

## Pay As You Earn

# Getting your business ready for the changes to Pay As You Earn Real Time Information

HM Revenue and Customs (HMRC) is introducing a new way of reporting PAYE: Real Time Information, or RTI.

The structure of PAYE will remain unchanged, but RTI will change the way in which employers and pension providers submit PAYE details to HMRC.

Under RTI, information about PAYE payments will be submitted each time a payment is made as part of the payroll process, rather than at the end of the year as they are now. Every time you pay your employees/pensioners you will send your RTI return to HMRC online.

Regular reporting under RTI will reduce your end-of-year pressures and be more efficient, saving your organisation time and money.

Most employers will be legally required to use RTI from April 2013, and all employers will be required to report RTI by October 2013.

HMRC will tell you when your business will need to make this move.

### What should I do now?

If you use an agent, payroll bureaux or commercial software provider, please contact them about getting your business ready for RTI, if you haven't already done so.

Here are some actions that you can take now:

- **To get your payroll data right:**
  - Read HMRC's *Improving your payroll data* internet pages carefully and make sure the following payroll details for your employees are (i) fully up-to-date and (ii) in the right format for RTI purposes.
  - Name must be the full and official forename(s) and surname (no initials) in the correct order.
  - Date of birth must include the day, month and year.
  - National Insurance number (NINO) must be given as two letters, followed by six digits and end with a letter which will be either A, B, C or D.
- **To get your software right:**
  - If you use payroll software, it will need updating to use RTI. If you use a payroll software provider, please contact them about this.
  - Some commercial payroll software providers provide free products for employers with 9 or fewer employees. HMRC's Basic PAYE tools, which will work with RTI, is also available for employers with 9 or fewer employees free of charge.
- **To keep yourself informed:**

Make sure you regularly visit the RTI page on the HMRC website to keep up-to-date with latest developments.

HMRC will work in partnership with employers to improve data quality and tell you about any discrepancies they find as you come into RTI, to give you a chance to fix these.

## Where can I find more information?

- HMRC's main RTI internet page: <http://www.hmrc.gov.uk/rti/index.htm>
- HMRC's *Improving your payroll data* internet page: <http://www.hmrc.gov.uk/rti/dip/index.htm>
- HMRC's *PAYE Recognition for Real Time Information (RTI) – payroll software and online forms* internet page for free-to-use payroll products: <http://www.hmrc.gov.uk/softwaredevelopers/payee/rti-software-forms.htm>