

## AC Payroll - Payroll end of Year Guidance

### 1 Summary of changes for the new tax year:

As with all changes please read and understand the documentation received from HMRC. (either in paper format or via the website).

We will be releasing the new payroll program from the 22nd of March 2016 and will arrange to update everyone by then.

Major changes this year are:

#### **Tax:**

Increase of 'L' tax codes by 40 to 11000 so that the standard/emergency tax code now becomes 1100L

The 40% band now starts at £32000

#### **NI:**

LEL now £112 weekly

New NI Category for apprentices under 25 - Cat H. You'll have to manually change where appropriate. Cat H means no employers NI when under the UEL.

#### **Statutory Rates:**

Lower Earnings limit is £112

SSP Weekly rate is now £88.45

SMP/SAP/OSPP/ASPP is now £139.58 per Week.

### **National Insurance Employment Allowance**

From April 2016 the employment allowance, which many employers are eligible to claim where they have a secondary Class 1 NICs liability, will increase to £3,000 but limited companies where the director is the sole employee and some other classes of business will now be excluded from claiming the allowance. Further information is available [Employment Allowance](#) here.

Simply alter the payment you make to the HMRC payment centre. Check your account on-line to see your current payments and submissions and your balance owing.

#### **Student Loans**

There are now two types of student loan recoveries. You can set up the two types and indicate the level of recovery - either £21000 or the previous type 1 at £17335. There may be occasions when an employee has both where he or she has continued studying and applied for another loan whilst still re-paying an earlier loan.

## 2 Year End Process

Mark your Final FPS the final one for the year. If you forget to do this you can also submit an EPS and mark that as a final submission.

Print your Year End reports. Print P60's for your employees. Print or store as a PDF yearly summary and deduction sheets. You can go into older years and re-print any reports you may need.

### 2.1 Clear down the database and update with the latest rates.

#### **Clear Down**

As with previous years press the button to clear down. This will clear all the current payroll periods and archive them into a history folder. It's recommended that you do an internal backup before clearing down. *Options -> Backup*

#### **Update with the latest rates.** (Payroll -> Update with new Tax Year Rates)

This is simply a case of pressing the button. Before doing so you may wish to have the program amend the hours worked indicator stored on all employee records at the same time.

Lastly you need to amend the tax codes on all employees. Either use the Bulk change (Option -> Configure -> System Parameters -> bulk change tax codes or do each one manually in Employee maintenance

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