



Employer Bulletin

Welcome

Hello and welcome to the February edition of the Employer Bulletin.

There is a lot of useful information in this edition of the Bulletin but you may find the article on page 2 particularly useful when you start preparing to make your final submissions for the tax year ending 5 April 2015. It contains some news about the 'end of year checklist', has some tips on preparing to make your final submissions for the tax year and some information about what you need to do if you make a mistake in your final submission.

There is an article on page 3 which strongly recommends that Basic PAYE tool (BPT) users download the latest version as soon as possible so that the upgrade for the tax year beginning 6 April 2015, due in early April, can be applied automatically.

This edition also contains information about a number of changes which have just been introduced or are about to be introduced and may have an impact on your payroll processes.

We hope you continue to find the items in the Bulletin both helpful and informative. To help make sure you don't miss future updates, I'd recommend you [sign up to receive our free email alerts](#). Doing so means we'll be able to send you an email each time a new edition of the Bulletin is published.

And finally our aim is to be able to deliver clear, consistent and timely information which is appropriate for employers and helps meet their payroll obligations to HMRC. So, if you have any comments or suggestions about the contents of the Employer Bulletin or would like to see a specific topic covered, please drop me a line at Alison.Bainbridge@hmrc.gsi.gov.uk. Your feedback is always most welcome.

Alison

Alison Bainbridge
Editor

Contents

- 2 End of year reporting
- 3 Update to Basic PAYE Tools
- 3 Reprint requests for paper P9 coding notification
- 4 Duplicate employments
- 4 Student Loan threshold increase applying from 6 April 2015
- 5 Paying employees
- 6 New Rules if you fund medical treatment to help an employee return to work
- 7 Filing penalties start on 6 March 2015 for PAYE schemes with 49 or fewer employees
- 8 Ending of Contracting-out
- 8 Trivial Benefit in Kind - Proposed Changes
- 9 Do you employ anyone under the age of 21? Be prepared for April
- 9 Employment Allowance - have you claimed yet?
- 10 'Extra' paydays (week 53, 54 or 56) and underpayments of tax
- 10 Changes to the issue of Payment booklets
- 10 New Statutory Payments Rates
- 11 Electronic payments deadline falls on a weekend
- 11 Have you been contacted about your PAYE payment reference number?
- 11 New online payment service
- 12 Statutory Payments
- 13 New return required if you supply individuals to provide their services to someone else
- 13 Updating employee addresses
- 13 Automatic enrolment: are you ready?
- 14 Helpline and Orderline numbers

End of year reporting

Make sure 2013-2014 is up-to-date

HMRC are starting to prepare for 2014-2015 final payment submissions and end of tax year processing. If you haven't yet sent us any Earlier Year Updates (EYUs) for the tax year ending 5 April 2014 and need to amend your records, please do so as soon as possible.

Completing the End Of Year Checklist is no longer mandatory

HMRC has published [amended PAYE legislation](#) which, amongst other things, means that it will no longer be mandatory for employers to complete the final report checklist data items 111 to 117 on their last Full Payment Submission (FPS) or Employer Payment Summary (EPS) for a tax year.

This change takes effect for PAYE reports made from **6 March 2015**.

We recognise that some payroll software providers will not be able to change their products in time to take advantage of this. If in doubt, employers should check the position with their payroll software provider.

This change means that, from 6 March 2015 HMRC will accept a final FPS or EPS for a period from 6 April 2014 to 5 April 2016 with or without a completed checklist.

In cases where employers do have to complete the checklist to enable their software to actually make their final submission, they should ensure that they complete it accurately.

We will remove these checklist items from our Basic PAYE Tools as soon as possible. Please note that this will probably not be until July 2015.

You must still file your final report of the year on time to avoid incurring a penalty. See the article on penalties on page 5 and [What happens if you don't report payroll information in time](#) guidance for details.

Reporting benefits provided

The removal of the checklist does not affect an employer's obligation to report on time:

- all expenses and benefits provided on forms P11D and P9D
- the amount of Class 1A National Insurance due on all the expenses and benefits provided on form P11D(b)

Where no benefits have been paid from 6 April 2014 to 5 April 2015 and a form P11D(b) or P11D(b) reminder is received, employers should either:

- submit a 'nil' return
- complete the '2014-15 Employer – No return of Class 1A' form.

to advise us that they have no P11D to submit and no Class 1A return to make. The online 'no return to make' form will be available from 6 April 2015.

The deadline for submitting returns of Expenses and Benefits forms [P11D, P9D and P11D(b)] is 6 July 2015.

Tips on preparing to make your final submissions for the tax year ending 5 April 2015

With April approaching, you need to start preparing to make your final PAYE submission for the tax year ending 5 April 2015.

We use the information you send us in a number of ways: in the calculation of entitlement to state benefits and pensions; in relation to Tax Credits renewals; and to carry out reconciliation checks to ensure that you and your employees have paid the right amounts of Tax, National Insurance Contributions and Student Loan Deductions. If the information we hold is incomplete, the tax calculations we send to your employees may not be right – or their Tax Credits could be wrong – and we may therefore need to contact you and your employees. This information is also used in the calculation of entitlement to state benefits and pensions.

There is [guidance](#) on how to submit this information successfully and you may find the following tips helpful. The list here is not exhaustive, but it should give you some high-level reminders:

- Your final Full Payment Submission (FPS) should be sent 'on or before' your last pay day of the tax year – which ends on 5 April
- Your final FPS (or Employer Payment Summary (EPS)) should indicate that it is the 'Final submission for the tax year' – and that means for the whole PAYE scheme. Remember that if your scheme covers more than one payroll – for example, a weekly payroll and a monthly one – only indicate on your last FPS submission that it is the final submission, when all the FPSs for the tax year for all other payrolls have been successfully submitted

- You can submit an EPS final submission if:
 - you forget to tell us on an FPS that it is your final submission
 - you didn't pay anyone in the final pay period of the year
 - you sent your final submission early and you then didn't pay anyone for one or more full tax months for the rest of the tax year
- Remember that, on the final submission, you now have a choice whether to complete the end of year questions and declaration (dependent upon your software package). However, if your package requires you to do so – or you choose to complete them anyway – please complete them accurately
- Don't forget it's important that you keep your PAYE records after you make your final report, in case you need to amend a submission and for compliance purposes.

When you send us your final RTI submission for the year, we'll have all the information we need

However if you need to correct any of the information on your final submission, send a revised FPS as soon as possible – *but definitely before 20 April 2015*. This is because, from that date, we will start using the FPS information we hold to work out employee's Tax, National Insurance, Student Loans and Tax Credits. You should also indicate again that this is your final submission for the tax year. If you discover any errors in your final FPS on or after 20 April 2015, you must correct these by sending an Earlier Year Update (EYU) – trying to submit a FPS on or after this date may trigger an error message from your software.

Remember that if you do need to send an EYU, it should report only the difference between what you originally reported and the correct amount for the tax year. For example, if a figure previously reported as £1,900 should have been £2,300, the EYU should show '£400' – not £2,300. Similarly, if you want to reduce a figure previously reported as, say, £1,000 to £700, the EYU should report '£300' – with a minus sign in front – not £700. Further guidance on [correcting payroll errors](#)

- If you are using HMRC's Basic PAYE Tools to send an EYU, [user guides](#) are available
- You have until 31 May 2015 to give a P6 End of Year Certificate to any employees employed by you at 5 April – and remember that this can be an electronic copy rather than on paper. [Further guidance](#) is available on GOV.UK.

Update to Basic PAYE Tools

There is an update to the Basic PAYE Tools (BPT) available from the GOV.UK website. This latest version includes an important update to the Automatic Update facility and must be [downloaded](#) and installed directly from the GOV.UK website.

If you already have BPT installed the new version should still be downloaded in full. You should not attempt to update by selecting 'Check for updates/Check now' in Settings in BPT, or to change those settings. Database data is not affected by installing the update in this way. However, as with all updates, we recommend backing up any databases before proceeding to download the update.

We strongly recommend that BPT users [download](#) this new version and that they complete this as soon as possible so that the upgrade for the tax year beginning 6 April 2015, due in early April, can be applied automatically.

Reprint requests for paper P9 coding notifications

We have started to send out paper P9 coding notifications this month and expect to end on or around 23 March 2015, but you may still receive notifications as late as 26 March.

If you do not receive your paper P9 in time for the first pay period after 6 April 2015, you can request a duplicate from the Employer Helpline on 0300 200 3200.

However, a request for a duplicate can only be made in respect of a full employer scheme and is not available for individual tax codes. If you need a tax code for an individual employee please contact the Taxes Helpline on 0300 200 3300.

We will deal with your request as soon as possible but please allow 14 working days before contacting the Employer Helpline again. If your request involves a change of media type, (for example from paper to internet), please allow an extra five working days to give us time for our systems to update.

Reprints are normally only available for a period of 6 weeks following 6 April, but this can be earlier in the event of a Chancellor's Budget. If there is a coding event because of Budget announcements, the final date you will be able to request a P9 Reprint will be 2 May 2015.

Avoiding duplicate employments

Duplicate employments are extra employment records created on HMRC's system that are a repeat of an existing live or ceased employment which can affect:

- HMRC's employer charge and lead to unnecessary debt collection activity
- Employee tax codes resulting in incorrect codes that cause an incorrect deduction of income tax
- PAYE, National Insurance Contributions, Student Loans, Universal Credits process and Tax Credits renewals processes.

[Full guidance](#) on what you should submit is available on GOV.UK.

Different payroll packages allow employers to have different levels of control around what information they can add/update; where you are able to, the following recommendations should be considered.

When an Employee Starts

- Ensure the starter notification includes the employee's accurate personal details to avoid further updates on subsequent Full Payment Submission (FPS) to the name, date of birth or gender. Always try to provide consistent information for example name should always be William Smith and not referred to later as Bill Smith or W Smith on subsequent FPS and Earlier Year Updates (EYU)
- Only include a start date and starter declaration on the FPS the first time you pay a new employee, you should not show the start date on any subsequent FPS
- Changes to start dates should not be reported to HMRC but should be recorded on your payroll system if required by your payroll.

Payroll ID changes

- You should ensure unique payroll ID's are used within your PAYE Employer reference number
- If an employee has more than one employment in the PAYE scheme then each employment should have a unique payroll ID. More than one employment means at any time in the PAYE scheme, so this covers multiple employments or, if an employee leaves and is re-employed then a different payroll ID should be used and you should start their year to date information again as 0.00. You should never re-use a previous payroll ID.

- Only set the Payroll ID changed indicator when reporting payroll ID changes and ensure both the 'OLD' and the 'NEW' payroll ID is entered. You should not include the original start date

- [Guidance](#) is available if you change payroll software.

When or after an Employee Leaves

- Changes to leaving dates should not be reported to HMRC but should be recorded on your payroll system if required by your payroll
- You should not submit an FPS after an FPS has been submitted with a date of leaving unless this is a correction or Payment after Leaving (or in exceptional circumstances [guidance](#) can be found on GOV.UK
- Payments after Leaving and corrections made after leaving must include the original date of leaving included on the FPS that reported the date of leaving
- You should only include the Payment after Leaving indicator if you have issued a FPS to your employee and you have made a subsequent payment
- You should not submit an identical FPS that reports the Payment after Leaving unless your original submission is rejected.

Student Loan threshold increase applying from 6 April 2015

The Department for Business, Innovation and Skills have confirmed that from 6 April 2015 the student loan threshold will rise by 2.5% to £17,335. This figure will apply to all current borrowers for whom employers make Student Loan deductions.

Paying employees

When is a payment made for PAYE purposes?

Although Real Time information (RTI) has not changed when a payment is made, it is more important than ever to understand when a payment is made for PAYE purposes, what date should be included on your Full Payment Submission (FPS) and when the return should be sent.

The law says that for PAYE purposes, a payment is treated as made the earlier of,

- The time when the payment is made
- The time when the person becomes entitled to the payment.

The intention behind the legislation is to ensure that PAYE is operated at the right time and in the correct tax year.

If the tax rate goes down, as happened when the additional rate was reduced from 50% to 45%, PAYE is still operated following these two rules. So the employee cannot ask to be paid in the later tax year and pay less tax, if they were legally entitled to be paid in the earlier one.

What date should go on the Full Payment Submission (Payment date: Data Item 43)?

The payment date on the FPS should be the employee's regular payday. For most employees this will be the date the employee is entitled to be paid and when they actually do get paid.

So, if the employee is paid late, the employer should still use the regular payday on the FPS where the employee is entitled to be paid on that date. If you pay the employee early, then this will bring the payment date forward and the employer should use this date on the FPS.

In addition, for PAYE purposes payment is made when the employee has control of the money and can use it for their own benefit, and this should happen on the date the employee is normally paid.

So if you pay by electronic means (such as Bacs) payment is made when the money is in the employee's account and they can use it. As it is expected that the employee will have control of their money by their regular pay date and this is the date that should be entered on the FPS. To ensure that the funds are in the employee's account by their regular payment date, you may have to prepare a Bacs transfer instruction on an earlier date. However, you should enter the date the funds will reach the employee's bank account on the FPS and it is expected that this will happen on the regular payment date.

If paying by cash or cheque payment is made when they are given to the employee, the date the cheque is cashed or put into the bank does not matter. Therefore, the date to be entered on the FPS is the date the cheque is given or the cash paid.

The regular payment date falls on a non-banking day

An exemption applies if the employee's regular payment date falls on a non-banking day. This is explained on page 9 of the CWG2.

It explains when you should make your submissions if the regular payday falls on a non-banking day (Saturday, Sunday or bank holiday) and as a result, you make payment.

- on the last working day before the regular payday, or
- the next working payday after the regular payday.

This is to ensure that PAYE operates as normal so the employee receives the allowances they are entitled to and the payment is allocated to the correct payment period or tax year.

For PAYE purposes, the payment can be treated as if it had been made on the regular payday and this is the date that should be reported on the FPS as the 'payment date.'

An important example of where this might apply is the end of this tax year, which falls over the Easter bank holiday.

For example if the:

- **regular date** of payment is the 3, 4, 5 or 6 April but
- the **actual date** of payment is the 2 April

report the payment as being made on the 3, 4, 5 or 6 as appropriate.

Remember that a regular payment date of 6 April falls in the following tax year.

Similarly, if the:

- **regular date** of payment is the 6 April, but
- the **actual date** of payment is the 7th April

you can report the payment as being made on the regular payment date.

As the actual date of payment is on the 7 April, then if you are sending your FPS on that date, remember to use late reporting code G.

There's further information on using late reporting codes in the **Late reporting reason** section of the What Payroll Information to report guidance.

National Insurance

For National Insurance contributions, the payment must be treated as if it had been made at its regular time, if the actual and regular payment days are in the same tax year.

If the actual payment date and the regular payment date fall in different tax years the payment may also be treated as having been made at its regular time.

We will be updating our PAYE and National Insurance guidance on this shortly.

New rules if you fund medical treatment to help an employee to return to work

A new exemption from tax and National Insurance contributions (NICs) came into force on 1 January. It applies when an employer funds medical treatment to help an employee return to work, provided certain conditions are satisfied.

The exemption covers medical treatment up to a maximum cost of £500 in a tax year per employee. Any costs for medical treatment in excess of this amount are subject to tax and NICs in the normal way.

The conditions that have to be satisfied for the exemption to apply are:

1. Before the recommendation for medical treatment has been made the employee must have been either:
 - assessed by a health care professional as unfit for work, or expected to be unfit for work, due to injury or ill health for at least 28 consecutive days
 - absent from work due to injury or ill health for at least 28 consecutive days
2. The recommendation is made to the employee by a health care professional as part of occupational health services provided to the employee either by Fit for Work, which will roll-over a period of months, or under arrangements made by an employer
3. The recommendation is provided for the purposes of helping the employee to return to work
4. The recommendation:
 - is in writing,
 - is provided to the employer and employee, and
 - specifies the medical treatment that is recommended.

An assessment that an employee is unfit for work includes an assessment that they may be fit for work subject to the employer making arrangements to enable them to return, providing that the employee does not return to work before a recommendation for medical treatment is made.

For the purposes of the exemption, a health care professional is a registered medical practitioner, a registered nurse, or an occupational therapist, physiotherapist or psychologist registered with a relevant regulatory body.

Further guidance can be found in the [Employment Income Manual](#)

Filing penalties start on 6 March 2015 for PAYE schemes with 49 or fewer employees

From 6 March 2015, all employers may incur a penalty for each tax month in which one or more real-time PAYE reports for a scheme are late.

Although we do not usually charge a penalty for the first month in each tax year where you make a late report, this doesn't apply to late reports for 6 March to 5 April 2015 (tax month 12) for schemes with fewer than 50 employees: it will only apply from 6 April 2015 onwards. These schemes will incur a penalty if they file late, or not at all, for Month 12 as this is the only period in the year for which penalties apply to them.

Top tips on how to avoid incurring penalties unnecessarily

- Report PAYE on time by sending a Full Payment Submission (FPS) on or before the earliest payment date that is reported on it

Remember in particular that all reports for 2014-15 tax month 12 must be returned by the same deadlines as for rest of the year: the filing deadline of 19 May following the end of the tax year no longer applies

- If you are sending your submission after any of the payment dates reported on it make sure you use the late reporting reason code if appropriate. For example, if an FPS needs to be resubmitted because of an IT difficulty, check whether any of the reported payments no longer meet the 'on or before' condition and, if so, consider claiming 'reasonable excuse' in the associated Late Reporting Reason field. You might also need to use the late reporting reason code **even if you have reported everything on time**, but the FPS is sent after the payment date, for example because you are making a correction, or are a small or micro employer who is taking advantage of the easement to report monthly.

For further information see the '[Late reporting reason](#)' section of the [What payroll information to report to HMRC](#) guidance

- Send an Employer Payment Summary (EPS) by 19th of the month if:
 - you don't pay anyone during the tax month.
 - you are going to have a period of inactivity and won't be reporting for several months even if you have submitted a final FPS earlier in the year

- If you use a payroll services provider or an agent to run your payroll, get your payroll information to them in good time to meet your reporting deadlines
- Tell us if there are any changes to your business or your payroll practices which mean that we will not receive the reports we would otherwise have been expecting, for instance:
 - you change the number of payrolls or how often you pay your employees, for example changing from weekly to monthly – for details, see the [Running payroll: changing paydays](#) guidance
 - the PAYE scheme has now ceased and you are no longer paying anyone – see the [Stop being an employer](#) guidance for details of what to do.

Forward letters

Penalty notices and appeals

We will issue notices in late May 2015 for penalties incurred:

- between 6 January and 5 April 2015 by schemes with 50 or more employees
- between 6 March and 5 April 2015 by schemes with 49 or fewer employees.

Penalties can be between £100 and £400 per month depending on the number of employees in the scheme.

Appeals can be made online or in writing, and will be considered in exactly the same way, whichever method you use. However, we will be able to process your appeal more quickly if you make it online. Appeals can only be made once a penalty notice has been issued, and **cannot** be made by telephone.

There are full details on making appeals in [issue 51 of the Employer Bulletin](#) and on our [What happens if you don't report payroll information on time](#) guidance page.

Further late filing penalties

Where an FPS is outstanding for three months or more we may charge a further penalty of 5% of the tax/NICs that would have been paid if the information it provides had been sent on time. We will only apply this penalty for the most serious and persistent failures

Ending of Contracting-out

Removal of the Upper Accrual Point (UAP) and change in earnings bands from April 2016

From April 2016 employers and employees who were contracted-out of the State Earnings Related Pension Scheme will pay the standard rate of National Insurance contributions (NICs) instead of the lower contracted-out rate of NICs. As a result, from April 2016 National Insurance category letters D, E, L, N and O will no longer be available for use and employers will no longer need to report earnings between the Primary Threshold and the UAP.

Reporting Scheme Contracted-out Number (SCON) information – 2 months until temporary SCON is withdrawn

If you are submitting your Full Payment Summary (FPS) using the Temporary SCON you will have received a Generic Notification Service (GNS) message advising you that you must take action to obtain and use the correct SCON. You will receive a further GNS message each time you send a FPS with a Temporary SCON.

In addition to the GNS message we are monitoring use of the Temporary SCON and if you continue to use this we will contact you directly to advise you that you must take action now to obtain and use your correct SCON(s) before April 2015.

You will not be able to use the Temporary SCON on your FPS from April 2015.

If you do try to use the Temporary SCON on a FPS for the tax year beginning on 6 April 2015 it will be rejected. Delays in submitting your FPS could ultimately lead to late filing penalties so you must take action now to obtain and use the correct SCON(s).

You can find the correct SCON on your contracting-out certificate or by contacting your pension scheme administrator. Recording the correct SCON is essential as we need this information to automatically close open periods of contracted-out employment and provide information to pension schemes and to individuals following the ending of contracting-out.

Countdown Bulletin

The latest edition of the [Countdown Bulletin](#) is now available.

Explaining State Pension changes – Introduction of the State Pension Toolkit

The Department for Work and Pensions (DWP) has published a [State Pension Toolkit](#), with guidance and promotional material to help employers communicate the changes to the State Pension being introduced in April 2016.

From April 2016 the current State Pension will be replaced by the new simpler system. The new State Pension is designed to give people greater clarity about what they will get from the State in retirement and will affect everyone who reaches State Pension age on or after 6 April 2016.

To ensure that people get the right information, DWP has collated useful material into a toolkit for employers to use.

The [toolkit](#) brings together simple and downloadable information across all of the State Pension changes including:

- seven fact sheets
- two [videos](#)
- six infographics and photo case studies
- an all-in-one [‘State Pension explained’](#) guide
- [guidance for employers and trustees on the end of contracting-out](#)

We are encouraging employers to download and use this information to help explain the changes to their employees.

Topics covered in the toolkit include: the current State Pension, the new State Pension and how it will be calculated, State Pension Top Up, deferring your State Pension, State Pension for the self-employed, contracting-out, and National Insurance.

The toolkit will be regularly updated with new products. In the coming weeks a fact sheet covering derived and inherited State Pension will be added and an explanation of terminology used.

DWP are looking to get feedback on the products within the toolkit, so send comments and requests for future content to nicholas.denton@dwpgsi.gov.uk

In addition, anyone aged 55 years and over is now able to get a personalised State Pension statement that gives an estimate of how much they may get under the new State Pension. The estimate will be based on their current NI record. Individuals can get a statement by calling the Newcastle Pension Centre (Futures Group) on 0345 3000168 or by [downloading the application](#)

Trivial Benefit in Kind - Proposed Changes

The Government is intending to create a new tax exemption for trivial benefits in kind (BiK). Subject to the Finance Bill receiving Royal Assent, the change is intended to become effective from 6 April 2015.

If you currently have an agreement with HMRC allowing you to treat certain BiKs as trivial you need to be aware of these changes as your agreement will no longer be valid.

From 6 April 2015 you will need to ensure that any BiK you treat as trivial meets the [new definition and criteria](#)

Further details about the new trivial BiKs exemption will be in the April edition of the Employer Bulletin.

Do you employ anyone under the age of 21? Be prepared for April

In October's Employer Bulletin we told you that employers with employees under 21 years old will no longer have to pay Class 1 secondary National Insurance contributions on earnings up to the Upper Secondary Threshold (UST) for those employees. This comes into effect from 6 April 2015 so be prepared to change the NI category letters of those employees under 21 to ensure you're paying the correct amount of NI contributions.

The [Abolition of employer National Insurance contributions for under 21s](#) section of GOV.UK has been updated and now includes more detailed guidance for employers, plus detail on the new category letters and rates.

Don't pay us too much in April!

Employment Allowance - have you claimed yet?

Over 850,000 businesses and charities throughout the UK are benefitting from the Employment Allowance since it came into effect in April last year.

Eligible businesses and charities can reduce their Employer Class 1 National Insurance contributions (NICs) bill by up to £2,000 every year by claiming the Employment Allowance.

Nearly all employers who pay Class 1 NICs are eligible for the Employment Allowance.

Once you have claimed your Employment Allowance for the tax year ending 5 April 2015 it automatically applies for future years, until you tell HMRC otherwise.

So, if you are already claiming, you don't need to take any action to claim from April 2015.

If you haven't claimed your Employment Allowance yet, or you are a new employer for 2015 there is still time.

Claiming the Employment Allowance is straightforward. All you need to do is [check your eligibility](#) and then claim through your payroll.

This is as simple as ticking a box or similar depending on your payroll software.

Employment Allowance for employers of care and support workers.

From April 2015, the NICs Employment Allowance will also be extended to individuals employing certain care and support workers. This means that a family will be able to employ a care worker on a salary of up to £22,500 and pay no employer NICs. Households employing nannies and other domestic support remain excluded from claiming the Allowance. If you are currently employing a care and support worker, there is no need to do anything yet. More information will be available nearer the time.

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

If you operate a weekly, two weekly or four weekly payroll and the final payday for this tax year falls on 5 April 2015, it is possible your employees may underpay tax. It is important that you explain this to all employees that may be affected.

An 'extra' payday can happen because the calendar year is made up of 52 weeks and 1 day (or 2 days in a leap year) and it is possible for those paid weekly etc to have an extra pay interval (53 weeks for example) because it falls on the final pay date in that year. In these cases our guidance states that the employee should be given an 'extra' portion of their Personal Allowance (tax free pay) in their gross pay for that final pay period. These extra allowances are given to protect the level of take home pay the employee receives in that extra pay period in order to avoid financial hardship.

However, this may result in an underpayment of tax for the year as a whole that we will later recover from the employee. The P800 Notes enclosed with the P800 Tax Calculation will explain to them how any underpayment will be collected, and [further information](#) is published on GOV.UK.

The 'extra' paydays are referred to as Week 53 (for weekly pay intervals), Week 54 (for two weekly) and Week 56 (for four weekly). Further information on week 53 payments can be found on page 10 of the [Employer Further Guide to PAYE and NICs](#)

Changes to the issue of Payment booklets

More and more employers are paying HMRC by the quicker more secure electronic payment methods these days. In line with the on-going move to digital, we will stop automatically issuing payment booklets to new employers from April 2015.

New employers receive a letter which provides them with their employer registration and Accounts Office reference numbers. From April 2015 this letter will also provide relevant information about paying HMRC electronically and it will also include a link to the [payment advice](#) on GOV.UK.

Electronic payments include online or telephone banking, Faster Payments, CHAPS, Bacs, debit or credit card online (BillPay) and Internet debit.

If unable to pay electronically, you will be able to request a payment booklet by contacting our [payment enquiry helpline](#). A booklet will normally be received within 3 weeks. If a payslip is needed in the meantime, a [replacement payment slip](#) can be used when making payments by post, but it can't be used at the Post Office, bank or building society.

Existing payment booklet recipients will receive the booklet as usual as long as they continue to pay using the pay slip. Using any electronic payment method described above will stop the future issue of payment booklets.

To prevent interest charges and late payment penalties it is important to make sure that HMRC receives payment in full and on time. Delaying payment because of the absence of a payslip is not a reasonable excuse as other payment methods are widely available.

New Statutory Payments Rates

The new standard rates of Statutory Payments for the tax year beginning 6 April 2015 were announced on 4 December.

The Statutory Sick pay rate will increase from £87.55 to £88.45.

The standard rate of Statutory Maternity Pay, Adoption Pay and Paternity Pay will increase from £138.18 to £139.58.

The rate of the new Statutory Shared Parental Pay will also be £139.58.

The earnings threshold for entitlement to all Statutory Payments will increase from £111 to £112.

These rates are currently subject to Parliamentary approval but are not expected to change. Full details of all proposed benefit and pension rates for 2015-16 can be found [on GOV.UK](#). The general rate at which employers can recover Statutory Maternity, Adoption, Paternity and Shared Parental Pay from HMRC will remain 92%.

Small employers will continue to be able to recover 100% plus an additional compensation rate. The additional compensation rate will remain at 3%.

Electronic payment deadline falls on a weekend

In February and March the electronic payment deadline of the 22nd falls on a Sunday. So, to make sure your payment for that month reaches us on time, you need to have cleared funds in HMRC's account by the 20th 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 speak to 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](#)

Have you been contacted about your PAYE payment reference number?

We have been writing or phoning many of our customers who have used an incorrect reference to pay their tax and/or National Insurance contributions (NICs).

The reason for doing this is to help make sure you know the correct format of the reference number to use for PAYE payments. Hopefully this should lead to all future payments going straight to your account and we won't need to contact you about it again.

If you pay on time all you need to use is your 13 character Accounts Office Reference.

But if you are one of the small number paying HMRC exceptionally early or late, more than 14 days earlier than your payment is due or 14 days later, you need to add an extra 4 digits to the end of your Accounts Office reference to tell us the tax year and tax month you want to pay, so your payment is allocated correctly.

For example, for the tax year ended 5 April 2015 to pay Month 09 which was due 22 January 2015, please add 1509 to your reference. If your Accounts Office reference is 123PA00012345, you would use 123PA000123451509. 15 tells us the payment is for the tax year ended 5 April 2015, and the final 2 digits tell us the tax month the payment is for. More advice is available on our web pages at www.gov.uk/pay-pay-tax and www.gov.uk/dealing-with-hmrc/paying-us

Remember you can pay the total due in one amount; there is no need to send separate payments for Tax Class, National Insurance contributions, Student Loan contributions or CIS.

New online payment service

HMRC is building digital services that will support our customers to manage their tax affairs and payments online.

We are introducing an online payment service to improve our customers' experience of dealing with HMRC and better integrate our services with our banking and payment suppliers.

On 15 December, some customers paying their Self Assessment or VAT bill by debit card started using a [beta version](#) of the new online payment service. These customers are using a new payment screen, operated by Worldpay, to complete their payment.

Customers can use the new service through GOV.UK:

- pay your [Self Assessment](#)
- pay your [VAT bill](#).

The existing Billpay service, hosted by Santander, continues to be available for other online credit and debit card payments.

We are using customer feedback to make improvements to the service over time. Over the next couple of months we will develop the new service to accept payments for other types of tax, including Employers PAYE, and also credit card payments.

The online payment service will eventually replace Billpay for all online debit and credit card payments.

Statutory Payments

Changes to adoption leave and pay

The Government is removing the qualifying period for statutory adoption leave. From April 2015 eligible employees will be able to take statutory adoption leave from the first day of their employment (i.e. it will become a 'day 1 right' like maternity leave).

Adopters who [qualify for statutory adoption pay](#) will be paid at the earnings related rate in the first 6 weeks. The remaining 33 weeks will be paid at the lower of the earnings related rate or the flat rate (currently £138.18 a week) – mirroring the arrangements for statutory maternity leave and pay. The earnings related rate is calculated as 90% of the adopter's normal weekly earnings in the 8 week period leading up to the date the adopter is notified of a match with a child.

New groups of parents will qualify for leave and pay

Where their baby is due on or after 5 April 2015, the intended parents in a surrogacy arrangement may be eligible for adoption leave and pay where they intend to apply for and expect to obtain (or have already obtained) a Parental Order for their child under the Human Embryology and Fertilisation Act 2008.

Prospective adopters, that is, individuals who have been approved as suitable to adopt a child, may be eligible for adoption leave and pay where they have a child placed with them for fostering by a local authority with a view to them adopting that child. To be eligible for adoption leave and/or pay the child must be matched with the prospective adopter (who will potentially go on to adopt the child) on or after 5 April 2015.

The partner of the primary adopter and one of the Parental Order parents may be eligible for paternity leave and pay.

Time off to attend appointments

From 5 April 2015 eligible employees and agency workers with 12 weeks service will be entitled to time off to attend adoption appointments in the period between being notified of a match and the child being placed with the family:

- Single adopters are entitled to paid time off to attend up to 5 adoption appointments
- In the case of joint adoptions (i.e. a couple who have been jointly matched to adopt the child) one of the adopters will be entitled to paid time off to attend up to 5 adoption appointments. The other adopter may be entitled to unpaid time off work to attend up to 2 adoption appointments.

Where there are joint adopters, the adopter who took paid time off to attend adoption appointments cannot claim paternity leave and pay.

On 1 October 2014 Parental Order parents became entitled to take unpaid leave to enable them to accompany the surrogate mother to up to 2 of her antenatal appointments. This is subject to meeting certain criteria, including a 12 week qualifying period of service where the Parental Order parent is an agency worker.

Early births

Shared Parental Leave and Pay is available to eligible parents of babies due on or after 5 April 2015. If the baby is born early parents will still be eligible for Shared Parental Leave and Pay providing the baby was due on or after 5 April 2015.

HMRC's IT changes to support the reporting of ShPP will not be in place until April 2015. If you are due to pay an employee ShPP before April then please use the current ASPP field to report any payments and recoveries. Also if you wish to claim advance funding before April then you should use the ASPP advance funding form.

The Work and Families Act (Northern Ireland)

The Work and Families Act (Northern Ireland) 2015 has now received Royal Assent, and regulations providing for implementation of the new rights in Northern Ireland are being prepared so as to cater for parents expecting a child on or after 5th April this year. The Department for Employment and Learning in Northern Ireland has published [draft guidance](#) for employers.

New return required if you supply individuals to provide their services to someone else

From April 2014, the government changed the rules covering when an employment intermediary must treat workers as their employees for Income Tax and National Insurance purposes. If you supply individuals to provide their services to someone else then you could be classed as an employment intermediary and you may be affected by the new Income Tax/NIC 'Agency legislation'.

New Regulations will be introduced in April 2015 that require certain employment intermediaries to report to HMRC a quarterly return of worker information.

Not all employment intermediaries will need to make a return. You will only need to complete a quarterly return if you are the employment intermediary who has the contract with the end client. You will not need to return details of your own workers where PAYE has been operated on employment income and returned under RTI as this information will have been reported.

But you will have to obtain all other worker details from any other employment intermediaries who you have contracted to supply workers to the end client.

Further guidance is available on GOV.UK.

Updating employee addresses

Currently HMRC only accept and update employee addresses from employers on their Full Payment Submissions (FPS) in respect of their new employees.

With effect from April 2015 we will also process changes to employee's addresses for existing employees when we identify that a new address has been included on an FPS.

Although it is not a mandatory requirement to provide HMRC with this data, we hope you will support this initiative, which will help us to keep your employee records up to date. As most employees do not notify their employers if they change address we would like you to include the new address on the next FPS you make, if your software allows you to do so.

When supplying this information, as data controllers you need to satisfy yourself that you are complying with the Data Protection Act (DPA). Our view is that this use of personal data is not excessive.

We also believe that by sending the address details to us you will not breach the Fairness provisions in the DPA. Employers are legally required to submit the addresses of new employees to HMRC. Most employees will probably assume that employers continue to send address information to HMRC, and this use of the data would not therefore be unexpected. However, if you are in any doubt that your employees might regard this use of their personal data as being unexpected, then you will need to notify them of this change to ensure that you comply with the DPA's Fairness provisions.

Automatic enrolment: are you ready?

Automatic enrolment applies to every employer with at least one member of staff in the UK. The latest figures published by The Pensions Regulator show that more than 5 million employees are now saving more or saving for the first time after being automatically enrolled into a pension by their employer. However, research from the regulator has revealed that nearly 50% of employers who thought they would be ready by their staging date, found that they were underprepared and had a last minute rush to get finished. It can take up to 12 months to prepare for automatic enrolment, so start in good time and [find out](#) the date that the law applies to you.

Automatic enrolment is automatic for your staff; they don't have to do anything to be enrolled in a pension scheme. But it's not automatic for you as an employer. [Click here](#) for a step-by-step guide which tells you what you need to do to be ready for automatic enrolment.

Employers can sign up for our [news-by-email](#) service to receive up to date news or information that will help them get ready.

To find out more visit www.tpr.gov.uk

Helpline and 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.gov.uk/business-tax/payee

General payroll matters – for example PAYE and NICs

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

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

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

Order forms and guidance

Website www.gov.uk/get-payee-forms

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

Construction Industry Scheme (CIS)

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

Textphone **0300 200 3219**

NIC: special topics

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

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

NMW Information Orderline

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

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

Other helplines

HMRC Online Services Helpdesk* **0300 200 3600** Mon - Fri 8am - 8pm, Sat 8am - 4pm

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

email helpdesk@ir-efile.gov.uk

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

Withdrawn