Employer Bulletin

Your route to the latest in payroll news and views

September 2012 Issue 42

HM Revenue & Customs

Operating PAYE in Real Time

Welcome

Hello and welcome to another edition of the Employer Bulletin.

Over the last year we have been using the Bulletin to tell you about the forthcoming move to reporting PAYE information in real time – often known as 'RTI', or 'Real Time Information'. That move is now just over 6 months away: the vast majority of employers will be making returns in this way from April 2013, and all employers will be routinely reporting information in real time before October 2013.

Many of you will have lots to think about in the next few months: as well as the move to real-time reporting, you may also be thinking about what effect the requirement to automatically enrol certain employees into a pension scheme will have on your organisation. More information about automatic enrolment can be found at www.thepensionsregulator.gov.uk/automatic-enrolment.aspx

Against that background, this edition is devoted to telling you what you need to do to get your business ready for what are the biggest changes to PAYE for over sixty years.

We have tried to provide useful articles, whatever the level of your current knowledge. Many of you will already be aware of what the move to real-time reporting means, so you may find the list of key dates on page 5 a useful place to start. For those who don't yet know much about reporting in real time, the essential facts you need at know are covered on page 4 and, on pages 14-17, there is a guide intended to help you start preparing now for real time reporting.

Perhaps the most significant development since the last edition of the Bulletin has been the publication of guidance showing how PAYE will operate from April 2013. As explained on page 6, currently this can be used only by those taking part in our RTI pilot – but we recommend you look at it now if you want to see how things will work once you start to operate your own payroll in real time after April 2013. The

guidance has been developed as a result of working with employers in the pilot and has been rigorously customer-tested. View it at www.hmrc.gov.uk/payerti/

Please remember that the guidance may still be subject to change as the pilot continues – and that if you are not in the pilot, you must continue to follow existing guidance until you start reporting PAYE information in real time.

The information in this edition of the Bulletin is designed to try to make your move to reporting information in real time as smooth as possible. And to make sure that you don't miss hearing about any future developments, we recommend that you sign up to our free email alert facility at
www.hmrc.gov.uk/paye/forms-publications/register.htm

Please note that registering to file online does not mean you have also registered to receive these email alerts. You must do this separately using the link shown.

More information about operating PAYE in real time can be found at
www.hmrc.gov.uk/rti/

And finally if you have any comments about the format or content of the Bulletin, 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

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Reporting PAYE information in real time – the essential facts

The move to reporting information in real time is the biggest change to the operation of PAYE in over 60 years.

Under real time reporting, employers and pension providers – or agents, payroll bureaux and other intermediaries acting on their behalf – will send us information about tax, National Insurance Contributions (NICs), student loans and other deductions each time they pay their employees. This will enable HMRC to keep more accurate records and, over time, more people will pay the correct tax.

So what are the essential facts you need to know?
- Migration to reporting PAYE information in real time is mandatory
- Most employers and pension providers will move to reporting PAYE information in real time from April 2013
- We will write to you
  - in October to tell you what you need to do to get ready
  - in February to confirm the date from which you should start reporting PAYE information in real time
  - see *Key dates* on page 5
- Most employers already send PAYE information electronically and information reported in real time will also be sent online. Your payroll software will collect the necessary information and send it to HMRC online

- You need to consider your options for payroll. A wide range of commercial software designed for real time reporting will be available from April 2013 to suit employers' and pension providers' individual requirements, including some free products. HMRC's Basic PAYE Tools will also be available for employers who have nine or fewer employees. You can get more information about this at www.hmrc.gov.uk/paye/intro/payroll-system.htm
- You will need to include information in your RTI submissions about all employees
- We will no longer require the end-of-year Employer Annual Return forms P35 and P14, and you won't need to send forms P45 and P46 to us; instead you will include this information with the information reported in real time
- Employers making payments to their employees by Bacs, using their own service user number, will need to include a cross-reference in the RTI data submission and their Bacs payment instruction, see *Getting ready to operate PAYE in real time* on page 14.

What will not change?
- The way tax and National Insurance contributions are calculated will not change
- You will still need to give employees certificates of tax and NICs paid – form P60
- You will still need to send expenses and benefits returns (P11D and P9D) annually
- The dates by which you must pay HMRC stay the same.

You can find all the up to date information about RTI at www.hmrc.gov.uk/rti/

Real Time Information (RTI) – key dates

PAYE in real time is a new way for employers to report their employees' pay and tax details to HMRC. It will make it easier for employers and pension providers to tell HMRC about payments made to employees at the time they are made – rather than at the end of the year.

Most employers will be making returns in this way from April 2013, and all employers will be routinely reporting information in real time before October 2013. Detailed information about what you need to do to prepare for this change is contained throughout this Bulletin but, between now and October 2013, the key dates in the move to RTI are:

By the end of September 2012
By this date all the employers involved in the second stage of our RTI pilot – see the article on page 6 – will be reporting PAYE information in real time. Those employers involved in the third stage of our pilot – a mix of all sizes, including those making returns via HMRC's Basic PAYE Tools, Internet via the Government Gateway and by Electronic Data Interchange – will begin making real time returns between November 2012 and March 2013.

October – November 2012
We plan to write to all employers not in our pilot in October 2012. This letter will be sent to the business address we hold for you. It will tell you what you need to do to get ready to make your first real time submission in April 2013.

Then, during November, we will be closing employer schemes that we believe have stopped operating PAYE. We will write to the employers of the schemes that we close to tell them what we have done. If you get one of these letters and you think that we have closed down your scheme in error, you will need to get in touch with us and the letter will explain what you need to do. Any scheme that has closed will not have to send PAYE information in real time from April 2013.

Also in November we will start the next stage of our pilot, which will expand to include a larger number of PAYE schemes and payroll software products.

February 2013
In February next year we plan to send all employers a follow-up letter confirming when they are expected to start making real-time submissions.

April 2013
You will start to report PAYE information in real time in April 2013 unless we have agreed a different date with you.

June – September 2013
If you have schemes with 5,000 or more individuals and are not already reporting in real time before April 2013, we will work with you to agree the date from which you will start. The expectation is that this will be sometime between June and September.

October 2013
Supported by information about income made available in real-time from HMRC's systems, Universal Credit will be introduced by the Department for Work and Pensions. See the article about Universal Credit on page 22.

The Real Time Information pilot

The move to reporting information in real time is the biggest change to the operation of PAYE since it was introduced over 60 years ago. Once the change is introduced, employers and pension providers – or agents, payroll bureaux and other intermediaries acting on their behalf – will need to report information about tax, National Insurance Contributions (NICs), student loans and other deductions each time a payment subject to PAYE is made to an employee. At the moment, such information is reported only once a year, when you make your Employer Annual Return online via forms P14 and P35.

Because of the scale of these changes, it is vital that we test that reporting PAYE in real time works before the majority of employers start doing it in April 2013. To that end, we set up a pilot exercise, which began on 11th April this year. The pilot has three stages:

Stage 1 – April to June 2012

- Over 300 volunteer employers of all shapes and sizes successfully submitted information in real time for over 1.7 million individual employees
- Testing was applied to PAYE Information reported via all submission channels:
  – The internet via the Government Gateway, using commercial payroll software – including free products – and HMRC's Basic PAYE Tools
  – Electronic Data Interchange, or EDI
- Very few problems came to light and those that did were very quickly resolved by us working in partnership with our volunteer employers and, where appropriate, their payroll software providers and IT departments
- Feedback from employers in the pilot was very positive – see our case studies of a small employer on page 7 and a larger employer on page 9. And a payroll software developer involved in the pilot shares their experience in our third case study on page 12.

Stage 2 – July to September 2012

- Given the success of Stage 1, we are keen to prove that the IT will work as well with larger numbers of employers. By the end of September, we plan to have up to 1,300 PAYE schemes covering around 2 million employees making real-time submissions
- Volunteers in Stage 2 of the pilot will have access to our guidance on 'Operating PAYE in real time'. However, it can be viewed by anyone who wants to see how PAYE will operate from April 2013. Go to www.hmrc.gov.uk/payerti/ – but please note that the guidance is still subject to change as the pilot continues. If you are not in the pilot, you must continue to follow existing guidance until you start reporting PAYE information in real time.

Stage 3 – November 2012 to March 2013

- Testing is presently going so well that – between November and March – we expect that PAYE information will be being reported in real time for around 6 million individuals from up to 250,000 schemes.
- In addition to this, from November:
  – the number of payroll software providers and payroll software products participating in the pilot will increase; and
  – unless told otherwise by HMRC, most new PAYE schemes will report in real time – providing they are using compatible payroll software. This will save them operating under the current PAYE arrangements for a few months before having to switch to real-time reporting in April 2013.

Employer Bulletin › Real Time Information pilot

Gill Caine case study

Interested in joining the pilot in November?

We are still looking for more volunteers to join the pilot from November. Getting involved ahead of April 2013 will mean that you will receive dedicated support from HMRC. It will also mean that you will avoid having to submit an Employer Annual Return – forms P35 and P14 – for the 2012-13 tax year. Nor will you have to complete and send forms for new starters and leavers – forms P46 and P45 respectively. How you go about volunteering depends upon how you intend to make submissions in real time:

- if you are using – or intend to use – commercial payroll software, please contact your software provider as soon as possible. They will be able to tell you if compatible software is available
- on the other hand – *provided you have nine or fewer employees* – and intend to use HMRC's Basic PAYE Tools to report information in real time, you can find out more about volunteering for the pilot at www.hmrc.gov.uk/rti/joining-pilot.htm

! Important ! Although the version of Basic PAYE Tools with 'traditional' functionality can only be used to make Employer Annual Returns (forms P14 and P35) if an employer has nine or fewer employees at the end of the tax year, it can be used to run payroll for a larger number of employees – for instance where employers have seasonal workforce variations. However, you will *not* be able to use Basic PAYE Tools for real time reporting if you have more than nine employees. See *How to report PAYE information in real time to HMRC* on page 20.

Gill Caine is interested in the RTI Programme from two angles. She runs the payroll for a large family owned estate in Northumberland, and is also an employee of Farmplan Computer Systems who provide software to the agricultural sector. Here she recounts her experience of participating in the pilot.

'I started to hear about RTI in the early summer of 2011. Around this time I was approached by Farmplan, who are our payroll provider, and asked if the estate would consider being involved in the HMRC RTI Pilot starting in April 2012. After going back to the owners and explaining the basics of how I thought RTI would work and the impact on the business, they were happy to be included in the pilot – and with only 5 employees on the payroll it seemed to me to be the ideal opportunity to become involved right from the start.

HMRC quickly contacted me after I agreed to this and asked if I would be interested in attending one of their Real Time Information Pilot Employer Events in September. We met the HMRC Migration team and were given a good background on why RTI had come about, how they expected the pilot to run, how to get our data ready and what was expected of the employers. At the same time I found it extremely helpful to meet other employers at the event, both small like my own payroll client and some really large companies; it certainly made me appreciate the problems that some companies were facing.

I was allocated a contact at HMRC who was to be known as my Employer Relationship Manager.

Employer Bulletin › Gill Caine case study

This was a good idea since it meant I had someone I knew I could contact easily if and when any problems or queries came up; I could also contact the Migration Team directly so I always felt that HMRC were trying their best to make the transition as smooth as possible.

My only real concerns at this stage however were: will my software be ready in time for our go live date and getting the data cleansed – although with a small payroll and long serving employees I was fairly sure I did have all the necessary information in my payroll already. In fact, the only minor data change I had to make was inserting someone's full name where we previously had an initial recorded. An easy change to make.

It was then a case of waiting in anticipation for my 'go-live' date which was to be when I did my monthly payrun in May 2012. In April we had told the estate employees this was happening and explained what RTI was, so they were fully aware of the changes being implemented. I am also in the fortunate position of having a couple of Farmplan customers who went into the pilot at the same time as me in May, so the three of us kept in contact ready for our first live submissions. My payroll software was updated to allow the RTI function to be enabled: I was now ready!

I had spoken to one of the Migration Team at HMRC and they knew which day my first submission was coming in, so I ran my May payroll as normal and then once I was happy with the figures I went on to send my first FPS (Full Payment Submission). This process probably added about five minutes to my pay run – five minutes that were filled up with me checking and double checking what was being sent, along with printing every report I could find! Eventually I hit the send button

and within seconds I had a response back from HMRC letting me know they had received my submission, and there you go – I was now live in the RTI Pilot!

Since May I have run and sent my June payroll, this went through with no problems; I now have a tick list of what to do and when just to make my life easier. All I can say from my experience is so far it's been very straightforward.

HMRC contacted me a couple of times to make sure I was happy with the procedures and to ensure I had no queries or concerns to date; I was happy to report how well the system was working for me so far. They have also been holding conference calls where I have been able to dial in and listen to an update report and also hear queries from other employers; it's quite interesting to know what type of problems other payroll users are having.

I would say to anyone who is running a payroll and knowing they will be starting on RTI from the next tax year, get on now and learn what it's all about and start to check you have the correct employee information on your payroll now; that way the process will be painless. In fact as far as I can see I think this is a positive step forward, in this day and age why wait a whole year to gather information when you could have it continually.

Looking at the payroll queries that come up when I am doing my Farmplan Customer Support job I can see the type of queries we have and I must say a lot of these would not occur if employers were sending in their information after each pay run rather than leaving everything until the year end and then trying to sort things out.'

Gill Caine, July 2012.

Tim Fuery case study

Tim Fuery is Assistant Director of Finance at the University of Birmingham. Tim has overall responsibility for the provision of payroll and pensions services at the University of Birmingham and has been involved in payroll for more than 30 years.

The University employs some 6,100 staff and also makes payments to some 8,000 casual staff a year as well as running a pensioner payroll for 2,100 pensioners. They also handle the payrolls of a small number of companies who have an association with the University. All of the payrolls are run through an integrated HR and Payroll software package that the University developed some years ago; a package that is also operated by a number of other Universities. In this case study Tim writes about his experiences of Real Time Information from the perspective of a large employer participating in the pilot.

First involvement

Little did I realise in August 2010 when attending a consultation meeting in Coventry on Improving the Operation of PAYE that I would spend a large part of the next 2 years being involved in the RTI project. The University responded to the formal consultation on the proposals and I attended further meetings to learn more about the project. We took the view from the beginning that we would engage in the project because we were so concerned about its implications that we felt it best to lobby HMRC at every opportunity. Our engagement was on two levels with the University's HR/Payroll software development manager attending technical meetings whilst I attended employer meetings.

When it was mentioned at a meeting with major employers in Birmingham that HMRC were looking for employers to engage in a pilot for the project I expressed interest and once HMRC were aware of the range of activities we were involved in we were invited to participate. At the same time because of the engagement that the University had shown with the project I was invited to join the RTI Customer User Group to represent the views of the Higher Education sector.

The University recognised the drivers behind the project and accepted that if the introduction of Universal Credit were to work then there needed to be more timely provision of data to support it. The more timely provision of accurate tax codes that correctly reflected peoples overall earnings would also be welcome given the complexities of individuals tax affairs following the growth of staff with multiple employments. However we had doubts over the delivery of the project to timetable given previous difficulties with major Government software projects being delivered in a timely fashion and without service disruption.

The data challenge

A major issue for the University in participating in the project was the quality of our data. We recognised that matching our records with those of HMRC was key to the success of our involvement in the pilot. The University has attempted to take a rigorous approach to HR and Payroll data for many years. We have regularly asked staff to confirm the accuracy of the personal data that we hold about them and for our 6,100 employees we had some confidence in the quality of the data. However we have been operating a pensioners' payroll for many years and the quality of the historic data specifically with regard to widows and widowers was questionable.

Employer Bulletin › Tim Fuery case study

We took the decision in 2010 to validate the data against an external source and this enabled us to update a substantial number of records. The key data problem for the University though has always been the detail we hold on the 8,000 casual staff we utilise each year. It was this group which posed the greatest data challenge.

The 8,000 casual staff we pay through our 'Casual Fees' payroll undertake a wide range of duties from undertaking bar work or being a silver service waitress to being a visiting lecturer or undertaking consultancy. Those involved could be students, foreign nationals or staff from other Universities or Colleges. The data we hold on them has not always been of high quality and we have fought to get national insurance numbers, dates of birth and genders from them.

There were a number of data items included in the initial data specification that were a real cause for concern and communication around the requirements was poor in the first instance; as an example we were under the impression that address changes had to be provided on an ongoing basis when this was not in fact the case. There was also a lack of clarity initially over which fields were mandatory and which not. Below are further examples of issues we faced.

- The inclusion of banded hours per week required changes to our software,
- The request for passport numbers as an additional means of identification was worrying until it was shown to be required only for employees recruited after the move to real time reporting
- The inclusion of an irregular payment indicator was vitally important because of the pattern of working of our casual staff but initially HMRC did not recognise this as a problem

- The requirement for partner details for Additional Statutory Paternity Pay also required changes to our software as previously the employer was only required to maintain a paper copy of the relevant form
- The requirement for a Bacs Hash code also required changes to our software.

Communications
For those employers engaged in the pilot there has been excellent communications. HMRC have provided considerable detail on their web site about RTI but you have to know where to look and one of my criticisms throughout the project to date has been the lack of timely communications with employers. The data challenge facing employers is substantial and the earlier one begins work on data cleansing the better and this message needs to be understood by employers. It does take time to get correct national insurance numbers for staff, to ensure that you have the employees formal name and that you have the correct address for the initial submission and this needs to be communicated sooner rather than later.

The HMRC RTI website is very informative, but HMRC need to make employers more aware of its existence so that it supports employers as they prepare for RTI.

The Pilot Exercise
The University spent a considerable amount of time ensuring that its software was capable of carrying out the required functions for RTI. The vast majority of employers will though be able to rely on their software providers to provide them with updated software capable of meeting the needs of RTI.

Employer Bulletin › Tim Fuery case study

The support provided by HMRC to pilot employers was exemplary as pilot employers and HMRC strived to ensure that the technology and the software worked in a satisfactory manner.

Now that we are a formal part of the pilot and some months have passed we see the actual RTI process as part of our normal routine. We now run our payroll, prepare our Bacs file, prepare the RTI file and then submit the Bacs file for payment and immediately afterwards submit our RTI file through the Government Gateway. The submission does not take long and we have had no submission issues since we started the pilot. The process itself is straight forward and the submission is validated and responded to through the Government Gateway. We also receive updates of NI numbers, tax codes and student loan instructions through the gateway as a consequence of being part of the RTI project.

We have always balanced our tax and NI accounts on a monthly basis and for us year end was always a very straight forward exercise. The introduction of RTI will thus have little impact on our year end processes and will not save us any time. One could argue that our workload has increased because of the need to make the submissions but in reality it takes very little time. I would though argue that the sooner we can move to submitting all of the data through the Bacs channel the better from our perspective.

Outstanding issues

There have been some teething problems with the project. We have found that HMRC cannot cope with certain values in specific data fields and this has led software developers to building in work-rounds for those involved in the pilot.

HMRC intend correcting the problems with their October release of their software. This will involve software developers in having to remove the work-rounds and reinstate their original software. This could have been avoided but for those joining RTI from November onwards it will not be an issue. We have seen this as a natural consequence of being involved in a pilot, an irritation and a frustration but one that could be borne.

We are still awaiting confirmation on how submissions and payments will be reconciled on a regular basis and understand that this is being tackled as part of the HMRC software release in October. For us as a pilot employer that will be the final step in our involvement as it should ensure that we are not left with outstanding issues over year end activities that have historically taken months and sometimes years to resolve.

Conclusion

We took a conscious decision to be involved in the pilot of a project that gave us very real initial cause for concern. As the pilot has progressed we gained confidence in the ability of HMRC to deliver a successful outcome with the help of all of those involved in the project. There has been some negative press about the project but as one who has been involved throughout and who was a confirmed sceptic at the beginning I believe that the project will have a successful outcome.

For the University the chance to be involved at all levels in the project has been extremely beneficial as we have RTI embedded in our processes before facing up to the forthcoming challenge of auto enrolment in March 2013.

John Black case study

In this case study, John Black, Product Manager at MidlandHR writes about his experiences of Real Time Information from the perspective of a payroll software developer. MidlandHR has worked closely with HMRC and has a number of clients participating in the pilot.

For MidlandHR the RTI "journey" started in earnest with the publication on 27th July 2010 of the discussion document, "Improving the operation of Pay As You Earn (PAYE)". This was quickly followed by the first of many consultation meetings with HMRC in London on 18th August 2010. Life hasn't been the same since and the company has invested considerable time and resources in understanding the issues and developing the solution.

We had previously thought that monthly P14s might be introduced to provide HMRC with more up to date information, but had not anticipated Real Time Information being provided every pay run.

Once it was known that there would be a Pilot for RTI, our Chairman made it quite clear that we should take part and be fully supportive of the initiative.

We started recruiting volunteers for the Pilot from our customer base in June 2011 and held our first meeting with them in October of that year. By early March of this year we were able to provide comprehensive training on how to use the new software to fulfil RTI obligations.

We formally entered the Pilot in May this year with ten customers, involving around 40,000 employees and pensioners across 20 payrolls.

As we see it there are three key stages to the process of converting to RTI:
- Initial data cleansing and improving communications with the payroll department
- Alignment of your records with HMRC's records to start the process
- Implementing on-going submission routines after going live.

For our Pilot customers the submission routines involve sending a Full Payment Summary (FPS) every pay run and an Employer Payment Summary (EPS) each month if needed. This replaces e-filing of P46 and P45 (part 3) for new starters and P45 (part 1) for leavers as well as P14/P35 at year-end.

During development of the RTI software we identified a need to consider how payroll reconciliation would be affected. Traditionally, you would be aiming to reconcile to the P14/35 at year-end, but under RTI a statutory return is sent every pay period. A key consideration is that whereas the P14 contains details of everyone paid in the tax year, each FPS only contains details relating to those paid or adjusted in one pay run. We provided our Pilot customers with new reconciliation tools to help with this and doubtless other developers will do likewise. Before entering RTI, you need to plan a new reconciliation routine taking account of how this aspect of your software has been developed.

Before the Pilot started HMRC provided much support for software developers and employers, not just in the form of many consultation meetings but in various other ways, such as allocating a Customer Relationship Manager to each Pilot customer and software developer.

Employer Bulletin › John Black case study

There were occasional wrong turns taken by HMRC, such as the proposed replacement of form P45 with a so-called 'Leaver's Statement'. However, the subsequent decision not to proceed with Leaver Statements showed that HMRC is listening.

The Pilot itself has been a very interesting experience so far and some of our customers have found it quite exciting! I'm not going to pretend it has been all plain sailing, but the Pilot has proved to be of enormous benefit, helping to ensure that our investment in the software will deliver the required results for our customers. We believe we've done a first class job of developing the software and providing training, documentation and on-going support, but the Pilot has also changed our approach for the future. Equally, our customers did not universally get things right first time, but their experiences also provided vital lessons.

So let's take a look at the lessons we've learned:
- Beware of scaremongering on the data items required – the basic requirement is fairly straightforward if you have professional data quality controls in place.
  - For example, you don't have to go and get passport numbers for all your existing employees
  - Be guided by your software developer as to what items are important and don't be fazed by the sheer number of data items that an FPS might contain. Most of them are numeric values which your software will be able to populate with no help from you!
- The absence of certain fields will cause an alignment submission to fail and if you do not obtain the minimum dataset for new starters then each FPS will fail. You need to cleanse your data in advance and put processes in place to ensure you are capturing the right information for all new starters on a continuous basis.

The communications between payroll, HR and all employing departments may well, therefore, need to be improved
- Take care with regard to bringing your "old-style" P46/P45 e-filing processes up to date prior to joining RTI, remembering to follow your software provider's guidance. Where responsibilities are split between payroll and HR, ensure both departments work in harmony
- In the first few weeks/months of live operation, build in some contingency time in your payroll schedules for resolving rejections when running an FPS – this must be accepted by HMRC at or before the time of payment of wages/salary
- Get in touch with your BACS supplier to ensure that the BACS software can handle RTI – and don't leave it to the last minute
- Follow your software developer's instructions very carefully. This might be particularly important where there seems to be a discrepancy between advice from HMRC and your software developer. HMRC may state what they want you to provide but your software developer can tell you how to do it.

In conclusion, despite the inevitable teething troubles, the Pilot has proved that RTI can work well – the submission of files is quick, as is the receipt of success messages from HMRC, which gives early reassurance. Although there will be an increase in workload for employers in the short term, this should not continue for long.

The timescales are challenging, especially when you consider that Pensions Reform and auto-enrolment is happening around the same time for many larger employers. However, we believe that in a few years' time we will look back and wonder what all the fuss was about – just as happened with e-filing.

Getting ready to operate PAYE in real time

If you have not heard much about the move to reporting PAYE information in real time, the following information is intended to help you think about things you need to do to prepare for the move. There are things you have to do – and the sooner you start, the easier it will be. Even if you already have an understanding of the forthcoming changes, this information might contain some timely reminders – as well as pointing you in the direction of more detailed information.

Background

Between April 2013 and October 2013, virtually all employers and pension providers will start reporting payroll information to HMRC on or before every payday – instead of after the end of the tax year, as now. These reports will be made online using payroll software – and you'll no longer have to separately report new starters and leavers, or send in certain end-of-year forms.

To get ready to operate PAYE in real time, here are some things you now need to think about:

Having payroll software that will allow you to submit PAYE information in real time – or getting a third party to do it for you

First, it's essential that you arrange to either update your current payroll software or – if you don't use software at the moment – that you get software which is capable of sending PAYE information in real time. You should do this as soon as possible. Alternatively you might want to think about using a third party such as an agent, accountant or bureau to do the reporting for you.

If you use a commercial payroll software package, then speak to your provider now to ensure that your software will be able to process and submit PAYE information in real time. If this is not possible – perhaps because your package is too old or because your software provider has no plans to support real time reporting – then you need to consider replacing your software with a new commercial package which is capable of submitting PAYE information in real time.

As an alternative, you may want to consider using HMRC's 'Basic PAYE Tools' package, though this does have limitations in terms of the number of employees you have. ***Provided you have nine or fewer employees*** you can use the Basic PAYE Tools for real time reporting. You can find out more about who can and cannot use the Basic PAYE Tools for real time reporting at www.hmrc.gov.uk/payerti/getting-started/paye-tools.htm

If you've developed your own payroll software, it will also need to be upgraded to collect any additional information you might need and be able to send your PAYE reports in real time.

Employer Bulletin › Getting ready to operate PAYE in real time

It's also vital that you know what to do if you pay your employees directly into their bank accounts via the Bacs system, using your unique 'Service User Number'. If that's the case, you will need to add a cross reference – or 'hash' – into the payment instruction. This is so that HMRC can match the payments employees receive with the payroll data you report in real time.

There is more information about this on our website, in particular the HMRC update 'Real Time Information – Generating the RTI Cross-reference (RTI Hash)'. This can be found at www.hmrc.gov.uk/softwaredevelopers/rti/

If you don't currently use payroll software, you need to plan ahead now so that your business will be able to submit PAYE information in real time when required to do so. You must send this information electronically – but it can't be done via email or by filling in a form on a web page. Instead, you'll have to use payroll software that can send your PAYE reports to HMRC directly and you'll need an internet connection.

You may decide to use commercial payroll software and there is a range of payroll products available to choose from. Some commercial payroll software providers provide free products for employers with nine or fewer employees. See www.hmrc.gov.uk/softwaredevelopers/paye/rti-software-forms.htm

HMRC's free 'Online Return and Forms – PAYE' service will **not** be available for making submissions in real time. This is explained in more detail in the article on page 21. So, if you currently use this service to submit forms to HMRC, you will need to consider in good time an alternative for when you are required to make real time submissions.

If you don't want to make PAYE returns yourself, you can get a third party to operate your payroll for you and to send the information to HMRC in real time – for example, an agent, accountant or payroll bureau. If you decide to use a third party to operate your payroll – or you already use one – then they are responsible for making sure they are ready to report payroll information in real time. However, you still need to think about how this might affect you – especially if you provide them with relevant payroll and employee information. We recommend you talk to your agent, accountant or payroll bureau now so that everything is ready in time for PAYE reporting in real time.

Making sure employee data is complete and correct

Providing HMRC with accurate employee information has always been important – and will be even more so in future. Accurate information helps to make sure that your employees pay the right amount of tax and National Insurance contributions. It also helps to protect their entitlement to certain state benefits and State Pension.

So, before starting to send information in real time, it's essential you check that the data you hold in your payroll records is complete and accurate.

There is a detailed article about *Improving Data Quality* on pages 18 to 19 but, when we talk about 'employee information', we mean your employee's personal details:
- full name
- date of birth
- National Insurance number
- gender; and
- address.

article continues >

Employer Bulletin › Getting ready to operate PAYE in real time

Having complete and accurate information will also help you with something called 'Payroll Alignment', which is a process that *all* PAYE schemes will undergo as the first step of moving to reporting PAYE information in real time. The information that we hold about your employees must match what's in your payroll records. To check this, in the tax year that you move to real time reporting, you will need to supply to HMRC an extract of your records showing *all* individuals employed since the start of the tax year. This will include details of those who haven't been paid and those who have left your employment.

We will compare this extract to the records we hold and, where necessary, update our records to match the information supplied by you. We'll also take the opportunity to tell you about National Insurance numbers that need to be corrected. For example, if you have submitted an incorrect number for an employee and HMRC's checks identify the correct one.

This Payroll Alignment process will happen after we send you an invitation telling you when you need to start reporting your payroll information in real time – see *Key Dates* on page 5. In most cases, you'll submit your employee details for Payroll Alignment when you pay your employees and send in your first real time submission.

More information about Payroll Alignment can be found at www.hmrc.gov.uk/payerti/getting-started/rti.htm

So, hopefully, you can see that for real time reporting to work successfully, the information exchanged between employers, pension providers and HMRC needs to be as 'clean' as possible. If it isn't, we will have difficulty in matching payroll details sent in to an individual's tax and National Insurance records.

Reviewing your payroll processes

Once you start reporting in real time, the way in which you deal with new starters, employees who leave, and End of Year will change.

New starters
It's vital that you get correct personal information for new people you take on as soon as possible. In particular, their:
- full name
- date of birth
- National Insurance number
- gender; and
- address.

When you move to reporting in real time, you won't have to report new starters separately to HMRC; instead, information about them will be sent automatically when you report your PAYE information. But if a new starter turns up without a P45 you can still use form P46 to collect the information required to determine which tax code to use for them. However, unlike now, you will keep the form and instead send the information to HMRC in real time.

Employer Bulletin › Getting ready to operate PAYE in real time

Employees who leave

As with new starters, you won't have to report information separately about employees who leave – form P45 (Part 1) will no longer be sent to HMRC. You will tell us about leavers as part of your routine reporting of payroll information.

But please note that you will still give Parts 1A, 2 and 3 of form P45 to employees who leave. The information on this will help any new employer the leaver goes to.

End of Year

When you move to real time reporting, you – or any third party acting on your behalf – will no longer need to complete forms P14 and P35. This is because your payroll software will tell HMRC about all payments made each time you report payroll information in real time. You will, however, need to indicate on your last payment submission on or before 5 April – the end of the tax year – that this is the final submission for the tax year. And you'll still need to complete the end of year declarations and questions.

You'll also need to continue to give those workers still employed by you at the end of the tax year an End of Year Certificate on form P60.

Keeping an eye on the HMRC PAYE news and updates pages

As well as preparing for real time reporting by taking the steps above, it's important you keep abreast of any relevant developments. Any important news relating to PAYE and payroll operation is published on HMRC's News and Updates pages at www.hmrc.gov.uk/employers/news.htm

To make sure you don't miss anything, you may also want to register to receive free employer e-mail alerts from HMRC. These are designed to give you important information to help you run your payroll. You'll need to provide the following information in order to register:
- your employer PAYE reference
- your employer name
- your email address and
- your telephone number and contact name.

To do this, go to www.hmrc.gov.uk/paye/forms-publications/register.htm

Specific news about real time reporting can be found at www.hmrc.gov.uk/rti/

Improving data quality

Improving the quality of the data that we hold and process is an important part of improving the PAYE process through RTI. We have found that over 80 per cent of data quality problems are caused by:

- Wrong/missing/incomplete first and last **Names**
- Missing/wrong **Date of Birth**
- Missing/wrong **National Insurance Numbers**.

We have developed a range of tools and techniques that help employers get this key information right, all which can be accessed from our web page:
www.hmrc.gov.uk/rti/dip/

Some key tips are:

- Never make up personal information
- When sending us the individual's name send the full forename, not just their initial. And ensure you get the forename and surname the right way round
- Check that the date of birth is an 8 number format to reflect the day, month and full year of birth
- Check that the National Insurance Number consists of 2 letters, then 6 numbers, and finally another letter (either A, B, C or D). You can find more about the format of a National Insurance Number at www.hmrc.gov.uk/manuals/nimmanual/NIM39110.htm. Employers can use the CA6855 service http://search2.hmrc.gov.uk/kb5/hmrc/forms/view.page?record=IAQUiB2-_5w&formId=404 to trace National Insurance Numbers
- You may want to check the individual's official documentation such as birth certificates, passports or official HMRC/DWP documentation to validate the key data items.

Getting this information right is good for everyone. The individual will pay the correct tax and National Insurance contributions and employers and HMRC will receive fewer queries.

Our programme of visits to employers, pension providers, payroll software providers, industry and professional bodies, in advance of RTI is moving at a fast pace. The meetings have not only allowed us to explain how to improve data quality but also to identify issues as well as best practice to share on our website.

Our work can be categorised by the following.

Targeted Employer Support (TES)

Our TES visits have included the largest employers and pension providers with diverse payroll issues affecting their data quality.

Our insights into customer behaviour puts us in a good position to research the issue internally, identify good practice and suggest how to improve data quality via our communications.

We have cases where employers have set up dedicated teams to address their data quality issues including all of our key data quality messages in their HR process. This has a positive effect; indeed one employer achieved a 75% reduction in their data quality issues.

Our success in achieving improved data quality is in no small measure due to our close engagement and the cooperation we receive from employers and pension providers.

Employer Bulletin › Improving data quality

Targeted Industry Support (TIS)

In order to spread our data quality message to employers and pension providers wider than our TES programme, we are meeting with industry and professional bodies.

We have visited several industry bodies and secured wide agreement to:
- publish articles in their publications and websites
- include links to the HMRC data quality web material on their websites
- deliver our presentation at their events e.g. Conferences or National and Regional forums.

So keep an eye out for useful data quality guidance in communications from any industry bodies that you belong to.

Targeted Software Developer Support (TSDS)

Working with our colleagues in the HMRC Software Developer Support Team (SDST), our visits to Software Developers are reaping rewards, exploring different ways in which payroll/HR software can be enhanced to improve data quality.

In partnership with developers we have identified a number of software changes that will potentially improve the quality of the key data items.

Feedback from the visits carried out to date has been very positive, in fact, a number of software developers have already incorporated our data quality guidance in their products and are using this material in their RTI customer user group events to promote data quality.

Communications and Guidance

Our key data quality messages and educational products are designed to:
- support our targeted intervention programme and
- reach a wider audience beyond our visits using our Internet page and other channels.

We have communicated our message using a variety of channels from Twitter and YouTube to more traditional means such as previous articles in Employer Bulletin and articles in the press.

Our factsheets have been downloaded in large numbers, our YouTube video is the second most popular HMRC clip and our press articles are covered widely in national newspapers and professional publications.

As mentioned earlier, all of this material can be viewed from our web page www.hmrc.gov.uk/rti/dip/

What does reporting PAYE information in real time mean for your employees?

Currently employers and pension providers send HMRC pay and tax information annually. This can make it difficult to keep our data up-to-date and may mean that individuals have overpaid or underpaid tax at the end of the tax year. When operating PAYE in real time, employers and pension providers will send information when or before they pay their employees.

Despite this fundamental change, our pilot is demonstrating that most employees won't notice any difference once their employer begins to operate PAYE in real time. However, to help employers, we have published some 'Frequently asked Questions' should you or your payroll dept receive any queries from your employees. They can be found in the section headed *RTI and individual employees* at www.hmrc.gov.uk/rti/employerfaqs.htm

The best way your employees can help is by ensuring they give you accurate personal information. This document shows why this is important and can be printed out to give to your employees. www.hmrc.gov.uk/rti/dip/dip005.pdf

How to report PAYE information in real time to HMRC

The move to real time reporting will mean that employers and pension providers – or agents and other intermediaries acting on their behalf – will send information to HMRC whenever a payment subject to PAYE is made to an employee. The information will be sent on a report called a 'Full Payment Submission' when or before employers pay their employees.

This change has implications for you if you currently use either HMRC's Basic PAYE Tools or HMRC's PAYE Online service to file your Employer Annual Returns on forms P14 and P35.

Current users of HMRC's Basic PAYE Tools
From April 2013 all employers will be required to report PAYE information in real time, including those using HMRC's Basic PAYE Tools. You can find more detailed information about how this will affect you by going to www.hmrc.gov.uk/bpt2013

If you are currently using the Basic PAYE Tools and have nine or fewer employees, you will be able to use an updated version of the Basic PAYE Tools to report PAYE electronically in real time.

You must include on your payroll everyone you employ, no matter how short a time they work for you, or how little they are paid. So, when considering whether you have nine or fewer employees you must include temporary and casual staff, and those who are paid below the PAYE threshold and those who are paid below the Lower Earnings Limit for National Insurance Contributions.

Employer Bulletin › How to report PAYE information in real time to HMRC

Employers currently using the Basic PAYE Tools *for more than nine employees* will need to get other software which is capable of reporting PAYE information in real time.

You can find out more about commercial payroll software at www.hmrc.gov.uk/softwaredevelopers/paye/rti-software-forms.htm

By volunteering for our pilot – see page 6 – you can start to use the updated, real time information version of Basic PAYE Tools before April 2013. You can find out more about volunteering at www.hmrc.gov.uk/rti/joining-pilot.htm

Joining the pilot is purely voluntary, but starting now will help you get ahead of the game. Reporting in real time also brings the benefit that you won't need to complete the 2012-2013 End of Year process.

If you do not want to start reporting PAYE in real time until April 2013, you need to continue to use the version of Basic PAYE Tools that has 'traditional' PAYE functionality until you have paid your employees for the last time in this tax year, and have completed your Employer Annual Return (P35 and P14s) for 2012-2013.

Current users of HMRC's PAYE Online Services

If you don't already have some, you will need to get payroll software which is capable of reporting PAYE information in real time. You can find out more at www.hmrc.gov.uk/softwaredevelopers/paye/rti-software-forms.htm

You will no longer be able to use our PAYE Online service to submit End-of-Year and in-year forms to HMRC:
- End-of-Year forms – P14s, P35s and P38As – will no longer be needed once you are required to send PAYE returns in real time. You will need payroll software to report this information throughout the tax year instead
- In-year forms – P45 Part 3, P46, P46 (Pen) or P46 (Expat) won't be sent via the PAYE Online service because your payroll software will send us all new employee and leaver information as part of your routine payroll processes.

You *will* be able to use the PAYE Online service to:
- send expenses and benefits returns – including P46 (Car), P9D, P11D and P11D(b) – though this may be done directly from your payroll software if it supports this feature
- receive tax codes and notices, although you may choose to view these using the PAYE Desktop Viewer (PDV), or your payroll software if it supports this
- Set up email reminders, and now also view your current tax position via the Business Tax Dashboard. Find out more about this at www.hmrc.gov.uk/payerti/paying/paye-tax-dashboard.htm

And new features on the PAYE Online service will allow you to view National Insurance number (NINO) Verification Request (NVR) notices.

For more details of the changes to PAYE Online, visit www.hmrc.gov.uk/payerti/getting-started/using-paye-online.htm

Some commercial payroll software providers provide free products for employers with 9 or fewer employees. For details, visit www.hmrc.gov.uk/softwaredevelopers/paye/rti-software-forms.htm

Operating PAYE in real time and the link to Universal Credit

Employers reporting PAYE information to HMRC in real time will play an important role in supporting the introduction of Universal Credit by the Department for Work and Pensions (DWP). This change provides the opportunity to transform the existing benefit system into a service fit for the 21st century.

HMRC will pass to DWP some of the real time information provided by employers, DWP will use the information in the Universal Credit award calculation. Information reported in real time will mean Universal Credit payments can be adjusted according to a claimant's earnings.

Universal Credit and real time reporting will lessen bureaucracy making it easier and less risky for people to move from benefits, as the system is responsive to fluctuations in working patterns and earnings. Employers have a vital role to play in providing accurate payroll information to prevent payroll queries and to help ensure their staff receive the correct amount of Universal Credit. Thus real time information will not only lead to improvements in the PAYE system, but will aid the successful introduction of Universal Credit as people will be much clearer about their entitlements and the beneficial effects of increasing their earnings by taking on more hours or doing some overtime. This in turn could be advantageous for employers as they could offer flexible working hours, increasing hours in line with business demand without the need to recruit and train new staff.

People who have recently lost their jobs and are closest to the labour market will be the first to make a claim for Universal Credit, when it's rolled out across the country from October 2013.

.....And a summary of other news

Fixed costs in County Court Proceedings (CCP) actions

From April 2012 HM Revenue & Customs (HMRC) began charging fixed costs on cases entered into the County Court in England and Wales where judgment is awarded in HMRC's favour. Fixed Costs are based on a sliding scale set by the Ministry of Justice and will be claimed as 'solicitors' costs' on the relevant claim forms.

You can find detailed information about the fixed costs at: www.hmrc.gov.uk/news/courtcosts.htm and www.hmrc.gov.uk/news/courtcosts-faq.htm

National Minimum Wage rates from 1 October 2012

The Department for Business, Innovation and Skills has announced that the rates of national minimum wage applicable to pay reference periods starting on or after 1 October 2012 will be as follows:

- the main adult rate (for workers 21 and over) will increase by 11p to £6.19 an hour (currently £6.08 an hour)
- the rate for 18-20 year olds will remain at £4.98 an hour
- the rate for 16-17 year olds will remain at £3.68 an hour
- the rate for apprentices will increase by 5p to £2.65 an hour (currently £2.60 an hour).

From the same date, the daily accommodation offset rate will increase from the current £4.73 to £4.82.

All rates are subject to parliamentary approval.

Reminder for 2011-12 outstanding P11D/P11D(b)s

For the first time employers who had not submitted their 2011-12 forms P11D and P11D(b) by 19 July were sent a reminder letter telling them that they may already have incurred a late filing penalty and that they must send their overdue forms to HMRC or tell us that none are due. A version of this reminder letter was also sent to the employer's authorised agent.

By sending this early warning we hope to reduce the number of instances where the employer does not realise that the return is outstanding until the penalty notifications are issued in November and further penalties have accrued.

The information about the submission of P11Ds/P11D(b)s is on the our website at www.hmrc.gov.uk/paye/exb/overview/forms.htm

International Employments

The EP Appendix 6, 7A and 7B agreements have been revised to reflect the introduction of Real Time Information (RTI) for PAYE and National Insurance – see www.hmrc.gov.uk/manuals/pommanual/PAYE81500.htm#IDA3NAZG The existing agreements will cease to be effective from 6 April 2013 or earlier for any affected employers who join RTI during 2012-13. So employers who operate these modified arrangements will need to sign a new agreement on joining RTI or by 6th April 2013 at the latest. We would therefore encourage employers to start signing up to the new agreements as soon as possible, to avoid a surge of applications during the busy year-end period.

Employee queries where operation of 'week 53 payment results in an underpayment of tax

In some tax years, the way dates fall mean that you will end up making one more payment than usual to your employees towards the end of the tax year. If you pay your employees weekly this would be a 53rd weekly payment, if you pay them fortnightly it would be a 27th fortnightly payment and if you pay them four-weekly it would be a 14th four-weekly payment. These extra payments are often referred to as 'Week 53 payments'. Further information can be found at www.hmrc.gov.uk/paye/payroll/paydays/week-53.htm

This may lead to an underpayment of PAYE as an individual's personal allowance for the year is worked out on the basis of 52 weekly, 26 fortnightly and 13 four-weekly paydays.

If you are approached by an employee who has been advised by HMRC that they have underpaid, you should confirm to them that you have not made an error in your payroll and advise them to read the notes enclosed with the calculation or go to www.hmrc.gov.uk/incometax/p800.htm for further information.

Changes to the child maintenance scheme

Big changes are on the way in the world of child maintenance. Alongside the introduction of a new scheme from October, there'll be more support than ever before for separated parents. Find out more at www.dwp.gov.uk/consultations/2012/childrens-futures.shtml

Electronic payment deadline falls on a weekend

In December 2012 the electronic payment deadline of the 22nd falls on a Saturday. So, to make sure your payments reach us on time, you need to have cleared funds in our bank account by the 21st, unless you are able to arrange a Faster Payment.

Remember that it's your responsibility to make sure your payments are made on time and if your payment is late you may be charged a penalty.

So that you know what date to initiate your payment and make sure we have it on time, you need to contact your bank/building society well in advance of making your payment to check single transaction, daily value limits and cut off times.

Find out more about paying us electronically at www.hmrc.gov.uk/payinghmrc/paye.htm

Employer Bulletin › .....And a summary of other news

No payment due?

To avoid receiving a reminder you need to either pay, or tell HMRC there is nothing due, by the payment deadline. If you pay electronically the due date is the 22nd of the month following the end of the tax month or quarter to which the payment relates. But if you pay by post, the due date is the 19th.

If you have nothing to pay for a month or quarter you should tell us so we don't contact you unnecessarily. You don't need to phone or use a payslip, just complete the online form at www.hmrc.gov.uk/nilpayedue

The Employer Orderline opening times have changed

As most employers and their agents are now accessing most of the forms and guidance they need from our website at www.hmrc.gov.uk/paye/forms-publications.htm, the Orderline is now open for telephone ordering from 8am to 6pm weekdays only.

The Online Order Form at www.hmrc.gov.uk/paye/forms-publications/onlineorder.htm may still be used at any time to place orders for forms P45 and P60. Delivery will be made within 7 working days.

Payment not allocated correctly?

We have identified cases where internet banking payments have been paid to the wrong HMRC account, for example when paid into the HMRC NICO account when the payee intended the payment to go to their PAYE account.

Some banks or building societys provide a pre-filled drop down beneficiary list (sometimes called a 'payee list') on their internet banking sites, which enables the customer to select from various HMRC accounts. Unfortunately some customers select the wrong account.

When using your bank or building society's beneficiary list look for an entry for HMRC PAYE or PAYE/NIC and the Accounts Office name, for example; 'HMRC PAYE/NIC Shipley' or 'HMRC Cumbernauld – PAYE'.

Please make sure you take care in selecting the correct HMRC entry for the payment you want to make. You will also need to enter your Accounts Office reference and the payment amount.

If you are unable to locate the correct entry on your bank or building society's beneficiary list please use HMRC's bank account details, to set up a manual instruction.

For more information go to www.hmrc.gov.uk/bankaccounts/a-z/p/paye.htm

Employer Bulletin › .....And a summary of other news

Student loans and reporting PAYE information in real time

Reporting PAYE information in real time will apply to student loans too. When taking on staff, employers operating PAYE in real time should routinely ask every new employee if they are liable to repay an Income Contingent Repayment (ICR) loan, and if so student loan deductions should start from the first available pay day. This question should be asked at the same time as asking the starter declaration questions unless the employee has already provided you with a leaver statement (P45 part 3) which confirms that student loan deductions should continue.

New form P46 (Short) for Employers

In response to requests from employers and their representatives, we have now created a single page version of form P46. If you file online you can use this form to collect the necessary information from new employees who do not have a form P45. If you are exempt from online filing you should continue to use the 2 page P46 as you do now.

The new single sided P46 is called P46(Short) and can be found using the find a form tool at http://search2.hmrc.gov.uk/kb5/hmrc/forms/home.page

Important Note: This form is for internal employer use only and should not be submitted to HMRC.

You must submit your VAT returns online

Most businesses have now made the move to online VAT returns. But if you are one of the few who haven't yet done so, you need to **act now** to meet your new obligations (we wrote to you in February about these).

Signing up to use the VAT Online service is easy, and you only have to do it once. When you've signed up, you can submit an online VAT return straightaway if one's due.

If you do need help, there's plenty available – online beginners' guides, an online demonstrator, help icons within the online service and HMRC advisers available over the phone. You can find details of all the various help and support that HMRC and third parties offer at www.hmrc.gov.uk/vatonlinehelp

You can also find more information about the various ways you can pay electronically, including Direct Debit, Bacs Direct Credit, internet/telephone banking or Faster Payments at www.hmrc.gov.uk/payingvat

Employer Bulletin › .....And a summary of other news

Business in You offers centralized access to business resources

Business in You is a partnership between Government and private enterprise that highlights support for new start-ups and established businesses looking to grow. The campaign reaches across all parts of government and various private partners to link up relevant tools and resources, making it easy for businesses to find the information they need.

Advice for small and medium-sized businesses covers employment, finance, mentoring, exporting, and various other relevant topics. By sharing the stories of real-life entrepreneurs, the campaign inspires people to start their own businesses and shows other companies how they might make use of available resources.

Businesses can sign up to receive email newsletters with offers and events, and are encouraged to follow the campaign www.businessinyou.bis.gov.uk/

Workplace pensions reform – support from The Pensions Regulator

Workplace pensions law is changing and eventually over one million employers of all shapes and sizes will be affected. You can read about the new employer duties in an introduction to workplace pension changes on the regulator's website at http://tinyurl.com/tpr-10-hmrc

Automatic enrolment into a workplace pension scheme – a good thing but not for individuals with enhanced or fixed protection

From October 2012 employers must automatically enrol all their eligible workers into a workplace pension scheme if they are not already in one and pay at least a minimum contribution into the scheme.

Anyone with enhanced or fixed protection who is automatically enrolled by their employer will lose their protection status unless they opt out. You may not know a person has enhanced or fixed protection, especially if they acquired pension savings in previous employments.

For more information, go to www.thepensionsregulator.gov.uk/workplacepension

Employer Diary

The Employer Diary contains details and reminders for key PAYE dates and deadlines throughout the year. Go to www.hmrc.gov.uk/employers/september.htm

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?	**08456 070 143**	Mon – Fri 8am – 8pm, Sat 8am – 4pm
Been an employer more than 3 years?	**08457 143 143**	Mon – Fri 8am – 8pm, Sat 8am – 4pm
Textphone	**08456 021 380**	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/paye/forms-publications/onlineorder.htm	
Orderline	**08457 646 646**	Mon – Fri 8am – 6pm
Fax	**08702 406 406**	(Please use your Fax Order Form)

Construction Industry Scheme (CIS)

CIS Helpline	**08453 667 899**	Mon – Fri 8am – 8pm, Sat 8am – 4pm
Minicom	**08453 667 894**	

NICs: special topics

Contracted-out Pensions Helpline and Orderline	**08459 150 150**	Mon – Fri 8am – 5pm
Non-residents Helpline and Orderline	**08459 154 811**	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	**08456 055 999**	Mon – Fri 8am – 8pm, Sat 8am – 4pm
email	helpdesk@ir-efile.gov.uk	
PAYE/SA payment enquiries	**08453 667 816**	Mon – Fri 8am – 8pm, Sat 8am – 4pm