

Minutes of the Employment Consultation Forum

Date: 8 April 2013
Location: 100 Parliament Street
Time: 11:00 to 14:30

Co-chair Wayne Sumner Head of Employer Engagement & Strategy
Co-Chair Karen Thomson Chartered Institute of Payroll Professionals
Secretary Carole Carter Employer Engagement

Attendees:

Colin Ben Nathan	Chartered Institute of Taxation
Jason Piper	Association of Chartered and Certified Accountants
Simon Parsons	Payroll Bureaux
John Hampton	Confederation of British Industry
Norman Green	British Computer Society
John Kimmer	Association of Taxation Technicians
Jane Turley	International Association of Book-keepers
Helen Harvey	Payroll Bureau – Nanny Tax
Clive Johnson	Association of Internal Accountants
Linda Pullan	Payroll Alliance
Ian Whyteside	Association of Accounting Technicians
Glen Collins	Association of Chartered and Certified Accountants
Justine Riccomini	The Institute of Chartered Accountants of Scotland

HMRC

Kerrie Spendiff	Interim Director Strategy and Assurance
Maggie Anderson	RTI Programme
Matt Ray	HMT
Sarah Radford	Personal Tax
Mel Burgess	Personal Tax
Kathryn Curran	Personal Tax
Bill Smith	Digital Services

Apologies:

Trevor Blackmur	Association of Taxation Technicians
Iain Scott-Shore	Confederation of British Industry
Peter Bickley	Institute of Chartered Accountants England and Wales
Alex Rowson	Business Application Software Developers Association
Jackie Petherbridge	Federation of Small business and Private Sector Payroll

1. Welcome and introductions

WS welcomed everybody to the meeting.

2. Minutes, action points and matters from the last meeting (20 September 2012)

The minutes and actions were agreed from the last meeting.

Updates:

- Feedback from the P46 (Short) and October Enterprise Release BR Code changes survey - thank you to all those who completed and returned the questionnaire. These are now being analysed and we will issue the results shortly.

- Update on BR verses OT Coding Workshop - a workshop was held on 1 March 2013. WS thanked all those who attended for their time and input. A separate workshop for pension providers is to take place on 30 April 2013.
- Personal Tax Statements - these were discussed at the meeting in December 2012. HMRC are now developing a prototype tax statement. We aim to discuss this at the next meeting in June 2013.

3. HMRC Update

KS gave a performance update.

Call handling - we are on track to achieve 75 per cent of calls handled in the year 2012-13. We aim to improve this and handle 90 per cent of calls received from April 2013.

PAYE - HMRC achieved the commitment to get PAYE up-to-date by the end of March 2013.

Post - overall as a department we achieved 83.7 per cent of post handled within 15 days.

KS discussed with the group their reflections on the first few days of RTI going live. More on this is covered as an agenda item below.

Work is ongoing on the Employer Strategy and Agent Strategy. WS and KS will consider how to involve this group going forward.

4. Digital Solutions

BS attended the meeting to give an overview of the department's future work. HMRC has a Digital Solutions Programme who will deliver change via a series of new or improved services for customers. This will not be delivered as a 'big bang' but via 'agile' working. This work will be fast-paced and forum members will be involved in the future through sub-groups.

5. RTI

MA gave an update on 'go live':

- the pilot continued to go well with over six million individual records being reported in real time by the end of March 2013
- awareness continues to rise and website traffic is up
- Basic PAYE Tools was successfully released on 28 March 2013
- the system went live on track on Saturday 6 April 2013

Transitional arrangements for Small Employers:

- HMRC has introduced a temporary relaxation to the 'on or before' reporting requirement for small employers. Employers - including small employers - are required to operate PAYE in real time from April 2013 unless HMRC specified an alternative date.
- However we recognise that - in practice - some small employers pay employees weekly (or more frequently), but only process their payroll monthly. We realise that these employers may need longer to adapt and update their business processes so that they can comply with the legislation.
- Employers with fewer than 50 employees who find they are unable to send information about every payment at the time they make the payment can send information to HMRC at the time of their normal payroll run and no later than the end of the tax month (5th). The deadline for submitting an Employer Payment Summary (EPS) and for making PAYE payment to HMRC remains at the 19th of the month.

- This only applies to small businesses with fewer than 50 employees and only applies until 5 October 2013. From 6 October 2013 all employers will be required to report PAYE in real time each time they pay their employees.
- This is **not** a withdrawal of the requirement to report PAYE in real time each time an employer pays their employees - but it will allow employers a little longer to adapt their payroll processes, to obtain payroll software or to change their current arrangements with their payroll service provider.
- All employers should obtain payroll software or speak to their payroll service provider urgently to ensure that they have RTI enabled software and can comply as soon as possible.
- We recommend that employers and agents move to 'on or before' reporting each time employees are paid as soon as possible to give them time to refine business processes before automated penalties are implemented.
- Employers using commercial payroll software will find that their payroll software is designed to submit their PAYE information as part of their integrated payroll processes. Those employers should continue to report 'on or before' as this will be the easiest and quickest way of operating their payroll and it gives them time to get used to the new way of reporting before automatic late filing penalties are implemented in April 2014.

For information on how RTI impacts IR35 customers, read 'Real Time Information: Impact on IR35 customers'.

[Download 'Real Time Information: Impact on IR35 customers \(PDF 20K\)](#)

6. Childcare

MR from the Treasury set out the key elements of the tax-free childcare announcement made at Budget:

- Working families not claiming tax credits - where neither parent earns £150,000 or more - will now be able to pay for childcare effectively tax-free.
- Relief will be available at 20 per cent - equivalent to the basic rate of income tax - on childcare costs up to £6,000 per year for each child.
- This support will be worth up to £1,200 per child.
- At the same time, Employer Supported Childcare (ESC) (excluding workplace nurseries) - which is offered by less than five per cent of businesses - will be closed to new entrants. Current claimants can choose to remain in a scheme or switch to a new scheme if they are eligible so that nobody loses out.
- The new scheme will be phased in from autumn 2015 as ESC is phased out.
- The Government is also allocating a further 200 million to increase childcare support in Universal Credit, details of which will be set out following consultation.
- From autumn 2015, the new scheme will be available to families with a child under five, building up over time to include all children under 12, at the same time as phasing out ECS. Precise details will be established following consultation.

A key objective is to broaden access to childcare support. The new scheme will not have to be delivered through employers.

Any changes are subject to consultation and we will advise the group when the consultation documents are available.

7. IR35

SR attended the meeting and gave an overview on the latest discussions on IR35. There is a separate consultation group for this subject. Use the link below for further information and to read the minutes.

[IR35 Forum](#)

Jason Piper is a member of the IR35 forum - it was agreed that any issues or concerns should be fed back to this forum via him.

8. Expenses and Benefits - new online form

MB and KC came along to the meeting to demonstrate the P11D online form and to discuss the new service HMRC are launching which will enable employers and their agents to send expenses and benefits information electronically.

Two new online forms are available now:

- No return of Class 1A National Insurance Contributions due for 2012-13
- Notification of Payrolled Benefits

P9D and P11D

- Employers will be able to download forms P9D/P11D to their own computer, complete in part and save if required, then submit the completed forms electronically.
- The suite of forms will help employers to accurately enter information and submit this securely via an HMRC electronic channel.
- They won't mirror the paper forms, but will include all existing questions and boxes as currently shown on the paper forms. However the forms will be interactive, providing the employer with only those questions/boxes relating to the information they have indicated they need to submit.
- A great deal of testing and consultation is ongoing to assure usability for publication in time for the P9D/P11D peak submission period and ahead of the filing deadline on 6 July 2013. We will provide updates and further information on our website from 6 April 2013.

[Expenses and Benefits online forms](#)

9. AOB

64-8 - HMRC will update on 64-8s at the next meeting.

The next ECF meeting will be held on Thursday 20 June 2013 in Parliament Street.