

This newsletter contains details relating to the changes to the payroll system for the new tax year, end of year procedures for the current tax year together with any new layouts required for the end of year printing. As always this should be read in conjunction with all of the end of year information you will have received from the Inland Revenue of which is now only delivered via their web site.

Major changes for the new year:

Reduction from 4.5% to 3% for the small employers compensation on Statutory payments (SMP/SPP/SAP)

Reduction in the tax bands so that 40% now starts at £35001

Increase in personal allowance to £7475

New D1 tax code takes tax at 50% on all pay.

Changes to NI bandings and of course the increase by 1% for employees and employers rates and the change of the column names for employers and employees thresholds to Primary and Secondary.

Additional Statutory Paternity Pay is a new function. We do not yet incorporate this but it will be added this year to the system when it becomes part of the Payroll Standard.

All payroll users must now file P45/46's online. Please request assistance so that we can ensure your installation is able to do this. Your pc may require the Internet security settings to be altered if this doesn't work on your pc.

Filing On-Line

Year End filing is always on-line and as last year we now print employee's P60's onto plain paper to save costs. We recommend use print your own copy to a "pdf" format.

What you need to do now:

Update your system by download the update from our web site (www.acplus.co.uk/downloads.php)

The file ACPAY.zip will require unzipping into the payroll working folder.

Updating program from our web site.

Please type in the web address as above and then select which download. Click on the link and download to the folder containing your payroll system. Once you have done this you must then unzip the contents of the download into that folder. Go into the Payroll system and select **Options – Update Database** (This will then update the database with any changes to the structure – this is not the same as updating with the new settings which is covered later).

1 Year End Procedures – 2010/11 Tax Year

1.1 The Year End Process

Reports you should print.

1.3.2 Printing of Reports

Essential

(within the year end program - *Payroll > Year End*)

P35 (for your own records)

P60's (one copy for each Employee – submission is made on-line)

Yearly Summary

You may choose to print (pdf):

(From within Payroll, Other Reports)

P11 (Deduction sheet)

Sickness Analysis

Holiday Book

Salary Analysis

Pension To date Analysis (If you run a company pension scheme)

Notes on printing P60's

Simply print them with no line up. Print the first one to check its format as you may need to amend the font used as it needs to be a non-proportional font. This can be changed in the settings.

2 Year End Clear down

Backup up your system before proceeding.

To perform the *Payroll => Year End* Clear down ensure you have crossed all the relevant Clear Down Options. Normally you would tick all options.

Clear down the Holidays – This clears the holiday book back to zero taken and full entitlement remaining.

Clear Additions/Deductions – This clears the to date values held against each addition and deduction card.

Remove employees that have left – This will remove employees from the payroll database that have left during the 2008/2009 tax year.

Clear Department Costings – This will clear costs to date held against departments (if used) – leave ticked if not.

Clear Down History – This will clear the history database. Always leave this set. This cannot be changed this year – it must always be set.

Clear Down Costings – Again leave this crossed

Remove Tax Credits (This will remove all tax credit entries for all employees. If you have set up tax credits for the new year already then do not clear these down. You will have to manually delete them from within the Employee Screen.

3 New Year Settings Update

3.1 Update settings by using the update function

Once the "clear down" has been performed (and not before) you can update the system for the new (2010/11) tax year settings.

Select Payroll => Update with latest Settings.

Then within this screen, and if your are certain you want to update the settings (there is no going back once you have updated), press the proceed button. That is all there is to it and you are now ready to start processing for the new tax year. It is advisable to just check the settings have been updated in the NI parameters screen and be aware on the first payroll run of any anomalies.

4 FILING ONLINE

4.1 Introduction

All employers are required to file on-line. Either through their payroll system or by utilising the on-line submission via the Government Gateway.

4.2 So for the employer what is the process?

At the time of producing this document the URL (Web address) for registering is:

www.gateway.gov.uk

4.3 Known Issues to consider before uploading

Tax Codes: Ensure they are in the correct format. E.g. 522L not L522.

Date of birth: Ensure this is correct (Format dd/mm/yyyy) and present

Address: You will need at least the first two lines of the employees address.

Sender details: Every submission must have your sender details included. This is completed on the screen. You must also enter your user name and password as supplied by the government gateway.

4.4 How to file on-line.

Within the *Year end function* is a button that has the Inland Revenue Logo. Press this and a new panel will be displayed as above.

4.5 The boxes should be completed as follows:

URL This is the number assigned by the Inland revenue to ACPlus Payroll and it should contain the number 0289

Sender ID This is the User Id supplied by the Government Gateway to you (a combination of twelve characters, Mandatory)

Password The password you selected when setting up your on-line account. (Mandatory)

Contact Details Your name and telephone number to be used by the Inland revenue to contact you if required. (Mandatory)

PAYE reference The reference from your payslip booklet. In the format of three numbers, a slash and then one letter and four numbers. (Mandatory) (e.g. 245/S1945)

Test Submission Leave this unchecked. Unless you intend to prepare a test submission before the final submission (e.g. Before the final payroll for the year to ensure you have all the details in readiness) If you do submit a test in live submission then you must also re-compile and submit a non-test submission.

Auto Upload Leave this checked. If the submission fails then Uncheck, re-create the upload and upload the file. The upload program will then be displayed and you will need to manually upload the submission and determine why the upload has failed.

P35 Details

Check boxes 1-6 (Left side of panel). This are the equivalent tick boxes found on the P35 Paper version. Refer to that form for correct entry. Ticked is the equivalent of answering Yes.

P14 forms are due. Tick this box.

P14's are being submitted for all employees. This would normally be checked unless you have paid employees and have not included them in the payroll system. If this is the case then you will need to produce a P38 form listing

these employees and check the P38 box. If will default to not checked – Please tick.

P38 and P11 – These questions are those included in part 5 of the paper P35 form.

The entries below this contain the values accrued from the P35 generated from the payroll system with the exception of the following:

Total SSP Recoverable. This is entered by you according to how much SSP you have deemed recoverable. This will not be the same as the amount paid out. It is based upon the 13% rule. You can only reclaim SSP where the amount paid out exceeds 13% of the Net NI in any one pay period (Month).

Funding received for SSP/SMP/SAP/SPP. Any monies received from the Government to fund payments. Would normally be zero unless you made insufficient payments of NI during the year to cover SSP payments to employees.

Total Paid to the Inland Revenue The total actually paid at the time of upload.

4.5 Once the entries are correct and complete Press the button marked **Generate Upload File.**

This will generate the XML file and also will produce a listing of any errors or warnings in the Panel above. Check the error list before attempting to submit. Fatal errors are considered such that they will cause the upload to be rejected. Warnings are just for your information. If you have not received any fatal error messages then you can proceed to the next stage

4.6 The file generated will be called “PAYddmmmmyear.XML” and it will be located in the payroll folder. This file will need to be uploaded to the inland revenue web site. Dd = the date, mmmm = the month and year will be 2009. This means that every time you generate the file it will only overwrite the previous one created that day. To upload now press the **Upload to Government Gateway** button

There is a separate program for uploading this file. This is called “Upload.exe” and will have been installed at the same time as the update to the payroll program. From this year this is now carried out in the background. If however the upload fails we will need to review the upload log.

If the submission is successful the program will respond with a message to that effect. You must press the button view response and print the page. If it hasn't been successful then the response page will contain details as to why it has failed. If you need assistance then contact us.