



ACPlus Payroll – RTI

Dear Payroll user

This April sees the start of RTI for payroll and it will require a change to the way you operate the ACPlus Payroll system. Nearer the time and within the Year End newsletter we will provide further details of what is involved but we have detailed below some clarification.

What is RTI?

Put simply it is the reporting to the HMRC every time you pay any of your employees via the PAYE system. This will be facilitated by using the Internet and the Government Gateway (Gateway). You will already be familiar with the process as you have been using it for the Year End submissions as well as with new employees and leavers.

There will be three main uploads (submissions) via the ACPlus Payroll system to the Gateway:

- An alignment submission (EAS) - done once and only at the start of the TAX year before you process any payroll. This will be used to notify HMRC of your payroll. This will assist HMRC with recording all your employee's details and understanding whom to expect submissions from and when. We recommend all employers send one as this will be a good test of the data quality before you must submit a FPS. You must wait for at least 24 hours before then sending a FPS after a EAS.
- Full Payroll submission (FPS) - done after each payroll has been processed and on or before you pay any employees.
- Employer Payment submission (EPS) - only submitted if you are making any deductions from your payment to HMRC to allow for SSP/SMP/SAP/OSSP/ASSP and the compensation elements.

A further submission type is the National Insurance Number verification request - NVR - This will not for the moment be handled by the payroll system. This submission is used to check or request a National Insurance number. You can only do this after the employee has been included in a FPS or EAS.

The process

After each payroll is processed (calculated) you will have to upload to the Government Gateway (Gateway) exact details of that run on or before you make the payment to your employees.

This will require that once you have processed the payroll you will need to perform a payroll update (to ensure you don't change any details after uploading and also to ensure it has the current year to-date figures). We are recommending that once you process the payroll and that you are content it's correct you perform an internal backup before uploading to the Gateway.

What impact will this have?

It will mean correcting under or over payments on the payroll will not be as straightforward. Should you find after running the payroll that you have, for example, underpaid an employee by a £100 - If you have already uploaded to the Gateway then the best course of action is to adjust their next payroll period. If you haven't uploaded but you have updated the payroll you can restore and re-run the payroll and correct and then upload to the Gateway.

The system will only allow you to upload once to the gateway for the last payroll period - be that weekly or monthly. You will not be able to upload for any other payroll period.

There will no longer be any separate process for Starters or Leavers - they will be incorporated in the Full upload (FPS) which means Leavers will be processed only once you have done a payroll update and before you submit to the Gateway. As you can see it will result in a more disciplined procedure.

If you require further clarification on this then please ask.

What you need to be doing now in order you are ready by April.

The submission of payroll details requires your submission to contain valid and accurate details. You are responsible for ensuring it does.

Check each employee details that you hold and ensure:

- The National Insurance number is correct and present
- That you have at least the first two lines of their address and Post code and these are correct.
- The Forename is in full – initials are not allowed.
- The date of birth is present and correct

Each employee will need to be marked with the number of hours they are normally expected to work. This is a new entry that will appear on the employee employment screen once you receive your updated Payroll program. This is a banding and we will install a process in the year end of 2012 to update this automatically for all employees to one banding you choose allowing you to change only those that differ.

Bands:

A	-	Up to 15.99 hours
B	-	16-29.99 hours
C	-	30 hours or more
D	-	Other

Ensure you complete this before the new tax year. We will be issuing the 2013/2014 program in early March.