

Welcome

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Helpline numbers

# Employer Bulletin

Your route to the latest in payroll news and views

April 2013 Issue 44



RTI is here!

# Welcome

## Hello and welcome to another edition of the Employer Bulletin.

We have been building up to it in the last few editions of the Bulletin and the biggest change to PAYE in over 60 years was introduced on 6 April: the move to reporting PAYE information in real time – otherwise known as Real Time Information, or RTI. Many of you will already have reported PAYE information to HMRC in real time – and many more employers will be preparing to make their first real-time submissions in the next few days and weeks. Remember, unless you have been given an alternative date by HMRC, this change takes effect from your first payday on or after 6 April 2013.

For those of you who how preparing to make your first PAYE submissions in real time, we have some timely tips and reminders on pages 9-11 – as well as some reassuring feedback from employers who have been participating in our pilot. You'll also see there details of a temporary relaxation announced recently by HMRC to help smaller employers.

The move to RTI is the most significant change to PAYE reporting for decades and we will use future editions of the Bulletin to keep you informed of progress and developments. For information, go to [www.hmrc.gov.uk/rti](http://www.hmrc.gov.uk/rti)

On page 4 of this edition of the Bulletin, there is a summary of the Chancellor's Budget announcements from 20th March which may affect your payroll obligations with a link to all the other announcements. There is also an article about finishing your end of year on page 12 and some handy tips about completing your expenses and benefits returns on page 13.

We can also let you know when the latest version of the Employer Bulletin is available and other PAYE products are updated online. If you would like us to notify you, all you have to do is sign up to our free email alert facility at [www.hmrc.gov.uk/payerti/forms-updates/forms-publications/register.htm](http://www.hmrc.gov.uk/payerti/forms-updates/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.

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](mailto:Alison.bainbridge@hmrc.gsi.gov.uk)



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**Need to know**

Essential reading, articles and information

# 2013 Budget Announcements

**The Chancellor of the Exchequer delivered his Budget on 20 March 2013. This article gives 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.hmrc.gov.uk/budget2013/](http://www.hmrc.gov.uk/budget2013/)

## Current tax year - 2013-14

In his Budget on 20 March 2013, the Chancellor of the Exchequer confirmed the announcements made in his Autumn Statement on 5 December 2012 on Personal Allowances, Income Tax rates and Income Tax bandwidths for 2013-14. The Class 1 National Insurance contributions (NICs) earnings limits and thresholds remain unchanged from those confirmed on 5 December 2012.

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

For 2013-14 tax codes, you should continue to use the information provided on the form P9X (2013) 'Tax codes to use from 6 April 2013' 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](http://www.hmrc.gov.uk/helpsheets/p9x.pdf)

There are no changes to the April 2013 versions of Payroll software and Tax Tables which should be used from 6 April 2013.

## 2014-15 Tax Year

Changes to the basic rate limit and the personal allowance from 6 April 2014.

The basic rate limit will be reduced to £31,865. The personal allowance for people born after 5 April 1948 will be increased to £10,000.

## Car fuel charge, van and van fuel benefit

From 6 April 2014 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 RPI figure for September 2013 and will be legislated by Order in the autumn.

# Employer Annual Returns

## Sending your Employer Annual Return (P35 and P14s) online and on time.

The introduction of Real Time Information means that this is the last year that most employers will be required to file an Employer Annual Return. Your Employer Annual Return must reach us by 19 May 2013.

Once your Employer Annual Return has been completed, it should meet HMRC's quality standard validation specifications to ensure it is processed successfully.

For up to date information on business validation rules go to [www.hmrc.gov.uk/ebu/qual\\_stand.htm](http://www.hmrc.gov.uk/ebu/qual_stand.htm)

There are steps you can take to avoid errors: for more information on avoiding and correcting errors in your Employer Annual Return, go to [www.hmrc.gov.uk/payerti/end-of-year/errors.htm](http://www.hmrc.gov.uk/payerti/end-of-year/errors.htm)

If you have not previously sent your return online you must act now by registering for HMRC's online service and allowing sufficient time to activate your service. More information on filing online and registration can be found at [www.hmrc.gov.uk/online/new.htm](http://www.hmrc.gov.uk/online/new.htm)

We recommend that you file your return online as soon as it is ready. Don't wait until the last minute to send your return. Allow sufficient time in case you need to resubmit before the statutory deadline.

If you send your return on paper you may receive a penalty. For more information on this go to [www.hmrc.gov.uk/payerti/end-of-year/payepenalties.htm](http://www.hmrc.gov.uk/payerti/end-of-year/payepenalties.htm)

Remember, to avoid penalties, file your Employer Annual Return (P35 and P14s) online and file as soon as you can before 19 May 2013.

## No Employer Annual Return (P35 and P14s) to make for 2012-13

If you didn't have to complete any P11 deductions working sheets or equivalent during the 2012-13 tax year you don't need to send us an Employer Annual Return. But you must tell us that you have no return to make so that we can update our records and prevent unnecessary reminders and penalty notices being issued.

The best way to tell us is by using one of the structured email forms (employer and agent) available on the HMRC website. These forms are specific to a tax year. The form for the 2012-13 year was put onto the website on 20 February 2013. An initial email acknowledgement will be sent to show that we have received the notification and this will stop further reminders from being issued. There may be a delay before we send the final confirmation when your records have been fully updated but you don't need to do anything. We will contact you if we need more information.

Care should be taken to make sure that you enter the correct employer reference onto the form. If you're not sure what your employer reference is you can find it on the front of your payment booklet (P30BC) or on the Paying PAYE electronically (P30BC letter) we send you each year.

If you want to tell us about an earlier year you can write to us or telephone the employer helpline. To use the forms and for further information go to [www.hmrc.gov.uk/payerti/end-of-year/from-bau-to-rti.htm](http://www.hmrc.gov.uk/payerti/end-of-year/from-bau-to-rti.htm)

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# Basic PAYE Tools - Employers not operating in real time on 5 April 2013

## Reminders to file your return and penalties for not sending it on time

Last year we introduced a number of actions to remind employers about the deadline for filing their Employer Annual Return and these communications will be sent for the 2012-13 return.

A reminder to file will be issued at the beginning of May. If the return has not been received by the deadline a further letter will be sent at the beginning of June to the employer and their authorised agent. This letter will say that a penalty may already have been incurred and that the return should be sent without delay to avoid the penalty increasing.

If the return remains outstanding the first interim penalty notices for the 2012-13 year will be sent out at the end of September for penalties that have accrued in the period from 20 May 2013 to 19 September 2013.

More information on penalties can be found at [www.hmrc.gov.uk/payerti/end-of-year/payepenalties.htm](http://www.hmrc.gov.uk/payerti/end-of-year/payepenalties.htm)

## Amended Employer Annual Returns (P35 and P14s)

When you need to send in further information after you have submitted your original return, either as a complete return or in parts, it is necessary to submit an additional return. Some software will not support the submission of an additional return. If this is the case you can use HMRC's Online Return and Forms – PAYE service at [www.hmrc.gov.uk/payerti/end-of-year/from-bau-to-rti.htm](http://www.hmrc.gov.uk/payerti/end-of-year/from-bau-to-rti.htm) This software should be used for submissions with up to 50 P14s. It should not be used to submit a P35 without any forms P14. If either of these situations arises please contact the Online Service Helpdesk at <http://online.hmrc.gov.uk/information/helpdesk>

If you have used the traditional Basic PAYE Tools until 5 April 2013 you must complete your 2012-13 Employer Annual Return (P35 and P14s) using this version.

After completing your Employer Annual Return **back up and save** your 2012-13 Database. Don't forget to save your P35 and P14s too.

**Please note: you must keep full and accurate payroll records for each employee for the current and previous three tax years.**

**Do not delete the traditional Basic PAYE Tools from your computer.**

Submit your 2012-2013 Employer Annual Return (P35 and P14s) **by 19 May 2013** When you are ready to submit your 2012-2013 Employer Annual Return you will need to return to the traditional tools to send it online to HMRC.

For more information on how to complete your 2012-13 year end and start reporting PAYE in real time from 6 April 2013 go to [www.hmrc.gov.uk/payerti/payroll/bpt/12-13-yearend.htm](http://www.hmrc.gov.uk/payerti/payroll/bpt/12-13-yearend.htm)

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

We have recently issued an Employer NICs Holiday End of Year Return (forms E92 and E89) for the 2012-13 tax year to all employers who have successfully applied for this scheme or to their agent where we have received the appropriate instructions to do so.

If you have not received these forms by 30 April 2013, but have applied for the NICs holiday and have received your acknowledgement from HMRC, you should contact the Employer Helpline on 08457 143 143.

The Employer NICs Holiday End of Year Return (E92 and E89(s)) should be submitted by all employers who were entitled to withhold employer Class 1 NICs under this scheme during the 2012-13 tax year, including those employers who operated PAYE in real time. 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 2013. If you have completed form(s) E89 for the 2012-13 tax year using the interactive recording tool available at [www.hmrc.gov.uk/payerti/getting-started/nics-holiday/calc.htm](http://www.hmrc.gov.uk/payerti/getting-started/nics-holiday/calc.htm) you should print off and enclose form E89 for each employee. If you require additional copies of the manual form E89 please use photocopies.

## If you reported PAYE in real time during 2012-13

If you operated PAYE in real time during the 2012-13 tax year, you are not required to submit an Employer Annual Return (P35 & P14s). Instead you should make sure that your final Employer Payment Summary (EPS) for this year reflects the total amount of employer NICs that you were entitled to withhold as shown on your form E92 and supporting form(s) E89.

## If you were not required to report PAYE in real time during 2012-13

If you did not operate PAYE in real time during 2012-13, we recommend you complete the Employer NICs Holiday End of Year Return (form E92 and E89(s)) at the same time as your Employer Annual Return (P35 & P14s) to avoid any discrepancies.

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](http://www.hmrc.gov.uk/payerti/getting-started/nics-holiday/what-happens-eoy.htm)
- filling your Employer Annual Return (P35 and P14s) online go to [www.hmrc.gov.uk/payerti/end-of-year/from-bau-to-rti.htm](http://www.hmrc.gov.uk/payerti/end-of-year/from-bau-to-rti.htm)

**Is it too late to apply for the NICs holiday?**

No it is not too late to apply.

[article continues >](#)



# Week 53 payments

If you are a new business who employed someone during 2012-13 you may apply retrospectively. Go to [www.hmrc.gov.uk/payerti/getting-started/nics-holiday/eligibility.htm](http://www.hmrc.gov.uk/payerti/getting-started/nics-holiday/eligibility.htm) and check if you are eligible to apply for the NICs holiday.

Any new business wishing to take advantage of the NICs holiday must satisfy themselves that they are entitled to claim and submit an application for the scheme **before** withholding any employer NICs.

Applications can also be submitted by agents on behalf of clients as long as we hold a valid client authorisation – form 64-8.

## Important reminder - the holiday scheme ends on 5 September 2013

The holiday scheme ends on 5 September 2013 and employer NICs due on earnings paid after this date cannot be withheld, no matter when a business started trading.

The September 2012 edition of the Employer Bulletin [www.hmrc.gov.uk/payee/employer-bulletin/bulletin42.pdf](http://www.hmrc.gov.uk/payee/employer-bulletin/bulletin42.pdf) contained an article regarding 'Week 53 payments' and explained that because the calendar year is made up of 52 weeks and 1 day (or 2 days in a leap year), it is possible for an extra payday to occur for those employees paid weekly (week 53), two-weekly (week 54) or four-weekly (week 56), and their last payday in the tax year falls on 5 April (4th or 5th April in a leap year).

These payments may result in an underpayment of tax as the employee is given extra Personal Allowances to protect the level of take home pay they receive.

Further details about week 53/54/56 payments can be found at [www.hmrc.gov.uk/payerti/payroll/non-standard/week-53.htm](http://www.hmrc.gov.uk/payerti/payroll/non-standard/week-53.htm)

At the end of the tax year, when we receive details about employee pay and tax, some of your employees' may have underpaid tax if your payroll is operated in this way, and we would be grateful if you would advise your employees of the position.

The notes enclosed with the Tax Calculation will explain to them how any underpayment will be collected, and further information can be found at the HMRC website [www.hmrc.gov.uk/incometax/p800.htm](http://www.hmrc.gov.uk/incometax/p800.htm)



# Reporting PAYE information in real time

As mentioned in the editor's words of welcome on page 2, many of you will already have started to report PAYE in real time, and all other employers will be preparing to make their first submissions. Information to help you prepare for the move can be found at [www.hmrc.gov.uk/payerti/getting-started/index.htm](http://www.hmrc.gov.uk/payerti/getting-started/index.htm) and we have produced a handy 'At a glance' guide to help you make sure that your preparations are on the right track. This can be found at: [www.hmrc.gov.uk/payerti/at-a-glance.pdf](http://www.hmrc.gov.uk/payerti/at-a-glance.pdf)

We ran a pilot exercise between April 2012 and March this year to test the system thoroughly before practically all employers start submitting PAYE information in real time from this month. The pilot has been a great success and our research with participating employers shows that their feedback is very positive: not only did they find reporting in real time easy, but they could see how it could reduce the administrative burdens on them in future.

As reported in previous editions of the Bulletin, we have been learning all the time from our pilot. Some of the main issues to emerge are:

- **Employee data**

Getting your employee data – National Insurance number, full names, date of birth – right is vitally important when you report in real time. Useful tips on how you can do this can be found at [www.hmrc.gov.uk/rti/dip/index.htm](http://www.hmrc.gov.uk/rti/dip/index.htm)

- **'The hash'**

In reading about the move to reporting in real time, you may have heard references to 'the hash'. Just to be clear, 'the hash' is another name for a cross-reference which *some* employers may need to include in their submissions to HMRC. If you answer 'yes' to both of the questions below, you must include a hash reference in your submissions to HMRC and need to take steps to

ensure everything is in place to enable you to do so. If you answer 'no' to either question, you do not need to worry about the hash cross-reference.

1. When making payments of wages/salaries/pensions, do you make any part of them using Bacs direct credit? Your answer will be no if you make such payments wholly in cash, by cheque or through internet banking without any part being paid by Bacs direct credit.
2. Do you have your own Service User Number (SUN) for the Bacs system? Your BASS provider or Bacs Approved Bureau will be able to confirm whether or not you have your own SUN.

If you've answered 'yes' to both questions, you must include a hash/cross-reference in all PAYE returns you make to HMRC for each employee. It is needed so that HMRC can match the payments employees receive with the payroll data you report in real time. You should check:

- that your payroll software – or your payroll provider if you outsource your payroll – is set up to add this cross-reference to your reports to HMRC; and
- with your Bacs system provider, or your Bacs Approved Bureau, that the necessary reference will be included in payment instructions.

More detailed information can be found at [www.hmrc.gov.uk/rti/rti-bacs.pdf](http://www.hmrc.gov.uk/rti/rti-bacs.pdf)

- **Student Loans and reporting PAYE information in real time**

Reporting PAYE information in real time will apply to student loans too. From 6 April 2013, when taking on staff, employers operating PAYE in real time must 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.

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*'Our research shows...  
66% of the first employers to  
try RTI said the PAYE burden  
will be less in the future  
because of RTI.'*

Unless the employee has already provided you with a leaver statement (P45, part 3) which confirms that student loan deductions should continue, you should – when gathering the other information you need – ask any new employee about student loans. You can gather this information in any way that suits your business but HMRC does provide a ‘starter checklist’ to help you.

Go to: [www.hmrc.gov.uk/forms/starterchecklist.pdf](http://www.hmrc.gov.uk/forms/starterchecklist.pdf)

And more information can be found at

[www.hmrc.gov.uk/payerti/payroll/pay-and-deductions/student-loan.htm](http://www.hmrc.gov.uk/payerti/payroll/pay-and-deductions/student-loan.htm)

- **Earnings below the Lower Earnings Limit for NICs purposes**

Remember that – for the first time – your submissions must include details of any earnings your employees have which are below the Lower Earnings Limit. For more information about the information to be reported to HMRC, go to:

[www.hmrc.gov.uk/payerti/reporting/what-to-report.htm](http://www.hmrc.gov.uk/payerti/reporting/what-to-report.htm)

- **Using an Employer Payment Summary (EPS) effectively**

You should use an EPS to tell us:

- That you have no Full Payment Submissions (FPSs) to send us, as without it we will collect what we believe to be due and, from April 2014, this could lead to a penalty; or
- That you have Statutory Payments to offset against PAYE/NICs due for a particular tax month/quarter. You need to file your EPS within 14 days of the end of that tax period.

- **Paying HMRC**

We expect you to pay us in full. Payment in full is:

- The total amount shown on your Full Payment Submissions for a tax month, including any corrections or adjustments submitted on or before the 19th of the following month;

- Less the amount shown on any Employer Payment Summary submitted on or before the 19th of the following month.

So for tax month 1 (6th April to 5th May) this would be by 19th May.

If you also engage contractors, your CIS returns for the same period will be used alongside your RTI information to work out how much you should pay.

When paying HMRC it is important to use the right reference number, and to tell us what tax year and month your payment is for.

See [www.hmrc.gov.uk/payinghmrc/referencechecker.htm](http://www.hmrc.gov.uk/payinghmrc/referencechecker.htm)

These are just some of the issues that our pilot highlighted. Details of others – as well as lots of useful tips - can be found in our Pilot Employer Monthly Update for February 2013. See: [www.hmrc.gov.uk/rti/emp-monthly-update-feb13.pdf](http://www.hmrc.gov.uk/rti/emp-monthly-update-feb13.pdf) Subjects covered in the Update include:

- The importance of paying HMRC on time and in full
- Ensuring you send Full Payment Submissions and Employer Payment Summaries to HMRC on time
  - Both of these subjects were covered extensively in the February 2013 edition of the Bulletin – [www.hmrc.gov.uk/payee/employer-bulletin/eb43.rtf](http://www.hmrc.gov.uk/payee/employer-bulletin/eb43.rtf) – and full guidance on late and inaccurate reporting can be found at [www.hmrc.gov.uk/payerti/reporting/late-reporting.htm](http://www.hmrc.gov.uk/payerti/reporting/late-reporting.htm)
- Data Quality
- Ensuring you report the correct Accounts Office Reference number
- Payments after leaving
- NINO Verification Requests.

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While there is lots of information available to help you with the move to reporting in real time, HMRC recognises that the change will require some employers – and their agent or other payroll service provider – to do things differently. This could mean that in the first few months employers may not always manage to meet the requirement to send HMRC the information ‘on or before’ the date payment is made to their employees.

In particular, we recognise that some smaller employers who pay employees weekly – or more frequently – but process their payroll once a month may take some time to adapt to regular real time reporting. HMRC has announced, therefore, a temporary easement: until 5 October 2013, employers with fewer than 50 employees who find they are unable to send information about every weekly payment at the time of payment may send information to HMRC by the date of their regular pay run – but no later than the end of the tax month, ie the 5th. This does not affect the requirement to operate PAYE in real time, but should help smaller employers get used to the change. See [www.hmrc.gov.uk/news/relax-small-business.htm](http://www.hmrc.gov.uk/news/relax-small-business.htm)

Going to this link will also show that HMRC has confirmed the position for reporting the earnings of casual employees. Where casual employees are paid for work done on the day – and certain other conditions are satisfied – information should be reported within the next 7 days.

For all employers, we see tax year 2013-2014 as a year of transition and our approach is very much aimed at helping employers to meet their new obligations. As part of this we would encourage all employers to try to submit their returns on time from the outset.

*‘Our research shows...  
79% of the first employers to  
try RTI thought it was easy.’*

*‘Our research shows...  
the first employers to try  
RTI felt as confident or more  
confident than they did using  
the existing PAYE system.’*

Reporting in real time has been designed so you can, if necessary, make any corrections in the next payroll run. We won’t be charging any in-year late filing penalties for 2013-2014 and will continue to use the current approach to late payment penalties until April 2014.

From October 2013, we will write to employers that send in their returns late. This will help them understand that such behaviour will – from April 2014 – put them at risk of a penalty and enable them to refine their processes.

HMRC recognises that there will be a lot for employers to have to deal with as they get used to reporting in real time and, as a result, mistakes might happen. Where they do, provided the employer has taken reasonable care, there will be no penalty.

As a result, we do not anticipate many employers incurring penalties for careless inaccuracies in the first year – and it is highly likely that any such penalties could be suspended in expectation of improved future behaviour.

For more information about late and inaccurate returns, see [www.hmrc.gov.uk/payerti/reporting/late-reporting.htm](http://www.hmrc.gov.uk/payerti/reporting/late-reporting.htm)

We will report more on the move to reporting in real time in the autumn edition of the Bulletin but, in the meantime, you can see all the current guidance at [www.hmrc.gov.uk/rti](http://www.hmrc.gov.uk/rti)

# Employee share schemes - it's that time of the year again when you need to start the process of completing your annual returns!

**Do you offer share incentives to your employees either as part of a share scheme or as a one off award? If you do you need to give us details of those share incentives and awards by the deadlines given below following the end of the tax year in which those events took place. Don't leave the completion of the returns till the last moment as you may have to gather information from different sources and it is very easy to miss the deadlines.**

Some companies offer their employees' participation in HMRC approved employee share schemes or schemes with tax and NICs reliefs. These schemes are the Share Incentive Plan, Save As You Earn scheme, Company Share Option Plan and the Enterprise Management Incentives (EMI). Each scheme has its own unique annual return that you must complete and send to us. We will be issuing letters on 8 April 2013, to let you know that the return is now due. You have 92 days to complete the returns for the tax-advantaged share schemes, meaning they have to be with us by the 8 July 2013. The deadline for sending the EMI annual return is 6 July 2013.

You may also offer employee share schemes which do not have any tax or NICs advantages. We commonly refer to these as unapproved share schemes. You may have one or more of these schemes in place but you only need to complete one annual return form to give us information about all your unapproved share schemes. For these schemes you will need to send us a return on Form 42 if there were any reportable events in the 12 months ending 5 April 2013.

Please remember that this form has to be completed, if applicable, whether or not you get a letter from us asking you to complete one. The deadline for sending this form to us is the 6 July 2013.

If you do receive a letter from us asking you to send in an annual return for the scheme or plan you are operating then please follow the instructions given in that letter. The letter will have a unique reference number shown on it which you should quote on the front page of the employee share scheme annual return that you send to us. By doing so you will help us to update our records quickly and accurately and reduce the need to chase you for the annual return.

Each of the annual share scheme returns has guidance notes on the form. Please read these notes carefully and only provide the information requested on the form, clearly and legibly. There will be occasions when we need to speak to you about the information you have provided. We find it is easier to resolve minor errors over the phone so it is always helpful if you give us a telephone number and name of a person to contact.

Further information and copies of the share scheme returns for 2012-13 can be found at [www.hmrc.gov.uk/shareschemes/ann-app-schemes.htm](http://www.hmrc.gov.uk/shareschemes/ann-app-schemes.htm). Unfortunately these returns cannot be completed online or electronically so you will need to print them off.

# Reporting 2012-13 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.

Employer errors in completing forms P11D, P9D and P11D(b) can cause delays in processing and problems with employees tax codes, so the following guidance should help you get it right the first time.

## 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 – HMRC 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'.

## 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

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- 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 box in Part 5 of form P35 (Employers Annual Return) or the declaration on the final FPS/EPS submission (for those employers operating PAYE in 'real time') 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 06/04/2012 to 05/04/2013 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.

### 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 payrolled 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.

### 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 within the new online end of year expenses and benefits forms available on the HMRC website from April 2013 or by telephoning the Employer Helpline on 08457 143 143.

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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’.

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.

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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 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.

## 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.

## 2012-13 forms P11D(b) and payslips - RTI employers

The 2012-13 Return of Class 1A National Insurance contributions – forms P11D(b) and payslips which we usually send out in April will be delayed for those employers who volunteered to use RTI during 2012-13.

These will now be dispatched around 2 July 2013 and may not be received by some employers in time to complete and return by the 6 July 2013 filing date.

If you are an RTI employer and you want to file a P11D(b) you do not have to wait to receive this form. You can download a copy from the HMRC website at [www.hmrc.gov.uk/kb5/hmrc/forms](http://www.hmrc.gov.uk/kb5/hmrc/forms) or alternatively obtain a paper copy from the Employer Orderline by telephoning 08457 646 646.

Late filing penalties will not be charged if the 2012-13 P11D(b) is received in HMRC by 19 July 2013.

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Employers affected by this delay are also advised that payment of Class 1A National Insurance contributions must still be made by 19 July 2013 to avoid late payment penalties. If paying by post and a payslip is not available, the following details should accompany the payment:

- Company name
- Address
- Telephone number
- Payment Reference
- Tax Year
- Amount of Class 1A National Insurance contributions being paid.

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 1313 for 2012-13 (for employers paying by BillPay suffixed with 1312).

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

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 the HMRC web site [Expenses and benefits A to Z](#), Car Averaging.

## 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](http://www.hmrc.gov.uk)

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.

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## S336

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.

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 <http://search2.hmrc.gov.uk/kb5/hmrc/forms/view.page?record=uvKCWDkzkMw&formId=445> or download the application form and post the completed form to the address below. 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

<http://www.hmrc.gov.uk/payerti/exb/schemes/dispensation.htm>

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# New 'Online End of Year Expenses and Benefits forms'

## Basic PAYE Tools (BPT)

This is a reminder that the facility to create P11D, P9D and P11D(b) forms using the Basic PAYE Tools (BPT) is being withdrawn from 5 April 2013 and will not be available for use by employers or agents to complete forms P11D, P9D or P11D(b) for 2012-13 or future years.

Other methods of completing end of year expenses information continue to be available and payroll facilities will continue to be available within BPT to enable you to carry out your 'PAYE in real time' obligations.

## Online Guidance for employers

The online guidance for employers relating to the completion and submission of P11D information has been updated and can be found on our website at [www.hmrc.gov.uk/payerti/exb/index.htm](http://www.hmrc.gov.uk/payerti/exb/index.htm)

From 6th April 2013 HMRC is starting to introduce an additional method for submitting end of year expenses and benefits forms – it's called 'Online end of year Expenses and Benefits forms'. It's a new product and will be available from our website. It will allow employers to submit expenses and benefits information electronically when they have up to 250 P11Ds to complete.

The new product, which is a web based tool will allow you to download forms to your computer, complete in part and save if required, after which you can submit electronically when completed in full. The forms will help employers to accurately enter the correct information and submit this securely via an HMRC electronic channel.

The new web forms will not mirror the paper forms, but will include all existing questions and boxes as currently shown on the paper forms, then based on the answers to a set of initial questions, the web forms will provide only those questions/boxes relating to the information needed.

The first of the new forms being introduced from 6th April are:

- No return of Class 1A National Insurance Contributions due for 2012-13 – you can use this to notify HMRC that no P11Ds/P11D(b) is due
- Notification of Payrolled Benefits – use this to notify us of your intention to file payrolled expenses and benefits information online.

The remaining new Online end of year Expenses and Benefits forms are still in development and the HMRC website will announce when they are available. Please check for updates on our 'What's new?' page, available from the HMRC home page or at [www.hmrc.gov.uk/employers/news.htm](http://www.hmrc.gov.uk/employers/news.htm)

# Online seminars

HMRC have produced webinars (online seminars) that cover many aspects of being an employer including first steps, statutory payments, PAYE expenses and benefits and help with your end-of-year return.

There are two types of webinar:

- live webinars that take place on set dates lasting one hour, these are interactive and you have the opportunity to ask questions throughout the session
- pre-recorded webinars, available 24 hours a day, seven days a week, at a time that suits you that last approximately 30 minutes.

For further information, read 'Online seminars for businesses and the self-employed' at [www.hmrc.gov.uk/webinars/index.htm](http://www.hmrc.gov.uk/webinars/index.htm)

## Transport changes

HMRC have announced the car fuel benefit multiplier will be £21,100 for 2013-14.

For 2013-14 the lowest appropriate percentage for CO<sub>2</sub> emissions remains at 0% for cars with zero emissions and 5% for cars with emissions of 75g/km or less. The 10% rate applies to cars with emissions of 76g/km to 94g/km and for cars with emissions of 95g/km to 215g/km and above, the rate increases by 1% per 5g/km up to the maximum of 35%.

## Construction Industry Scheme (CIS) - Repayment claims for limited company subcontractors

We have updated the leaflet 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 leaflet 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/repayment-claims.pdf](http://www.hmrc.gov.uk/cis/repayment-claims.pdf)

## Shared parental leave and pay

The government has published a consultation document on the administration shared parental leave and pay at [www.gov.uk/government/consultations/consultation-on-the-administration-of-shared-parental-leave-and-pay](http://www.gov.uk/government/consultations/consultation-on-the-administration-of-shared-parental-leave-and-pay)

The consultation sets out proposals for how the new system of shared parental leave and pay will work in practice and is seeking practical comments and suggestions on the administrative process to ensure that it is as simple and as streamlined as possible.

The consultation period ends on 20/05/13.

# PAYE Payments

## Making payments for a previous year

If you need to make a payment of PAYE, Class 1 NIC, CIS or Student Loan repayment deductions to HMRC for tax year 2012-2013 (or earlier) please use your 13 character Accounts Office reference, but add the extra information about the tax year and month that you are paying.

For example, in July 2013 to pay Month 12 of year 2012-2013 (which you should have paid in April 2013) please add 1312 to your reference.

To pay the Class 1A NIC (due by 22nd July 2013) that you are declaring on your 2012-2013 P11D(b) return please use your 13 character Accounts Office reference followed by 1313.

Please note by using 13 as the final 2 digits you are letting us know that this payment is intended for your Class 1A NIC. Do not use 13 as the final 2 digits if you are paying any other Employer/Contractor liabilities.

It is important that you show the reference number with no gaps between the characters, otherwise it could lead to delays in updating your records.

You can check your reference at

[www.hmrc.gov.uk/tools/payinghmrc/pay-index.htm](http://www.hmrc.gov.uk/tools/payinghmrc/pay-index.htm)

## Change of Bank Account Details

This change is being introduced from tax year 2013-14 and only affects those employers who previously made their PAYE electronic payments by Bacs Direct Credit, Faster Payments by online/telephone banking and CHAPS using the Shipley Bank Account details. Employers such as government departments and health authorities who have an account with the Government Banking Service (GBS) are not affected by this change. PAYE electronic payments for tax year 2012-13 are also not affected by this change.

From tax year 2013-14 onwards employers who pay electronically are being asked to use the Cumbernauld Bank Account details to make their payment.

Details are:-

Sort Code	08 32 10
Account Number	12001039
Account Name	HMRC Cumbernauld

If you use a pre-filled/drop down menu please ensure the one you select uses the correct details, matching the information above. For example, when paying PAYE do not select HMRC NIC Quarterly bill as this is for different National Insurance payments.

# When it comes to your payment it is best to be prepared

**Electronic payments are normally very reliable** once correctly set up and the correct payment reference is selected.

So please check that you are using the **correct reference** when paying HMRC. If paying in the two week period prior to the monthly or quarterly deadline you should make one payment for the total due and the reference you should use is your 13 character Accounts Office Reference.

Depending on your bank the Faster Payment System can give you the ability to make a payment on the day of the payment deadline, whatever day of the week it is. That is great when it works as it is supposed to. It normally does, but as a lot of people found out in January when Faster Payment problems beset some banks, **things can occasionally go wrong** with payment systems. If they do, sorting it out can be very time consuming.

Because of that you may want to **make your payment early** to avoid any last minute problems. Or even if you don't pay early, you should **arrange your payment in advance** of the intended payment date. That way you know it's done and you can stop worrying about either forgetting to make your payment or any computer or communications problems.

Another thing you may consider is to take some time and **find out about other payment methods**. You may find a different payment method that suits you better, may be easier to set up and possibly even cheaper than your current method. Well here's hoping! Having a range of different payment options at your fingertips could be handy. Your own bank will be able to advise you on charges, set up and when your payment would be debited and credited.

The key thing is to ensure any electronic payment **credits the HMRC bank account no later than the 22nd** of the month following the end of the tax month or quarter to which it relates.

HMRC accepts a range of payment methods, Direct Debit, online by BillPay using your Debit or Credit card, Bacs, CHAPS, Faster Payment, Internet and telephone banking if your bank offer those services, cash and cheque at your bank or Post Office providing you have a payslip, and finally postal payment. They are **all considered electronic methods by HMRC except postal payment**. We don't recommend payment by post because electronic payments are more efficient and secure than sending a cheque in the post. And if you don't post in good time the next paragraph may apply to you!

If you don't pay on time and in full you may be charged **Late Payment Penalties**. These range between 1% and 5% of the amount not paid on time. That is definitely worth avoiding. Find out more at [www.hmrc.gov.uk/payerti/paying/deadline.htm](http://www.hmrc.gov.uk/payerti/paying/deadline.htm)

The table – Make your electronic PAYE payment at the right time – provides examples of payments made on time by payment method. More payment information is available at [www.hmrc.gov.uk/payinghmrc/pay.htm](http://www.hmrc.gov.uk/payinghmrc/pay.htm) or by phoning the **Paying HMRC Helpline on 0845 366 7816**.



## Make your electronic PAYE payment at the right time

Examples of payments made on time by payment method. Contact your bank if you need advice before using a new payment method

### Electronic PAYE payment - deadline Monday 22 July 2013 - a Bank working day

Payment Method	Date initiated	Date debited	Date credited	Comments
Bacs / Bank / Post Office / Internet non Faster Payment	Thursday 18	Can vary	Monday 22	3 day Bacs cycle bank working days only
Direct Debit		22/07/2013		
CHAPS	Monday 22			CHAPS only available bank working hours / days
Faster Payment				Availability same day depending on bank rules

### Electronic PAYE payment - deadline Thursday 22 August 2013 - a Bank working day

Payment Method	Date initiated	Date debited	Date credited	Comments
Bacs / Bank / Post Office / Internet non Faster Payment	Monday 20	Can vary	Thursday 22	3 day Bacs cycle bank working days only
Direct Debit		22/08/2013		
CHAPS	Wednesday 22			CHAPS only available bank working hours / days
Faster Payment				Availability same day depending on bank rules

### Electronic PAYE payment - deadline Saturday 22 September 2013 - a non Bank working day

Payment Method	Date initiated	Date debited	Date credited	Comments
Bacs / Bank / Post Office / Internet non Faster Payment	Wednesday 18	Can vary	Friday 20	3 day Bacs cycle bank working days only
Direct Debit		20/09/2013		
CHAPS	Friday 20			CHAPS only available bank working hours / days
Faster Payment	Saturday 22	22/09/2013	Sunday 22	Availability same day depending on bank rules

**Payments must clear no later than 22nd of the month following the end of the tax month or quarter to which the payment relates.**

Depending on what day the 22nd falls you may need to make your payment earlier as demonstrated above.

**Late payment penalties are wholly avoidable by allowing enough time for cleared payments to reach us by the payment deadline.**

# 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 we can process their claims and prevent the risk of their tax credits stopping or overpayments occurring.**

From April 2013 almost six million tax credits customers will start to receive packs through the post inviting them to renew their claims. Last year over half a million people lost their tax credits payments because they didn't renew their tax credits on time.

Although 60 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 phone or post as soon 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, we have produced some simple promotional material that you can download and use:

- messages which can be used on payslips  
[www.hmrc.gov.uk/payee/employer-bulletin/eb44/taxcreditspayslip.pdf](http://www.hmrc.gov.uk/payee/employer-bulletin/eb44/taxcreditspayslip.pdf)

- an article to use if your company produces a newsletter for employees  
[www.hmrc.gov.uk/payee/employer-bulletin/eb44/taxcreditsarticle.pdf](http://www.hmrc.gov.uk/payee/employer-bulletin/eb44/taxcreditsarticle.pdf)
- a poster which can be displayed in the workplace  
[www.hmrc.gov.uk/payee/employer-bulletin/eb44/taxcreditsposter.pdf](http://www.hmrc.gov.uk/payee/employer-bulletin/eb44/taxcreditsposter.pdf)

## 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](http://www.hmrc.gov.uk/taxcredits)

# Child maintenance Deduction from Earnings Orders (DEOs) are changing!

Last year the Department for Work and Pensions (DWP) started letting employers know about the upcoming changes to child maintenance, and in particular the introduction of the new 2012 statutory scheme managed by the Child Maintenance Service (CMS).

The important thing to be aware of is that CMS DEOs will work slightly differently to Child Support Agency (CSA) DEOs. A dedicated CMS employer support team are in place to help employers when they need to make changes.

The 2012 scheme went live successfully in December and is now accepting a small number of new applicants. As a result, it is possible that employers may begin to receive 2012 scheme DEOs from now on. Employers who currently work with the CSA do not need to make any changes to the way that they work with the CSA until they are contacted. For further information email [EMPLOYER.INFORMATION@CHILDMAINTENANCE.GSI.GOV.UK](mailto:EMPLOYER.INFORMATION@CHILDMAINTENANCE.GSI.GOV.UK)

## Further support is available for employers

Employers are often unaware of how they can support their employees in times of separation. As part of the Help and support for separated families initiative, the Sorting out separation web app has been introduced. Employers can signpost their employees to this web app to help them deal with the range of issues they may face during the difficult time of separation.

The Sorting out separation web app is embedded on websites and intranets that parents already use to encourage them to seek help.

We're really keen to get the app on employers' websites or intranets as we know employees often turn to their employers for support during separation. If you are already administering DEOs it's likely your employees will benefit from this service.

The web app is completely free of charge and has received some really positive feedback, from many of its 45,000 visitors since it was introduced in November last year.

The Sorting out separation web app is quick and easy to embed on your website or intranet. To embed the app please go to [www.sortingoutseparation.org.uk/en/embed-app/](http://www.sortingoutseparation.org.uk/en/embed-app/)

## Important news for PAYE Desktop Viewer (PDV) users

The PDV is an application provided by HMRC which allows you to view, search and sort online PAYE tax codes, notifications and reminders.

Annual changes in notifications and reminders that are viewable on PDV mean that the PDV software has had to be updated. If you are a user of the PDV application please ensure you download and install the new version of the PDV software available from April 2013 onto your computer so that you receive the latest versions of these notices.

For more information and updates about the PDV, please go to [www.hmrc.gov.uk/payerti/tools/pdv/index.htm](http://www.hmrc.gov.uk/payerti/tools/pdv/index.htm)

# Pension Savings: Changes to tax relief

**As announced in the Autumn Statement, for the 2014-15 tax year onwards the standard lifetime allowance for tax relieved pension savings for individuals will be reduced from £1.5 million to £1.25 million and the annual allowance will be reduced from £50k to £40k.**

The lifetime allowance is the maximum amount of tax relieved pension saving an individual can build up over their life, whilst the annual allowance sets a limit on the amount of their pension savings that can benefit from tax relief in a tax year. Savings above these allowances are subject to tax charges.

The Government also announced in the Autumn Statement that transitional protection (known as fixed protection 2014) will be introduced to provide individuals who do not have any of the existing forms of lifetime allowance protection, with a lifetime allowance of £1.5 million subject to certain conditions. Fixed protection 2014 will work in a similar way to the existing fixed protection regime introduced from April 2012.

In addition, the Government announced at Budget 13 that an individual protection regime will be introduced in addition to fixed protection 2014 (known as individual protection 2014). This will give individuals a lifetime allowance of the value of their pension pot on 5 April 2014, subject to a maximum of £1.5 million. With individual protection 2014 there will be no restrictions on further savings, however any increase in the individuals pension pot after 5 April 2014 will be subject to the lifetime allowance charge when benefits are taken. A consultation on the detail of individual protection 2014 will be held in Spring 2013.

Employers should be aware of the potential impact of these changes on their employees, as they may come to them for advice. For example, it is likely that some employees will be concerned as to whether or not their current pension savings will exceed the reduced lifetime allowance and therefore they may want to talk to their employer about their pension provision and their remuneration package, and/or they may want to opt out of any company pension scheme altogether.

Other employees may be concerned that a promotion which results in a significantly enhanced pension may mean that they are subject to an annual allowance charge.

You should also be aware that although the changes are for tax year 2014-15 onwards, the reduction in the annual allowance may affect your employees before this. Pension savings for the purposes of the annual allowance are measured over a period of time called the pension input period. This period usually covers 12 months but doesn't have to match the tax year. Your pension savings for a tax year are all the pension savings made in pension input periods that end in the tax year. So if your scheme has a pension input period that runs from 1 May to 30 April, then any pension savings made on or after 1 May 2013 will be subject to the 2014-15 annual allowance of £40k. Employers may therefore want to check with their pension scheme administrator what their schemes pension input period is.

Go to [www.hmrc.gov.uk/pensionschemes/reliefs-charges.htm](http://www.hmrc.gov.uk/pensionschemes/reliefs-charges.htm) for further information about the lifetime and annual allowances, as well as fixed protection.

# Automatic enrolment: the early lessons

**Every employer has new legal duties to help their workers in the UK save for retirement. The largest employers have begun to automatically enrol workers and thousands more employers will reach their staging dates, the date when their duties apply, in the next year alone.**

Automatic enrolment has been designed to overcome the fact that many workers have been missing out on valuable pension benefits because they didn't apply to join their employer's scheme, or their employer didn't offer them access to a workplace scheme.

Laws came into effect on 1 July 2012 prohibiting employers from inducing or offering incentives to their staff to abandon retirement saving.

The Pensions Regulator is the regulator of work-based pensions. The regulator provides a range of information available to help employers get to grips with their new duties, from interactive tools and letter templates to help employers communicate with their workers, to guidance explaining the duties in detail.

The key lesson of the first months of automatic enrolment is that employers need to allow plenty of time to prepare. The regulator estimates it can take up to 18 months to get set to comply.

It's important to find out when your staging date is and not to underestimate how long it will take to be ready for it. Employers can find out more about their staging date by using a tool on the regulator's website:

[www.thepensionsregulator.gov.uk/employers/tools/staging-date.aspx](http://www.thepensionsregulator.gov.uk/employers/tools/staging-date.aspx)

The regulator has detailed the main steps to automatic enrolment – the first of which is for an employer to **nominate a point of contact**.

If your staging date is less than 18 months away, you should have received a letter from the regulator with a unique letter code. The regulator will be contacting you with important updates as you prepare for automatic enrolment.

From the first waves of employers to stage it has become clear how important it is to make sure these updates get to the right person in an organisation. You can use your letter code to nominate a point of contact on the regulator's website:

<https://forms.thepensionsregulator.gov.uk/workplacepensionsreform/nominate.aspx>

# Currently recruiting? Have you checked your candidate's right to work?

As an employer you are required to carry out document checks to ensure you only employ people who have the right to work in the UK. Checking these documents will help you identify if a person is allowed to work in the UK and also provide you with a statutory excuse against liability for a civil penalty if that person is an illegal worker.

**FACT:** You could receive a penalty of up to £10,000 per illegal worker you employ.

The following steps will help you to not fall foul of the law:

- You must ask for, check the validity of, and take copies of original, **acceptable** documents **before** a person starts working for you
- If a person has a time limit on their right to work, you will need to carry out repeat document checks **at least once every 12 months**
- If a person has a restriction on the type of work they can do and, or, the amount of hours they can work, then you should make sure that you do not employ them in breach of their work conditions
- You will not have a statutory excuse against liability for a civil penalty if you knowingly employ an illegal worker, regardless of any document checks you carry out before or during a person's employment.

You can find out more about the checks you are required to make and the documents considered acceptable on the UK Border Agency's website at [www.ukba.homeoffice.gov.uk/sitecontent/documents/employersandsponsors/preventingillegalworking/](http://www.ukba.homeoffice.gov.uk/sitecontent/documents/employersandsponsors/preventingillegalworking/). You may find using the 'Right to Work Checklist' at the back of these guides helpful in ensuring you correctly carry out the checks.

You can also use the 'Check if someone can work in the UK' tool on the GOV.UK website at [www.gov.uk/legal-right-to-work-in-the-uk](http://www.gov.uk/legal-right-to-work-in-the-uk) for more information.

## Simplifying checks

The UK Border Agency is making it much easier for employers to check the right to work of non-EEA nationals by rolling-out biometric residence permits (BRPs) to all those coming to live in the UK for more than 6 months. Almost a million BRPs have been issued so far in place of passport stamps and vignettes, and they will become the principal work entitlement document for non-Europeans over time.

## Do you suspect illegal working?

Report it by calling the UK Border Agency's Employers Helpline on 0300 123 4099 or Crimestoppers anonymously on 0800 555 111.

# Employer diary

Apr - May2013

## April 2013

5 Last day of the 2012-13 tax year. You must send your Employer Annual Return (form P35 and P14s) for 2012-13 online. Penalties may be charged if you send them on paper.

6 Employers are now required to report their payroll information to HMRC in real time.

Check you have made all necessary changes to your employees' tax codes for 2013-14 as explained on P9X.

If you are using commercial payroll software - make sure you have updated your payroll parameters and have the correct version of the software for 2013-14.

**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, interest will be charged and you may have to pay a late payment penalty.

Last date for any outstanding postal payments of PAYE and Class 1 NICs for 2012-13 to reach your HMRC Accounts Office. We will charge interest on any payments received after this date.

22 Electronic payments for month/quarter ended 5 April 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.

Last date for any outstanding electronic payments of PAYE and Class 1 NICs for 2012-13 to reach the HMRC bank account. We will charge interest on any payments received after this date.

## May 2013

3 Forms P46(Car) for quarter ended 5 April should reach us by this date.

9 Last date to register to use PAYE Online for Employers if you are required or intend to send your 2012-13 Employer Annual Return online.

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.

Last date to submit your 2012-13 Employer Annual Return (P35 and P14's). A late filing penalty will be charged on forms received after this date. Penalties are also charged for failing to file online, unless exempt.

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.

31 Last date for giving form P60 to each employee working for you at 5 April 2013.



# Employer diary

Jun - July 2013

## June 2013

- Early If you have an HMRC Approved Employer Share Scheme including Enterprise Management incentives, we recommend you finalise completion of your 2012-13 Annual Returns Form 34, Form 35, Form 39 and Form 40 to ensure we receive them by 10 July 2013. If you have Employment-related securities then finalise completion of Form 42 to ensure we receive it by 6 July 2013.
- 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.
- 22 Electronic Payments for month ended 5 June must clear into the HMRC bank account by this date. **As the 22 June 2013 is a Saturday, the payment will need to clear into the HMRC account by Friday 21 June 2013 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 2013

- 5 Last date for agreeing any PAYE Settlement Agreement for 2012-13 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 Employee Share Scheme Annual Return Form 42 to reach HMRC.
- 10 Last date for Employee Share Scheme Annual Returns Form 34, Form 35, Form 39 and Form 40 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.
- Postal payments of Class 1A NICs for 2012-13 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 2012-13 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 2013

## August 2013

- 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.
- 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.

## September 2013

- 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.
- 22 Electronic payments for month ended 5 September must clear the HMRC bank account by this date. **As 22 September 2013 is a Sunday the electronic payment will need to clear into the HMRC account by Friday 20th, unless you are able to arrange a Faster Payment to clear on or by the 22nd.** You should check with your bank in good time to see if you are able to use Faster Payments; what single transaction/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.

# 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](http://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/payerti/forms-updates/forms-publications/onlineorder.htm](http://www.hmrc.gov.uk/payerti/forms-updates/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\* **08456 055 999** \*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](mailto:helpdesk@ir-efile.gov.uk)

PAYE/SA payment enquiries **08453 667 816** Mon - Fri 8am - 8pm, Sat 8am - 4pm