



Home » News » February 2014 » HMRC delays RTI penalty scheme

[f Share](#) 18 
 [T](#) Tweet 17 
 [in](#) Share 9 
 [✉](#) Email 24 
  0

## HMRC delays RTI penalty scheme

12 February 2014

Comments (1)

### HMRC has decided to introduce a staggered start to the introduction of the RTI penalty scheme

The new automatic in-year PAYE penalties for late filing and late payment and in-year interest were due to start from 6 April. However, the Revenue says it has "listened to customer feedback" and decided to give employers more time to adapt to reporting in real-time.

The new timetable will be:

- April 2014 - in-year interest on any in-year payments not made by the due date
- October 2014 - automatic in-year late filing penalties
- April 2015 - automatic in-year late payment penalties

From April 2014 HMRC will introduce a new RTI 'Late Reporting Reason' data item. This will allow employers to tell the Revenue why they are submitting data late – for example, if they are correcting an earlier submission. It will also suspend the issue of electronic generic notification alerts for late payment and non-filing until April 2014.

Introducing in-year late filing penalties from 6 October means that employers who bring all their submissions for the period 6 April - 5 October 2014 up to date by 5 October will not face any in-year late filing penalties.

HMRC's director general for personal tax, Ruth Owen, said, "The introduction of RTI is going extremely well for the majority of employers but there are still some who need a bit of time to adapt fully to the changes.

"This additional time will give us the opportunity to ensure that improvements to our internal systems are working, to learn from them and to provide better customer support to employers who need more time to adapt."

HMRC says it is also continuing to improve its systems and guidance, and has worked closely with the Department for Work and Pensions to ensure that RTI will support the operation of Universal Credit, which brings together means-tested in and out-of-work benefits.

RTI represents the biggest change to the payroll system in over 60 years, meaning employers and pension providers report deductions and payments they make to HMRC at the time they are made, rather than after the end of the tax year, as was the case before.

ICAEW had urged HMRC to delay the introduction of the penalty regime for RTI. The institute has warned HMRC that many employers are still experiencing difficulties a year after it went live.

"While RTI has coped well with transaction volumes there are still issues with incorrect demands," said Paul Aplin, chairman of the ICAEW Tax Faculty technical committee. "It would be unreasonable to implement the penalty regime until these have been resolved. The deferral shows that ministers have listened to the representations made by ICAEW and other organisations. It is very welcome news.

Most viewed this week

- [BT to join RSM International](#)
- [HMRC "most wanted" tracked down](#)
- [Deloitte is world's biggest firm](#)
- [Let's fine HMRC for its blunders](#)
- [Goodwill, intangibles & everything](#)
- [Lords question IR35 effectiveness](#)

Baird Capital

OPENING DOORS TO GLOBAL GROWTH OPPORTUNITIES

LEARN MORE >

Robert W. Baird & Co. Member SIPC.

### BUDGET 2014



[Live analysis](#)

"We remain concerned that while employers are being required to submit information in real time, the PAYE dashboard is not updated every time information is submitted. Employers, agents and HMRC would be saved many wasted telephone calls if the dashboard was made real time. HMRC should add this functionality as a matter of urgency.

"It is unreasonable HMRC and DWP should require real time information and then fail to share it with those who have supplied it."

Helen Roxburgh

### Related articles

[The RTI relaxation period is almost over](#)

[RTI: how is it for you?](#)

[One hundred days of RTI](#)

Rating  3.5 (4 votes cast)

#### Comment on this article

**Comment (required)**

1000 characters left

**Name (optional)**

Please type the code





[Privacy & Terms](#)

Submit

### Displaying 1 to 1 of 1 results

**Comment by Anonymous**

16:44 on 14 February 2014

Can someone advise please. We run a 4 weekly payroll for one of our clients with 4 employees. We have until the advent of RTI used the last day of the 4 week period as the pay day. This ensures that employees get the same allowances each time. Now we have to enter the date of payment rather than the pay day period end date.. Our client normally provides the worked hours in the week immediately following the end of the 4 week pay period. However there are sometimes delays so if we enter a pay day more than four weeks after the previous pay day the software will automatically give 5 weeks allowances rather than 4 and then for the next pay day it could revert to 3 weeks allowance. Are HMRC aware of this and why can we not use the period end date rather than the pay date? Ron Enticott-Airde Accountancy

Our experts take you through the Budget as it happens

### Sign up for economia emails

The latest news and insight direct to your inbox

### GREENING



#### Rethinking aid

Justine Greening outlines how her business background helps the complex area of foreign

