

## **1. Government requirements**

### Registration requirements

#### **Registration for Pay-As-You-Earn (PAYE)**

A new employer in the UK is required to register a PAYE scheme with Her Majesty's Revenue and Customs (HMRC) in the PAYE month that the first pay date falls in. This registration can be done online as long as the company has UK directors or partners who hold National Insurance numbers. The appropriate PAYE scheme and Accounts Office reference numbers are issued by HMRC within 10 working days of the application. It is possible to run the payroll calculations without the reference numbers being in place but in this case, no liabilities should be paid over to HMRC and no electronic filing can be done until they are received. If the company has no UK directors or partners, it is possible to register by telephone directly with HMRC.

### Ongoing compliance or filing requirements

#### **Full Payment Submission (FPS)**

An employer is required to make an electronic Full Payment Submission (FPS) on or before the pay date each period.

An employer is also required to file an Employer Payment Summary (EPS) by the 19th of the following PAYE month to advise HMRC of any recoverable statutory payments or to advise them that there are no employees on the PAYE scheme if appropriate.

These filings are mandatory and automatic penalties arise for late submission. The company must be registered for online filing with HMRC to undertake this unless they have a third party operating the payroll on their behalf who can make these submissions.

### **Remittances**

Every month, employers have to pay HM Revenue and Customs (HMRC) the tax and National Insurance (and any other deductions) the employer owes as reported on its Full Payment Submission (FPS) in the previous tax month minus the reductions on any Employer Payment Summary (EPS) the employer sent before the 19th in the current tax month.

Employers must make payment by the 22nd of the month (or the 19th if paying by post), otherwise employers may have to pay a penalty. If the employer usually pays less than GBP1,500 per month, then the employer may be able to pay quarterly instead of monthly.

## **2. Pension requirements**

### **Registration's requirements**

Under the Pensions Act 2008, employers must put certain staff into a pension scheme and contribute toward it.

The dates (staging dates) that the employer is obliged to operate auto enrollment vary, as do contribution amounts.

### **Ongoing compliance requirements**

An employer is required to comply with the ongoing requirements which will vary depending on staging dates and pension schemes.

## **3. Employment obligations**

The Employment Law is not payroll-related. Certain statutory obligations are in place around payment due when an employee is on maternity leave, paternity leave, sick leave, adoption leave or shared parental leave. These areas are complex and will depend on the employees' circumstances.

## **4. Payroll requirements**

### **Payslips**

An employer is required to provide a payslip on or before the payment date showing the gross pay and deductions to each employee.

### **P45**

An employer is required to provide a leaver's statement form P45, to employees who have left during the tax year.

### **P60**

At the end of the tax year, an employer must provide, by 31 May, an end of year statement, form P60, to each employee who was in employment with them at 5 April.

### **P11ds**

Employers must submit an end-of-year P11d form to HMRC for each employee who has been provided with expenses or benefits in the tax year ending 5 April. This report is due by 6 July. Employers must also complete a form P11d(b) form to report any Class 1A National Insurance due to be paid.

### **National Living Wage**

The minimum wage a worker should get depends on their age and if they're an apprentice. The National Minimum Wage is the minimum pay per hour almost all workers are entitled to. The National Living Wage is higher than the National Minimum Wage - workers get it if they're over 23. It does not matter how small an employer is, they still have to pay the correct minimum wage.

HM Revenue and Customs (HMRC) officers have the right to carry out checks at any time and ask to see payment records. They can also investigate employers if a worker complains to them.

If HMRC finds that an employer has not been paying the correct rates, any arrears have to be paid back immediately. There will also be a fine and offenders might be named by the government.

It is the employer's responsibility to keep records proving that they are paying the minimum wage - most employers use their payroll records as proof. Employers need to keep all records created after 31 March 2018 for six years.

## **5. Banking requirements related to payroll**

Payroll net payments can be made by any method and from either a UK or overseas bank account.

Liabilities to HMRC can be made from a UK or an overseas bank account. If payments are made from an overseas bank account, the charges should be accepted by the remitting bank so that the payments received by HMRC are not reduced by charges or exchange rate differences. Any differences will result in interest charges being levied on underpayments.