over one or two discontinuous periods. Parents must notify their employers of their plans under SPL 8 weeks before they become eligible for it, and all shared leave and pay must be taken between the birth/placement and the child's first birthday.

What do employers need to do?

We expect the first notifications of intention to take SPL to arrive with employers from February 2015. The Government will provide an online form for parents to use. Some employers may wish to create their own requirements for how their employees notify them.

We anticipate that employers will need to update payroll systems where relevant to accommodate providing statutory parental pay to employees taking SPL, and to enable these payments to be paid discontinuously where necessary.

The Government will provide online tools to check eligibility, and publish detailed guidance on the rules around SPL. A key part of SPL is the discussion between employer and employee to agree the phasing of SPL and the return to work, and ACAS will also publish guidance to support this process.

Further information will be available on Gov.uk website in the near future.

Extension of the right to request flexible working

Employment law currently provides employees who are parents or have caring responsibilities a statutory right to request flexible working.

From 30 June this year, that right will be extended to all employees who have worked for the same employer for 26 continuous weeks.

What is the statutory right to request flexible working?

All employees may ask their employer to alter their working arrangements, and the discussion is handled by managers as a regular part of business.

From 30 June, all employees will have a statutory right to request flexible working. This means that they are entitled to have their request considered in a reasonable manner and to receive an answer. There is no 'right to have' flexible working and manager may turn down requests for any one of 8 business reasons. Employees will be able to make a maximum of one statutory request for flexible working per year, and they must have been employed in the business for a minimum of 26 continuous weeks.

How does flexible working affect business?

Many employers find flexible working to be beneficial. BIS research shows flexible working helps businesses recruit and retain key talent, particularly by enabling individuals to better balance commitments they have outside of work (such as childcare or study) with their job. Furthermore, employers also report improvements to staff engagement and productivity, and reductions in absenteeism.

Further information on the rules is available at www.gov.uk/flexible-working, including an ACAS Code of Practice.

The private sector led Agile Future Forum also provide business with practical advice on introducing greater flexibility into the workplace: www.agilefutureforum.co.uk

Tax credits - why it's better for employees who renew early

HMRC is asking employers to encourage staff to renew their tax credits claims both accurately and as early as possible. The sooner employees do this, the sooner HMRC can process their claims and prevent the risk of their tax credits stopping or overpayments occurring.

From April 2014, 5.8 million tax credits customers will start to receive packs through the post inviting them to renew their claims. Last year nearly half a million people lost their tax credits payments because they didn't renew their tax credits on time.

Although 53 per cent of these customers did subsequently renew after the deadline, it was often too late to avoid a break in their tax credits payments. In most cases, this situation can easily be avoided as tax credits can be renewed by post, phone or Online for some customers as soon as they receive their Renewal Pack. Unfortunately, people may hold off renewing until it's too late and the effects can be two-fold.

As well as suffering financially whilst waiting for their payments to be restored, people could also be paid too much money which they would have to pay back.

How can employers help?

If you want to help make sure your employees renew early and receive the correct tax credits, there are a couple of things you could do;

- Lines for printing on payslips the message below can be added onto your employees payslips from April till July
 - Check your Income. Check your Hours. Check your tax credits are right
 - Tax Credits – Take care when renewing your claim – your details may be checked.

- If your company produces a newsletter for employees you could include the following
 - If you are a tax credits customer you should shortly receive your renewal pack. When you receive your pack please read it carefully. It is important that you make sure the details on your claim are correct because HMRC do carry out checks, e.g. they contact employers to confirm hours and earnings and it will ensure that you are receiving the correct amount. If you have to reply do it as soon as you can to avoid you having to pay back any money that you have received as provisional payments since April. If you do not renew before the deadline your money will stop. You can renew by completing the form in the pack and posting it back or alternatively renew over the phone by calling the tax credits helpline number. You can find out more about renewing at www.hmrc.gov.uk/taxcredits/keep-up-to-date/renew-claim/index.htm

Why will HMRC contact employers?

The annual renewal of tax credits is one of HMRC's largest campaigns. As in previous years, we will educate customers to claim the right money at the right time by renewing early. We will continue to follow the principle of Get It Right First Time, based around a programme of customer education and checks. This means we 'check first, pay later' to significantly reduce the amount of erroneous and fraudulent tax credit claims.

As part of this approach, we may contact your organisation to confirm the earnings or hours worked by some of your employees. Contact will normally be by telephone between April and October and will relate to one specific employee per call.

Further information

To find out more about tax credits visit www.hmrc.gov.uk/taxcredits

Disability Confident - Support for businesses to employ disabled people

What is Disability Confident?

The government's Disability Confident campaign aims to encourage employers to be positive about the skills that disabled people bring to business and to remove barriers to recruiting and retaining disabled employees.

The campaign aims to support business and increase understanding and ensure that disabled people have the opportunities to realise their aspirations and fulfil their potential.

The campaign includes a series of regional events designed to engage employers and build on the growing number of supporters who are pledging to think differently about disability.

The events provide employers and disability employment organisations the opportunity to come together to:

- learn what it means to be disability confident and the support on offer to get there, and
- share good practice and increase employer confidence in recruiting and retaining disabled people.

To help support employers become disability confident the government has launched a new Employer Portal at www.gov.uk/government/publications/employing-disabled-people-and-people-with-health-conditions/employing-disabled-people-and-people-with-health-conditions which brings together a range of guidance on employing disabled people and people with health conditions.

Working with our existing partners, we have also produced and released a series of short films about disability employment. The films feature businesses that are exemplars in employing disabled people and demonstrate the economic and social benefits of a diverse workforce. You can see these films on our Disability Confident youtube channel at

www.youtube.com/playlist?list=PLeysxjNpEPy9eVHMuca-JofmOGf9dfU7X

Why be Disability Confident?

Disabled people spend £80 billion a year. Having a workforce that reflects your customers will help you to meet customer needs and build your business.

Celebrate and make the most of a diverse workforce and enjoy the business success this will bring. Spark innovation by recruiting and retaining the best talent for your business.

Disabled people generally stay in the job for longer, and have a strong commitment to their job; and lower absenteeism. Getting the right person for a job means looking at the widest possible pool – not employing disabled people means ignoring the talents of nearly 20% of the workforce.

Find out more about the Disability Confident campaign at www.gov.uk/government/publications/the-disability-confident-campaign

[article continues >](#)

What help and support is there available?

It's a common myth that employing disabled people is expensive. In reality the costs of making adjustments are often very small, and there is financial and practical help available through various government initiatives, such as Access to Work.

Access to Work can support your employees in a number of ways. **For example it can provide funds towards:**

- special aids and equipment
- adaptations to equipment
- travel to work
- travel in work
- communication support at interviews
- a wide variety of support workers, and
- the Mental Health Support Service.

Access to Work does not provide the support itself, but provides a grant to reimburse the cost of the support that is needed.

For full detail please see our Employers guide to access to Work at www.gov.uk/government/publications/access-to-work-guide-for-employers

The Future of Apprenticeships in England: Funding Reform Technical Consultation

The Government has published a consultation document about the Apprenticeship funding reform in England and would like your views on how to route funding for apprenticeships directly to employers.

Apprenticeships are at the heart of the Government's drive to give people of all ages the skills employers need to grow and compete, and they already deliver strong returns for the economy, for employers and for apprentices. However, they have the potential to make an even greater impact in future. Giving employers direct control over the funding for the external training of their apprentices so they can drive up its quality and relevance completes the reform picture.

As you may know the Government consulted in summer 2013 on routing funding direct to employers. This consultation builds on the results of that consultation and the announcement in the Autumn Statement to route Apprenticeship funding direct to employers using HMRC systems. The consultation sets out a core model that could be implemented either through the PAYE system or an Apprenticeship Credit.

While the principles of the new funding system are firm, much still remains to be decided, both in terms of the detail underpinning the principles and the funding mechanism.

This consultation closes on the 1 May 2014. If you would like to comment on the proposals, please use the response form provided at www.gov.uk/government/consultations/apprenticeship-funding-reform-in-england-payment-mechanisms-and-funding-principles

Employer diary

April- May 2014

April 2014

- 14-21 Expect your [email alerts](#) which will advise any updates to the Basic PAYE Tools following the Budget and your online Employer Bulletin.
- Mid to End If you recently registered to use PAYE Online for Employers, look out for your Activation PIN (and ensure you have made a note of your User ID) - you must activate the service within 28 days.
- 19 Postal payments for month/quarter ended 5 April to reach your HMRC Accounts Office by this date. If you pay late you may have to pay a late payment penalty/interest.
- Post any cheque payments earlier this month because of the 18 April Bank Holiday. (Suggested last posting date is the 14 April).**
- The last date by which your final Full Payment Submission (FPS) for the 2013-14 year should reach us. Don't forget to answer the end-of-year declarations and questions.
- If you discover after this date that you need to correct any of the payroll information sent in the 2013-14 tax year, you may need to send us an Earlier Year Update (EYU) for tax years where you operated PAYE in real time.
- 22 Electronic payments for month/quarter ended 5 April must clear into the HMRC bank account by this date. If you pay late you may have to pay a late payment penalty/interest.
- Due to the Easter Bank Holidays, electronic payment will need to be initiated earlier than usual (on or before Wednesday 16) unless you are able to arrange a Faster Payment to clear on or before the 22).**
- Last date for any outstanding electronic payments of PAYE and Class 1 NICs for 2013-14 to reach the HMRC bank account. We may charge interest on any payments received after this date.

May 2014

- 3 Forms P46(Car) for quarter ended 5 April should reach us by this date.
- 19 Postal payments for month ended 5 May to reach your HMRC Accounts Office by this date. If you pay late you may have to pay a late payment penalty/interest.
- The last day by which an Employer Payment Summary (EPS) can be sent to us to offset an amount you want to recover against the payments you're due to make for the tax month ended 5th May.
- Last day to submit the Employer NICs Holiday End of Year Return (E92 & E89(s)).
- 22 Electronic payments for month ended 5 May must clear into the HMRC bank account by this date. If you pay late you may have to pay a late payment penalty/interest.
- 31 Last date for giving form P60 to each employee working for you at 5 April 2014.

Employer diary

June-July 2014

June 2014

- Early If you have an HMRC Approved Employee Share Scheme, we recommend you finalise completion of your 2013-14 Annual Returns Form 34, Form 35, and Form 39 to ensure we receive them by 7 July 2014. If you have Enterprise Management Incentives and Employment-related securities then finalise completion of Form 40 and Form 42 to ensure we receive it by 6 July 2014.
- 19 Postal payments for month ended 5 June to reach your HMRC Accounts Office by this date. If you pay late you may have to pay a late payment penalty.
- The last day by which an Employer Payment Summary (EPS) can be sent to us to offset an amount you want to recover against the payments you're due to make for the tax month ended 5th June.
- 22 Electronic Payments for month ended 5 June must clear into the HMRC bank account by this date. **As the 22 June 2014 is a Sunday, the payment will need to clear into the HMRC account by Friday 20 June 2014 unless you are able to arrange a Faster Payment to clear on or by the 22nd.** You should check with your bank to see if you are able to use Faster Payments; what single transactions/daily limits affect the amount payable, and when you need to arrange payment for it to clear by the 22nd. If you pay late you may have to pay a late payment penalty.

July 2014

- 5 Last date for agreeing any PAYE Settlement Agreement for 2013-14 with HMRC.
- 6 Filing deadline date for Expenses & Benefits Forms P11D(b), P9D and P11D to reach HMRC.
- Last date for you to give forms P9D and P11D to relevant employees.
- Last date for Enterprise Management Incentives and Employment-related securities Annual Returns Form 40 and Form 42 to reach HMRC.
- 7 Last date for Employee Share Scheme Annual Returns Form 34, Form 35 and Form 39 to reach HMRC.
- 19 Postal payments for month/quarter ended 5 July to reach your HMRC Accounts Office by this date. If you pay late you may have to pay a late payment penalty.
- The last day by which an Employer Payment Summary (EPS) can be sent to us to offset an amount you want to recover against the payments you're due to make for the tax month ended 5th July.
- Postal payments of Class 1A NICs for 2013-14 to reach your HMRC Accounts Office by this date. If you pay late, interest will be charged and you may have to pay a late payment penalty.
- 22 Electronic payments for month/quarter ended 5 July must clear the HMRC bank account by this date. If you pay late you may have to pay a late payment penalty.
- Electronic payments of Class 1A NICs for 2013-14 must clear into the HMRC bank account by this date. If you pay late, interest will be charged and you may have to pay a late payment penalty.

Employer diary

Aug-Sept 2014

Aug 2014

- 2 Forms P46(Car) for quarter ended 5 July should reach us by this date.
- 19 Postal payments for month ended 5 August to reach your HMRC Accounts Office by this date. If you pay late you may have to pay a late payment penalty.

The last day by which an Employer Payment Summary (EPS) can be sent to us to offset an amount you want to recover against the payments you're due to make for the tax month ended 5th August.
- 22 Electronic Payments for month ended 5 August must clear in the HMRC bank account by this date. If you pay late you may have to pay a late payment penalty.

Sept 2014

- 19 Postal payments for month ended 5 September to reach your HMRC Accounts Office by this date. If you pay late you may have to pay a late payment penalty.

The last day by which an Employer Payment Summary (EPS) can be sent to us to offset an amount you want to recover against the payments you're due to make for the tax month ended 5th September.
- 22 Electronic payments for month ended 5 September must clear the HMRC bank account by this date. If you pay late you may have to pay a late payment penalty.

Helpline & Orderline numbers

Helpline - telephone advice and Orderline - for employers exempt from online filing obligations to order forms and guidance.

Calls may be monitored for quality control and training purposes

To access a wide range of employer information at a time to suit you, visit the Employer pages on our website at

www.hmrc.gov.uk/employers

General payroll matters - for example PAYE and NICs

Been an employer 3 years or less? **0300 200 3211** Mon - Fri 8am - 8pm, Sat 8am - 4pm

Been an employer more than 3 years? **0300 200 3200** Mon - Fri 8am - 8pm, Sat 8am - 4pm

Textphone **0300 200 3212** for employers who are deaf or hard of hearing (only people with specialised equipment such as Minicom are able to use this number)

Order forms and guidance

Website www.hmrc.gov.uk/payerti/forms-updates/forms-publications/onlineorder.htm

Orderline **0300 123 1074** Mon - Fri 8am - 6pm

Construction Industry Scheme (CIS)

CIS Helpline **0300 200 3210** Mon - Fri 8am - 8pm, Sat 8am - 4pm

Textphone **0300 200 3219**

NICs: special topics

Contracted-out Pensions Helpline and Orderline **0300 200 3507** Mon - Fri 8am - 5pm

Non-residents Helpline and Orderline **0300 200 3506** Mon - Fri 8am - 5pm

NMW Information Orderline

Pay and Work Rights helpline **0800 917 2368** Mon - Fri 8am - 8pm, Sat 9am - 1pm

Orderline **08458 450 360** 7 days a week 24 hours

Other helplines

HMRC Online Services Helpdesk*

*including technical support for the Basic PAYE Tools

Helpline **0300 200 3600** Mon - Fri 8am - 8pm, Sat 8am - 4pm

email helpdesk@ir-efile.gov.uk

PAYE/SA payment enquiries **0300 200 3401** Mon - Fri 8am - 8pm, Sat 8am - 4pm