

Welcome

Contents

Helpline numbers

# Employer Bulletin.

Your route to the latest in payroll news and views

September 2011 Issue 39



HM Revenue  
& Customs



Contacting HMRC

# Welcome

**Hello and welcome to another packed edition of the Employer Bulletin which contains lots of useful information and reminders to help you meet your payroll obligations to HMRC.**

September sees the first anniversary of the NICs Holiday scheme which was launched to help eligible new businesses in their first year of trading. Have a look at the article on pages 4 and 5 for more information.

There's also lots of information about paying HMRC in this edition including a reminder on page 11 if you have a PAYE Settlement Agreement in place and on page 12 some new information about collecting tax debts through PAYE codes.

There are some changes coming up to certain Pension schemes and workplace pensions in general. You may want to check out the information in the articles on pages 13 and 15.

Page 29 has an article about Contracts Finder which you may find interesting; this is a free service for businesses allowing access to public sector procurement opportunities.

Don't forget to sign up to our free email alert facility at [www.businesslink.gov.uk/hmrcemployeremailalerts](http://www.businesslink.gov.uk/hmrcemployeremailalerts) so we can let you know when the latest version of the Employer Bulletin is available and other PAYE products are updated online. Please remember that registering to file online does not mean you have also registered to receive these email alerts. You must do this separately using the link shown.

And finally, if you have any comments about the format or content of the Bulletin, or if there is something specific you would like to see featured, please contact me at [Alison.bainbridge@hmrc.gsi.gov.uk](mailto:Alison.bainbridge@hmrc.gsi.gov.uk)



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# Contents

- 4 Regional Employer NICs Holiday for New Businesses
- 5 A New Enhanced Recognition Scheme for Commercial Payroll Software
- 6 Real Time Information – Update
- 8 Making the PAYE/NICs system fairer **Need to know**
- 9 Paying HMRC
- 10 Large employers are required to pay electronically  
Could you cut out your payment booklet?
- 11 Don't be late or make a mistake paying your 2010-11 PAYE Settlement Agreement
- 12 Collecting Tax Debts through PAYE **Need to know**
- 13 Abolition of contracting-out on a Defined Contribution basis
- 14 Contacting HMRC
- 15 Workplace Pension Law is Changing
- 16 Changes to HMRC addresses for Pay As You Earn employees
- 17 HMRC's Support for Agents & Accountants  
Phasing out of National Insurance number cards continues
- 18 Basic PAYE Tools (formerly Employer CD ROM)
- 19 Employer forms and guidance
- 20 Employer Annual Returns – Some key messages  
Amendment to P2 Note on P2 Notice of Coding  
When an employee receives payments in the form of employment related securities after leaving
- 21 National Minimum Wage **Need to know**
- 22 Money Laundering Regulations (MLR) 2007 – Do you or your clients need to be registered with HMRC?
- 23 Statutory Sick Pay: an overview
- 25 Statutory Payments and Compromise Agreements
- 26 Notification of a threshold change for student loan borrowers in the current Income Contingent Repayment (ICR) scheme
- 27 Make the move to VAT Online now
- 28 Business Link is improving  
Make sure you can still receive coding notices electronically from October 2011
- 29 New Contracts Finder service
- 30 Employer Diary
- 32 Help & Orderline numbers

**Need to know**

Essential reading, articles and information

# Regional Employer NICs Holiday for New Businesses

## Introduction

In his June 2010 Budget, the Chancellor announced a scheme to help new businesses during their first year of trading. The scheme – known as the Regional Employer National Insurance Contributions Holiday for New Businesses (NICs holiday) – is open to new businesses set up on or after 22 June 2010 and will run until 5 September 2013. Many new businesses are already benefiting from the ‘holiday’ the scheme provides.

## What is the holiday?

Under the three year scheme, eligible new businesses can take a holiday from paying NICs for each of the first 10 employees they hire in their first year of operation. Each holiday will last for the first 52 weeks the employee is in post providing these weeks fall within the three year holiday period.

New businesses taking advantage of the scheme will be able to save up to a maximum of £50,000 in employer NICs – a maximum of £5,000 per employee for up to 10 employees.

## Who can benefit from the holiday?

Any new business that was set up on or after 22 June 2010 might be eligible to benefit from the NICs holiday. The scheme applies in the whole of the UK except London, the South East and the East of England.

## How do businesses apply for the holiday?

Any new business that thinks it might benefit from the holiday should go to the guidance at [www.businesslink.gov.uk/nicsholiday](http://www.businesslink.gov.uk/nicsholiday) to check that they are in the right region and that they meet the other qualifying conditions. Once they are satisfied that they meet the criteria then they should go on to complete the simple online application which is within the guidance above.

## Who can apply for the holiday?

The application form must be completed by the one of the following:

- the sole owner of the business
- a partner in the business
- the company secretary or director
- the agent/accountant representing the business

Applications completed by agents/accountants on behalf of their clients will only be accepted where HM Revenue & Customs holds a valid form 64-8.

## How do businesses claim the NICs holiday relief?

The above guidance gives details on how employers can calculate the employer NICs that they are entitled to deduct from their quarterly payments to HMRC. If employers have paid over the full amount of NICs prior to applying for the holiday, then they can adjust the amount paid for future monthly payments to HMRC by the appropriate amount. Employers can also claim a refund of employer NICs in-year if the amount claimed is less than the total due to be paid to HMRC, or can claim a refund at the year end.

[article continues >](#)

# A New Enhanced Recognition Scheme for Commercial Payroll Software

## What are the time limits for the holiday?

The National Insurance Contributions (NICs) holiday is available to new businesses that start up during the period from 22 June 2010 to 5 September 2013. However, as the scheme itself didn't start until 6 September 2010, you can only deduct employer NICs due on earnings paid on or after that date (but before 5 September 2013).

## What are HMRC doing to publicise the holiday?

Since September 2010 HMRC have been sending a leaflet about the holiday to all new Employers that have set up new Pay As You Earn (PAYE) schemes. In addition they have publicised the holiday on the HMRC and Business Link websites, and have published articles on the holiday in employer and accountancy magazines/publications.

Following the first anniversary of the holiday, HMRC are planning to write a personalised letter to all new Employers (and their accountants) set up since 22 June 2010, reminding them of the benefits of the holiday and what it could do for their business.

## What do businesses currently enjoying the holiday say?

From some recent research we have found that all businesses who successfully applied for the holiday would recommend the holiday to other similar businesses.

## Where can I find out more details about the holiday?

Full guidance can be found at [www.businesslink.gov.uk/nicsholiday](http://www.businesslink.gov.uk/nicsholiday)

## From 1 October 2011, we are introducing a new Enhanced Recognition Scheme that is aimed at all Payroll Software Developers.

This will replace the two existing Payroll Software schemes

- the Payroll Standard Accreditation scheme which relates to the payroll calculations and
- the Online Filing Recognition scheme for checking that valid online files can be produced and submitted to HMRC

The Payroll Standard Accreditation scheme will cease completely from 6 April 2012 along with the list of accredited payroll software products and the HMRC Payroll Standard logo.

This new Enhanced Recognition Scheme will combine elements from both preceding schemes and allow us to work with a broader range of software developers and payroll software products.

As software products begin to receive Enhanced Recognition for PAYE from HMRC their details will be available from the current links:-

- Software that uses Electronic Data Interchange (EDI) – [www.hmrc.gov.uk/ebu/edi/edi-software.htm](http://www.hmrc.gov.uk/ebu/edi/edi-software.htm)
- Software that uses the internet – [www.hmrc.gov.uk/efiling/payee/payee\\_software\\_forms.htm](http://www.hmrc.gov.uk/efiling/payee/payee_software_forms.htm)

# Real Time Information – Update

## Real Time Information will fundamentally change the way employers and pension providers send HMRC employee information.

Under Real Time Information (RTI) employers will send HMRC information about tax and other deductions from employees at the same time as, or before, each salary or pension payment is made, rather than at the end of each tax year.

Having this information sooner will mean that we can amend our records more quickly and, over time, make the system more accurate and efficient for employees, and less burdensome for employers and HMRC. RTI will also help support the introduction of Universal Credits.

We first told you about the move towards RTI in the February 2011 edition of the Bulletin. Since then there have been a number of developments.

### Consultation

In February, we were just reaching the end of our consultation period. We received nearly 200 formal responses to the consultation document ‘Improving the operation of Pay As You Earn (PAYE): Collecting Real Time Information’, and many employers, payroll bureaux, pension providers and software developers attended seminars to ask questions and share views. The majority of responses were in favour of the move to RTI, but concerns were raised about the timetable, particularly for developing the Bacs channel for RTI reporting. HMRC will publish a summary of responses later in the year.

As a result of feedback from the consultation HMRC has adjusted its plans and will:-

- pilot the RTI service with volunteer software developers and employers for a year, starting in April 2012.

This will make sure software developers have sufficient time to develop their full range of payroll software products, and give employers time to adjust their payroll processes. It will also ensure that the RTI service is thoroughly tested before the majority of employers and pension providers begin to use it from April 2013.

We have been working in partnership with payroll software developers to identify a cross-section of volunteer employers to take part in the pilot. We are currently working with the selected employers – a mixture of size and type – to prepare them for the pilot. And we are looking at how to bring more employers onto RTI ahead of April 2013. We will tell you more about the pilot in future editions of the Bulletin.

- accept RTI submissions through the existing submission channels – using the internet via the Government Gateway and EDI – regardless of the method used to pay employees. The EDI channel is a transitional arrangement and will run until at least April 2014.

The Bacs channel remains HMRC’s strategic choice for employers who pay their employees by Bacs. We will publish more information about the timetable for introducing this later in the year.

[article continues >](#)



### RTI website

You can find out more about RTI from the RTI page on the HMRC website called 'Improving the Operation of PAYE: Real Time Information' at [www.hmrc.gov.uk/rti/index.htm](http://www.hmrc.gov.uk/rti/index.htm). As well as background information about the RTI Programme, it includes some 'Frequently Asked Questions' which all employers may find useful. We will update these pages regularly to keep you informed about developments.

Another way to make sure you don't miss any future announcements about RTI – or any other PAYE changes – is to sign up to receive our free email alerts at [www.businesslink.gov.uk/hmrcemployeremailalerts](http://www.businesslink.gov.uk/hmrcemployeremailalerts)

### Preparing for RTI: Data quality

Improving the quality of the data that we hold and process is an important part of improving the PAYE process through RTI.

In addition to improving our own processes, helping you to prepare for RTI is a priority for us. As part of this preparation we have been working to understand the root causes of the most significant data issues so that we can work together to resolve them.

One important root cause of data quality problems is inaccurate or incomplete information received from employers and pension providers. The 3 pieces of information that most often cause problems are:

- Missing/wrong **Date of Birth**
- Wrong/missing/incomplete first and last **Names**
- Missing/wrong **National Insurance Numbers**

To help employers prepare for RTI, HMRC is planning to

- **Improve information about data quality issues and how to resolve them**
- **Improve guidance on good practice; and**
- **Conduct targeted employer support visits**

In addition, we will soon be publishing more information to help you avoid the most common errors. In the meantime here are some practical things you can do to make sure you get it right:

1. Never make up personal information!
2. When sending us a person's date of birth check it is shown as 8 numbers, the first 2 reflect the **day**, the second 2 the **month**, and the final 4 the **year**. For example, for a person born on 7 December 1960 their Date of Birth would be shown as 07121960.
3. When sending us the individual's name send the full forename, not just their initial. And ensure you get the forename and surname the right way round.
4. Check that the National Insurance Number consists of 2 letters, then 6 numbers, and finally another letter (either A, B, C or D). You can find more information about the format of a National Insurance Number at [www.hmrc.gov.uk/manuals/nimmanual/NIM39110.htm](http://www.hmrc.gov.uk/manuals/nimmanual/NIM39110.htm). Try to check that the number given to you is from a reliable source, such as HMRC or Department for Work and Pensions documentation.

Getting this information correctly recorded when taking on a new employee is a great start and can help to reduce problems later on.

We will keep you posted on the latest data quality insights through our website and future issues of Employer Bulletin.

# Making the PAYE/NICs system fairer

**From 6 April 2012 HMRC will have a new power to tackle the tiny minority of employers who are determined not to pay over the money they deduct from employees via PAYE/NICs. Where an employer presents a serious risk HMRC will require them to provide a security to protect against non-payment.**

This will not affect employers who are meeting their obligations on time or those employers who have genuine payment difficulties.

We remain committed to helping businesses who are in financial difficulties.

This change will not apply to employers who

- have agreed time to pay arrangements
- are receiving support under the Business Support Service
- only employ personal employees or carers.

However, it isn't fair that those employers who choose not to pay PAYE and NICs to HMRC should gain a significant financial and business advantage over those who do pay, and this power will help us tackle that.

This change supports the Government's priority of a fairer tax system. It aims to bring seriously non-compliant employers back into the system by paying their share.

We consulted widely about this new power. This approach is not new as HMRC can already require a security for VAT and most of the other indirect taxes.

Where we think a security is necessary we will calculate the amount of the security based on the evidence of the individual case. The employer can appeal to the Tribunal against the notice requiring a security, or the amount. Alternatively they can ask to have their case reviewed first by our internal review team before any Tribunal hearing.

As with the comparable VAT securities, there will be a criminal sanction for not providing a security when one has been required, with a fine of up to £5000.

The most common form of security is a cash deposit held by HMRC or paid into a joint HMRC/taxpayer interest bearing bank account. A security can also be a performance bond which is similar to a third party guarantee. It may be provided by any bank, building society or other financial institution approved by us.

If you have problems paying us please contact us as soon as possible – go to [www.hmrc.gov.uk/payinghmrc/problems/cantpay.htm](http://www.hmrc.gov.uk/payinghmrc/problems/cantpay.htm)



# Paying HMRC

## Does your monthly or quarterly PAYE payment always go where you want it to?

If not, then before you send your next payment, check out our guidance on making payments at [www.businesslink.co.uk/payingpaye](http://www.businesslink.co.uk/payingpaye)

Payments made electronically pass directly from the bank, building society or Post Office to the reference you have told your provider to use without any intervention by us. If you pay by cheque and payslip through the post we handle the payment using highly automated machinery, processing the payment direct to the record without any clerical involvement.

For the great majority of payments that you send to us, the allocation of the payment relies totally on the accuracy of the information that you provide. If you don't give us the correct information including your reference number and, if you are paying early or late, the tax year ending and month in that specific order, then your payment may be allocated incorrectly.

For example, a payment for

- Month 01 of 2011-12 due by 22 May but sent before the 6 May – you would need to add **1201** to your reference number so it becomes **123PA000123451201**. If the tax year ending and month is not added the payment would be allocated to the previous tax year.

- Month 01 of 2011-12 due by 22 May but sent after the 5 June would also need **1201** adding to your reference number as the payment has been made in the next tax month. The reference will then become **123PA000123451201**. In this case, if the tax year ending and month is not added, the payment would be allocated to month 02 and that may cause the month 02 payment to be allocated to month 03.
- The previous tax year – 2010-11 you should add **1113** to the reference to become **123PA000123451113**. For end of year payments you should always show the month number as 13. In this case, if the tax year ending and month is not added, the payment would be allocated to month 01 of 2011-12.

The above examples are where you need to use your own Accounts Office reference when paying PAYE/NIC and any interest on PAYE/NIC.

You must not use your Accounts Office reference when paying any one-off charge such as paying a late payment penalty, a PAYE Settlement Agreement or any other miscellaneous payment. The payment will not be identified and you will continue to receive reminders even though you have paid.

When paying any one-off charge you will need to provide your charge reference number. You'll find this printed in the format XA123456789012 (this reference is only an example and should not be used to make a payment) on the payslip sent to you.

By following our online guidance each time you make a payment you will be sure that it will be allocated correctly and you won't be asked to pay something you have already paid!

## Large employers are required to pay electronically

Large employers (those which have 250 or more employees on 31st October) are required to pay their monthly PAYE/NIC deductions in full and on time by an approved electronic method. From April 2010, changes to the legislation mean that we no longer have a requirement to issue notices, previously sent in October or November, notifying those employers who have to pay electronically for the following year. So if you have 250 or more employees on 31 October, you must pay electronically for the next tax year.

When paying electronically the cleared payment must reach our bank account no later than the 22nd of the month following the end of the tax month or quarter to which it relates. Where the 22nd falls on a weekend or bank holiday, cleared funds must be in our bank account no later than the last bank working day before the 22nd. Bank working days are Monday to Friday excluding bank holidays.

For further information go to [www.businesslink.gov.uk/payepaymentdeadlines](http://www.businesslink.gov.uk/payepaymentdeadlines)

## Could you cut out your payment booklet?

We post out over 1.6 million payment booklets to employers every year. Cutting this number will help us reduce costs and benefit the environment. Could you do without yours?

If you no longer need a payment booklet and would like us to stop issuing them, please tell us. You can do this at any time using our online form at [www.hmrc.gov.uk/stopbooklet](http://www.hmrc.gov.uk/stopbooklet)

### Make your payments online

Electronic payment is safe, secure, and efficient and you have greater control to ensure your payment is received on time. You don't need a payment booklet if you pay electronically by Direct Debit, debit or credit card, internet, telephone banking, Bacs Direct Credit or CHAPS. And you may save on postage costs too.

Find more information on paying electronically at [www.businesslink.gov.uk/payinghmrc](http://www.businesslink.gov.uk/payinghmrc)

### No payment due for a month or quarter?

You don't need a payslip to tell us you have nothing to pay for a month or quarter. Let us know by using our online form at [www.hmrc.gov.uk/nilpaydue](http://www.hmrc.gov.uk/nilpaydue)

### 2012-13 Payment Booklets

We will start to issue payment booklets for 2012-13 from 19 December 2011. If you decide that you no longer want to use a payment booklet for this coming tax year then please let us know as soon as possible but definitely before 1 December 2011. This will make sure we do not include you in the list of customers to receive a booklet.

# Don't be late or make a mistake paying your 2010-11 PAYE Settlement Agreement

If you've agreed a PAYE Settlement Agreement (PSA) with us for 2010-11, then you'll need to pay the tax and Class 1B NICs by the appropriate deadline in October 2011, otherwise you risk being charged interest and a late payment penalty.

## Electronic payment deadline

If you are paying electronically, your cleared payment must reach our bank account no later than 22 October. However as 22 October 2011 is a Saturday it means this year **cleared funds must be with us on Friday 21 October**. Electronic payment includes all the payment methods we provide, apart from payment by post.

Your payment must therefore be initiated early enough to clear on or before Friday 21 October. As your bank or building society may take longer to process the payment than you expect and could have a cut-off time for initiating a payment, you may need to check these details with them in advance. You can find more about the different electronic payment methods from the link at the end of this article.

## Postal payment deadline

If paying by post, your cheque payment must be posted early enough to reach us no later than 19 October. Obviously postal delays are out of your and HMRC's hands which is why we recommend the security and certainty of electronic payments.

## Some common errors to avoid when paying your PSA

The most common mistake is to add the PSA amount to the normal monthly or quarterly PAYE payment and send it as one payment; usually in October but possibly with an earlier or later payment.

Do not include the PSA amount with your PAYE/NIC payment. If you do, it will appear as if you've not paid the PSA and you will be asked to pay it again.

Your PSA payment should be paid separately, either electronically or by using the PSA payslip that we send you. Do not use one of the payslips from your Employer Payment Booklet as this will lead to payments being allocated incorrectly because the reference on the payslip relates to your monthly/quarterly PAYE/NIC and not to your PSA.

- Errors can also be made with the reference used with electronic payments. Because PSA is a one-off payment, you must use the PSA reference number and not your PAYE Accounts Office reference number.

Your 14-character PSA reference number starts with the letter 'X', and is on the payslip we sent to you. For example XA012345678912 (this reference is only an example and should not be used to make a payment.) It is important that you show the reference number with no gaps between the characters, otherwise it could lead to delays in updating your records.

[article continues >](#)

# Collecting Tax Debts through PAYE

If you use your normal PAYE Accounts Office reference the PSA payment will not be identified and you will continue to receive reminders even though you have paid.

If you do not have your PSA reference number, please contact the office that is dealing with your PSA application for advice.

Problems can also occur if the wrong bank account details are used. Some employers copy the bank details from the front of their PAYE payslip which can lead to a delay in the payment reaching the correct account; as these account details only apply when paying by bank giro or at a Post Office.

To avoid this problem, when paying your PSA by Bacs Direct Credit, internet or telephone banking or CHAPS you should only use the following bank account details:

Accounts Office	Sort code	Account number	Account name
Shipley	08 32 10	12001020	HMRC Shipley

Further information on how to make your PAYE Settlement Agreement payment can be found at [www.businesslink.gov.uk/payingpsa](http://www.businesslink.gov.uk/payingpsa)

From April 2012 HMRC will be able to collect debts up to the value of £2999.99 by amending the tax code of individuals in PAYE employment or receiving a UK-based pension.

We will use this additional method of recovery for Self Assessment (SA) debts and Tax Credit (TC) overpayments from April 2012.

The first PAYE coding notices to include these changes will be issued from January 2012.

A SA debt or TC overpayment will be described on the P2 Annual Coding Notice as "Outstanding debt" with a note to say whether this is SA tax, a TC overpayment or both.

Tax codes will not be changed in year to recover these debts/overpayments as they will always be included in the code issued for the start of a tax year.

We will start sending letters to selected SA debtors from August 2011, and to Tax Credit claimants with outstanding overpayments from early October. We will previously have written to these individuals at least once asking for payment. The letters being issued from August and October will advise them that their debts or overpayments may be collected by tax code adjustment from April 2012 and will give them a final chance to either pay in full or contact us to discuss other payment options.

If repaying the debt is going to cause financial hardship to any of your employees they can go to [www.businesslink.gov.uk/problemspayingHMRC](http://www.businesslink.gov.uk/problemspayingHMRC) or if they have any queries about their tax codes as a result of this change, then please tell them to ring the number on the letter.

# Abolition of contracting-out on a Defined Contribution basis

**From 6 April 2012 contracting-out of the additional State Pension on a defined contribution (DC) basis will be abolished. Our records will show these contracted-out scheme memberships as closed from 5 April 2012.**

This change will affect:

- Contracted-out money purchase (COMP) schemes
- Sections of contracted-out mixed benefit (COMB) schemes contracted out on a DC basis
- Appropriate Personal Pension (APP) Schemes and APP Stakeholder Schemes

The rules governing how existing protected rights benefits should be treated will also be removed. 'Protected rights' is the collective term for the National Insurance Contributions (NICs) rebates, associated tax relief and investment return that has been accrued. As protected rights will no longer exist, this should help simplify administration in terms of record keeping, member communications and benefit processing.

It will still be possible to contract-out of the additional State Pension on a Defined Benefit basis (Contracted-out Salary Related (COSR) schemes), however you must hold a valid contracting-out certificate to do so.

If you do wish to contract-out on a salary-related basis following abolition and you don't already hold a COSR certificate as part of a mixed benefit scheme, you will have to apply for a COSR certificate with effect from 6 April 2012. You must not deduct contracted-out NICs under category letters D, E, L, N or O rate NICs unless you have a COSR contracting-out certificate.

## What this means for employers

You will need to

- plan for the changes, if you're not already doing so
- discuss with the scheme trustees and/or your advisors, how the scheme will operate following this change
- consider any scheme changes to take account of the fact that neither an employee or employer NICs rebate will be available after 6 April 2012
- communicate the changes to the pension scheme to your employees
- be aware that you and your employees will pay standard rate NICs rather than the reduced contracted-out rate of NICs
- be aware that from the 2012-13 tax year NICs category letters F, G, H, K, V and S will become obsolete and should not be entered onto forms P11 or P14
- ensure that the correct NI category is applied to all earnings paid from 6 April 2012
- be aware that the Scheme Contracted-out Number (SCON) field will be removed from the P14 form

You can find further details about the changes at

[www.dwp.gov.uk/docs/emp-contracting-out-factsheet.pdf](http://www.dwp.gov.uk/docs/emp-contracting-out-factsheet.pdf)

[article continues >](#)

# Contacting HMRC

## What this means for individuals

The contracted-out pension rights that scheme members have accrued up to the abolition date will still need to be used to provide benefits for the period that members were contracted out of the Additional State Pension scheme.

Unless joining a contracted-out salary related scheme, individuals still employed by you will;

- be brought back into the Additional State Pension scheme and, depending upon the level of their earnings, may build up Additional State Pension entitlement
- pay a standard rate of NICs rather than a reduced contracted-out rate of NICs on their earnings.

Your employees can find further details about the changes at [www.direct.gov.uk/contractedoutpensions](http://www.direct.gov.uk/contractedoutpensions)

We regularly review calls made to our helplines to find out more about the reasons you contact us so that we can improve our service to you. We have noticed that a large number of calls to our Employer Helpline often need to be redirected to other helplines. Having to wait in two separate queues to get help with what you need can be frustrating and costly to you and when our advisers are redirecting calls made to the wrong number they're not helping other customers with their queries.

To make it easier to identify which helpline you need to ring we have updated the employer contacts pages on our website – changing the titles of some entries on the list and adding clear descriptions of what each helpline can help you with. There are four entries on the list in particular that we'd like to bring to your attention as calls to these numbers are frequently redirected;

- **Payment enquiry helpline** – For advice on what payment methods can be used for Self Assessment and PAYE
- **Online Services Helpdesk** – For enquiries with our online service including help with 'error messages' to file Self Assessment tax returns, PAYE for employers, Corporation Tax, stamp taxes, pension schemes or any other online service
- **Individual employees tax enquiries** to help you support employees annuitants or pension payees contact their tax office
- **Employers – confirm your employees tax code**, help for employers who want to check the tax code for an employee or provide certain information.

To access the updated contact list go to [www.hmrc.gov.uk/contactus](http://www.hmrc.gov.uk/contactus) then select 'More contacts...' from within the blue 'employers' section. Checking this page before you call us will help you locate the correct number quickly and will free up our advisers to help more customers.



# Workplace Pension Law is Changing

**From 2012, changes to pensions law will affect all employers with at least one worker in the UK. A number of new employer duties will be introduced that will give millions more workers access to pension provision.**

Employers will need to:

- Automatically enrol certain workers into a pension scheme
- Make contributions on their workers' behalf
- Register with The Pensions Regulator
- Provide workers with certain information about the changes and how they will affect them.

These new employer duties will be introduced in stages over 4 years, starting in 2012. Each employer will be allocated a date from when the duties will first apply to them, known as their 'staging date'. This date is based on the number of people in an employer's PAYE scheme. Employers with the largest numbers of workers in their PAYE schemes will have the earliest staging date. The first small and micro businesses will not have staging dates until 2014 or 2015.

Automatic enrolment is one of the changes being introduced and is designed to overcome the fact that many workers miss out on valuable pension benefits because they don't apply to join their employer's pension scheme, or their employer doesn't offer them access to a workplace scheme.

When the law changes all employers will be required to offer a pension scheme which meets certain criteria; as set out by the Government. This will be central to complying with the new duties.

The Pensions Regulator has been tasked with ensuring that all employers comply with the new duties. To do this the regulator aims to establish a pro-compliance culture, where employers consider compliance to be the norm.

Education is a key element in ensuring that employers both understand their duties and they know how to comply. By educating employers and making it as simple as possible to comply, the regulator believes that there will be far less call for them to use their powers to enforce the regime.

To support employers, the regulator has developed and published a range of education material. These are tailored to meet the needs of employers of different sizes and with different levels of pensions knowledge and experience.

The regulator is also working with the organisations that small businesses already rely on for advice and support. Organisations such as Directgov, Business Link, trade unions and bodies such as the Federation of Small Businesses and local chambers of commerce will all be important to the regulator in reaching the million plus employers who will need to comply with the new duties.

As well as working with these partners, the regulator will be writing to all of Britain's employers individually to inform them of their staging date and what they will need to do to comply.

You can check your provisional staging date on The Pensions Regulator's website at [www.tpr.gov.uk/staging](http://www.tpr.gov.uk/staging)

To find out more about the changes and what you need to do to start preparing, go to [www.thepensionsregulator.gov.uk/employers.aspx](http://www.thepensionsregulator.gov.uk/employers.aspx)

# Changes to HMRC addresses for Pay As You Earn employees

To speed up the handling of post we have changed the address shown on Pay As You Earn (PAYE) forms and letters issued to individuals and employees to PO Boxes.

Each year HMRC issues various types of forms and letters to PAYE employee customers. These forms and letters showed different tax office names and addresses. Customers used these addresses when writing to HMRC about their tax affairs.

We now have a national computer system for PAYE which allows us to manage work nationally, meaning customer records can be worked by staff in any location. Using different tax office names and addresses doesn't support this new flexibility and can lead to delays in post handling.

After consulting with customer representatives it was decided to replace individual tax office names and addresses with three PO Box addresses.

Introducing these changes will benefit both customers and HMRC and will;

- make it clearer to customers where to write to
- help us to respond to correspondence from customers more quickly
- enable us to handle post more efficiently

## What are the new addresses?

The PO Box address will be clearly stated on forms and letters issued to customers. However we will continue to use existing tax office names and addresses for customers with more complex tax affairs.

The new addresses are based on the first 3 numbers of your PAYE reference:

PAYE Reference	Address	Telephone Number
120, 193, 209, 222, 301, 305, 334, 406, 465, 504, 599, 671, 717, 765, 783, 799, 801, 837, 846, 852, 865, 875, 961, 985	HM Revenue & Customs Pay As You Earn PO Box 1000 Newcastle Upon Tyne NE98 1WY	0845 300 0627
034, 049, 064, 068, 070, 072, 073, 075, 126, 190, 206, 214, 245, 267, 321, 391, 419, 470, 475, 503, 507, 531, 567, 577, 581, 585, 586, 592, 615, 653, 662, 673, 794, 914, 948	HM Revenue & Customs Pay As You Earn PO Box 4000 Cardiff CF14 8HR	
065, 080, 083, 106, 362, 428, 582, 663, 709, 916, 925, 951, 977	HM Revenue & Customs Pay As You Earn PO Box 1970 Liverpool L75 1WX	

[article continues >](#)

# Phasing out of National Insurance number cards continues

## What do I need to do?

As an employer there are a number of things you can do to support this change;

- if you include the optional HMRC Office name on your P60s, use the new generic name “Pay As You Earn”. If you also include address information, use the new address
- if your employees ask for the address or phone number of their tax office, give them the new address or phone number
- if you have a website that shows HMRC contact details for your employees, update these to the new address or phone number

The address you as an employer use to contact HMRC will not change. The changes only affect your employees.

If your PAYE reference is not shown above your employees should continue to use your current HMRC Office name and address.

## HMRC's Support for Agents & Accountants

Did you know that our Agent Account Managers (AAM's) can help agents & accountants to quickly resolve ongoing client specific problems when the usual escalation channels have failed? If you are an agent or accountant, all you have to do to use this service is register using our online registration form. It only takes 5 minutes to complete. For more information about the AAM Service and to complete the registration form, go to [www.hmrc.gov.uk/agents/aam.htm](http://www.hmrc.gov.uk/agents/aam.htm)

We told you in April's Bulletin that we are withdrawing the plastic National Insurance number (NINO) card and replacing it with a letter.

We have already stopped sending plastic cards to people who request a replacement to their original card. When a customer asks us to confirm their NINO, we now send them a letter. We have also stopped sending cards to adults (mostly migrant workers) who apply for a new NINO via the Department for Work and Pensions (DWP). Individuals now receive their NINO in a notification letter from Jobcentre Plus. Later this year we will stop sending NINO cards altogether.

As the cards are phased out, there will be growing numbers of people who will have a letter instead. You will need to bear this in mind when taking on a new employee.

If a new employee does not know their NINO, ask them to check a previous payslip, P60, or letter from HMRC or DWP. If they still can't find their number:

- advise them to complete the form 'Your National Insurance number' at [www.hmrc.gov.uk/forms/ca5403.pdf](http://www.hmrc.gov.uk/forms/ca5403.pdf)
- you can complete the form 'Employee's National Insurance trace' at [www.hmrc.gov.uk/forms/ca6855.pdf](http://www.hmrc.gov.uk/forms/ca6855.pdf)

Both forms can be filled in on-screen then printed before signing and posting to us.

You still need to confirm an employee's identity and check that they have a right to work in the UK. Not having a plastic NINO card makes no difference – the card, on its own, is not evidence of identity or a right to work in the UK.

If you need to check whether someone has a right to work in the UK you can find advice at [www.businesslink.gov.uk/employmentchecks](http://www.businesslink.gov.uk/employmentchecks)

# Basic PAYE Tools

## (formerly Employer CD ROM)

**In February's edition of the Bulletin we told you about the launch of a new online resource to help you run your payroll called Basic PAYE Tools (BPT).**

BPT was developed in line with the Government's 'Digital Default' agenda which provides a commitment to move more Government Services online and reduce the cost of the services we currently provide. BPT now provides the functionality and information previously provided to employers on the Employer CD ROM.

This simple computer software package is available for you to download from [www.businesslink.gov.uk/basicpayetools](http://www.businesslink.gov.uk/basicpayetools)

Some of the guidance and calculators, which were previously part of the Employer CD-ROM, can now be found on either the Business Link or HMRC website. To keep the size of the Tools as small as possible, to download and avoid duplication, BPT now gives you direct links to these resources.

Feedback received so far suggests that BPT has been well received, and once the tools have been downloaded and installed, employers have been able to successfully file their Employer Annual Return (P35 & P14s) and in-year starter & leaver forms online.

We also use any feedback to develop and improve the tools. Recent updates include:

- the reinstallation of 2 years' Tax and National Insurance calculators
- improved guidance to explain that BPT automatically produces a P14
- removal of coloured ink from the P32 Summary
- a link to National Insurance Contributions (NIC) categories to assist with your end of year filing
- adjusting the Statutory Sick Pay (SSP) calculator to address editing, rounding and rate issues
- better guidance for the backing up data after unexpected closure during the end of year process
- improved viewing of the 'post it' notes on BPT home page
- improved installation instructions for Linux Users.

We strongly recommend you always use the latest version of BPT and keep the automatic update switched on, meaning you will be notified each time a new update becomes available. To check automatic update is switched on your computer must be connected to the internet, then from the BPT Home page select the 'Options' button and select the 'Automatic Update Settings' tab. The default setting should be shown as 'On' in the 'Automatic Updates' field with a frequency of 'On start-up of application'.

# Employer forms and guidance

In February's edition of the Bulletin we told you that we were reducing the number of paper products we provided and as most employers now have to file online, we would also expect you to use our online PAYE forms and guidance which are available from our website at [www.businesslink.gov.uk/payee](http://www.businesslink.gov.uk/payee)

Alternatively, the 'Find a Form' tool at [www.hmrc.gov.uk/findaform](http://www.hmrc.gov.uk/findaform) will help you to find forms for a variety of subjects.

This is in line with the Government's 'Digital Default' agenda which provides a commitment to move more Government Services online and reduce the cost of the services we currently provide.

Since then we have seen a significant reduction in the number of paper products being issued by the Employer Orderline. Recent customer feedback confirms that the majority of employers and their agents are happy to self serve from our website, many using the Basic PAYE Tools, and they have continued to meet their PAYE payroll obligations.

## Potential changes in 2012

We are now considering what further measures may be possible in these times of austerity, so that we might continue to drive down our costs, help reduce our carbon footprint and benefit the environment, by limiting the amount of paper being used. Following consultation over the coming months, we aim to;

- reduce the number of versions of some forms such as P45 and P60
- produce downloadable forms which are easier to print and use, such as the P11 form on the website
- remove availability of some paper items, such as forms CA6855 & SC2
- revise the Employer Orderline online form to reduce the number of items available to order online.

Details of the changes will be published on the 'Forms and Publications for employers' pages of the Business Link website when they are introduced. Also watch out for the next edition of the Employer Bulletin due in February 2012, at the above link, which will provide the finalised arrangements for the Employer Orderline next year.

We appreciate your co-operation and any feedback (via the Editor as shown on Page 1 please) during these times of change.

## Employer Annual Returns – Some key messages

### Have you sent your 2010-11 Employer Annual Return yet?

Over 1.6 million employers successfully submitted their 2010-11 Employer Annual Return online by the due date of 19 May 2011. If you have not sent yours to us yet, we still need to hear from you! If you need to send us a Return (because a deductions working sheet was completed for at least one employee) you must send it as soon as possible. Penalties are charged for each month that the Return remains outstanding. It is also important that we have your Return so that we can update your employees' records.

A penalty will be due if your Return is late, but the sooner you can file your Return, the smaller the final penalty will be.

### No Employer Annual Return (P35 and P14s) for 2010-11

If you did not have to complete a P11 deductions working sheet (or equivalent payroll deductions record) during the 2010-11 tax year, you will not need to send us an Employer Annual Return. However you must tell us as soon as possible so we can update our records and prevent unnecessary reminders and penalty notices being issued.

The easiest and most reliable way to tell us is by going to [www.businesslink.gov.uk/noemployerreturn](http://www.businesslink.gov.uk/noemployerreturn) and using one of the two structured online forms. There is a form for employers and one for agents making a declaration on behalf of their clients (up to a maximum of eight employers per form). You will receive an email response confirming that your online form was received. Or exceptionally, if you do not have access to the internet, you can tell us by contacting the Employer Helpline on 08457 143 143.

## Amendment to P2 Note on P2 Notice of Coding

As you may already be aware, State Pension age (SPa) for women is changing. To accommodate the changes the National Insurance P2 note which is sent to employees has been amended to say that National Insurance contributions should not be deducted from the date SPa is reached. It also advises employees if they think National Insurance contributions have been deducted incorrectly they should ask their employer to check it for them.

## When an employee receives payments in the form of employment related securities after leaving

Payments in connection with employment related securities, including cash payments arising from those securities, that are made to an employee after leaving are still taxed at BR non – cumulative (Week1/Month1).

Other payments made after leaving are taxed using code 0T on a non – cumulative basis.

On 6 April 2011 we published a What's New message on our website at [www.hmrc.gov.uk/pay/pay-regchange.htm](http://www.hmrc.gov.uk/pay/pay-regchange.htm) which contained details of this change.



# National Minimum Wage

## NMW rate Increases

The Government have accepted a Low Pay Commission recommendation that the national minimum wage rates are increased from 1 October 2011 as follows:

	Current hourly rate	Hourly rate from 1 October 2011
Main rate for workers aged 21 and over	£5.93	£6.08
Rate for workers aged 18-20	£4.92	£4.98
Rate for workers age 16-17	£3.64	£3.68
*Apprentice rate	£2.50	£2.60

\* The apprentice rate came into force for pay reference periods starting on or after 1 October 2010. It is payable to apprentices under 19 or over 19 and in the first year of their apprenticeship. After that, apprentices should be paid at the rate applicable to their age.

The accommodation offset rates will also increase from 1 October 2011 to:

Daily rate	£4.73
Weekly maximum	£33.11

## Students and the accommodation offset

Earlier this year the Government consulted on the application of the national minimum wage accommodation offset to full time students on further or higher education courses who also work part time for their educational institution. As a result, subject to parliamentary approval, the national minimum wage regulations will be amended from 1 October 2011 so that the accommodation offset will not apply in these situations.

## Scheme to name employers who flout national minimum wage law

A new scheme to name employers who flout national minimum wage law came into effect on 1 January 2011. Employers who meet published criteria will be named by the Department for Business, Innovation and Skills (BIS) in a press release. More information on the naming scheme, including the criteria for naming, can be found on the BIS NMW website at: [www.bis.gov.uk/nmw](http://www.bis.gov.uk/nmw)

## New guidance on work experience and internships

The Government will shortly publish updated guidance to clarify when individuals performing work experience, including interns, are entitled to the minimum wage. The Government wants as many work experience and internship opportunities as possible to be made available to talented young people from all backgrounds. Not all work experience/internship opportunities should attract payment, but the Government is clear that those who are entitled to the national minimum wage should receive it. All employers who offer, or are considering offering, work experience or internships should therefore consider entitlement to the national minimum wage carefully. The updated guidance and worker checklist will outline the types of things employers should take into account when considering whether a work experience participant/intern is entitled to be paid at least the national minimum wage and will be available from [www.businesslink.gov.uk/nmw](http://www.businesslink.gov.uk/nmw)

# Money Laundering Regulations (MLR) 2007 - Do you or your clients need to be registered with HMRC?

You may need to be registered with HMRC if you are a:

## **Money Service Business (MSB)**

This includes *Money Transmitters* who transfer funds between the UK and overseas customers.

*Currency Exchange Offices* providing foreign exchange products to both personal and business customers (Bureau de Change) or a

*Cheque Encashment Business* which cashes third party cheques.

## **High Value Dealer**

This is any business that is prepared to accept 15,000 Euros or more (or equivalent **in any currency**) in cash for goods in a single payment or in instalments.

## **Trust or Company Service Providers (TCSPs)**

A wide range of business activities that includes company formation agents, trust formation, some mailbox businesses, registered office and correspondence address suppliers, nominee shareholders and directors and some trustees

## **Accountancy Service Providers (ASPs)**

Anyone who provides accountancy services or tax advice and this includes book-keepers, self-employed tax advisors and auditors and payroll agents who are not supervised by a professional body.

You can find a list of all of the MLR 2007 Supervisors and Professional Bodies in our Registration Guidance MLR9 along with Anti Money Laundering Sector Specific Guidance on our website at [www.hmrc.gov.uk/mlr](http://www.hmrc.gov.uk/mlr)

Accountancy Service Providers should follow the Consultative Committee of Accountancy Providers (CCAB) Guidance at [www.ccab.org.uk](http://www.ccab.org.uk)

If you're not sure if your business falls into any of the above you can find out more about the activities typically carried out by these businesses (including any exemptions) by looking at our guidance. You can also contact us for information, help and advice by emailing us at [MLRCIT@hmrc.gsi.gov.uk](mailto:MLRCIT@hmrc.gsi.gov.uk)

# Statutory Sick Pay: an overview

**Statutory Sick Pay (SSP) is paid to employees who are unable to work because of illness. SSP is paid at the same time and in the same way as you would pay wages for the same period.**

## Employer obligations

As an employer you are responsible for operating the SSP scheme. You will need to:

- work out whether an employee meets the qualifying conditions
- calculate how much SSP is due
- pay SSP to your employees
- keep a record of the SSP you pay

If you keep paying your employees their normal wage when they're unable to work because of illness – and you pay them at least as much as the SSP they would be entitled to – you don't have to operate the SSP scheme. You only need to pay SSP to an employee if they meet the qualifying conditions set out below.

## Qualifying conditions

An employee must meet all the following conditions to get SSP:

- They must be your employee – and they'll need to have done some work under their employment contract before going off sick
- The days they're off sick must make up part of a 'period of incapacity for work' (PIW)
- The days they're getting SSP for must be qualifying days – these are days they normally work
- Their earnings must be at least as much as the Lower Earnings Limit for National Insurance contributions (NICs). This is £102 a week for 2011-12

- They can't have already received the maximum amount of SSP for the PIW – or for a series of linked PIWs (28 weeks)
- They must have notified you about their sickness – either within your own time limit or within seven days
- They must give you evidence of their incapacity, if you require it.

## Managing sick absence

You must tell your employees what you expect them to give you as evidence of incapacity for SSP purposes and when you expect them to give it.

As an employer, the decision on whether or not evidence of illness is required, and if so, what evidence is acceptable, ultimately rests with you.

Your employees can self-certify sickness periods of up to seven days. They can do this using form SC2 *Employee statement of sickness* or your own equivalent form.

If the sick absence lasts more than seven days your employee must provide you with sufficient evidence of incapacity for work, if you require it.

Remember a doctor's fit note is strong evidence of incapacity and should usually be accepted as conclusive unless there is more compelling evidence to the contrary.

If you have strong doubts about your employee's sickness you can have their incapacity reviewed by a doctor. If you do not have your own works doctor, you can seek help from Medical Services via HMRC.

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If you wish to get advice from Medical Services, you should write to;

HMRC National Insurance Contributions & Employer Office  
Statutory Payments Disputes Team  
Room BP2002  
Benton Park View  
Newcastle upon Tyne NE98 1ZZ

explaining that you are seeking Medical Services' help about your employee.

The Medical Services report will give an opinion on your employee's fitness for work in their job with you. This will help you to decide if the employee is incapable of work in their job with you or not.

If you need advice and support to help with an employee experiencing health at work problems, and you do not have access to in-house human resources or occupational health services, you may wish to contact the occupational health advice service for small business. They provide tailored, professional and confidential health and well-being at work support to employers in small and medium-sized businesses, to help keep an employee at work or help them back to work as soon as possible. Further information is available from [www.businesslink.gov.uk/workingforhealth](http://www.businesslink.gov.uk/workingforhealth)

To access health and well-being at work advice, you can contact the following:

**England:** Health for Work Adviceline, telephone 0800 0 77 88 44, or visit [www.health4work.nhs.uk](http://www.health4work.nhs.uk)

**Scotland:** Healthy Working Lives Adviceline, telephone 0800 019 2211, or visit [www.healthyworkinglives.com](http://www.healthyworkinglives.com)

**Wales:** Health at Work Advice Line Wales; telephone 0800 107 0900, or visit [www.healthyworkingwales.com](http://www.healthyworkingwales.com)

### Help and advice

You'll find a glossary of SSP terms in the E14, 'Employer Helpbook for Statutory Sick Pay' at [www.hmrc.gov.uk/helpsheets/e14.pdf](http://www.hmrc.gov.uk/helpsheets/e14.pdf)

Read about managing absence and sickness on the Business Link website at [www.businesslink.gov.uk/bdotg/action/layer?topicId=1074209970&r.s=sl](http://www.businesslink.gov.uk/bdotg/action/layer?topicId=1074209970&r.s=sl)

You may also wish to note that there is an ongoing independent sickness absence review. You can find more details about this at [www.dwp.gov.uk/policy/welfare-reform/sickness-absence-review/](http://www.dwp.gov.uk/policy/welfare-reform/sickness-absence-review/)

### Electronic Fit Notes

Starting in late 2011 an increasing number of GPs will be able to complete the Statement of Fitness for Work (also known as the fit note or the Medical Statement) electronically. Through this GPs will be able to complete the fit note on their computer and then print and issue to their patients. GPs, however will not be able to send them electronically to employers or patients. For employers it means you may start to receive printed fit notes with the GPs advice as well the current handwritten forms. None of the rules for medical evidence, fit notes or Statutory Sick Pay will be changed by the introduction of the computerised form; guidance and further information can be found at [www.dwp.gov.uk/fitnote](http://www.dwp.gov.uk/fitnote)

# Statutory Payments and Compromise Agreements

Where an employment comes to an end, an employee may have various potential claims against the employer. For example, salary or wages may not have been paid in full, or the employee may feel that the employer has not provided statutory rights conferred by employment legislation.

These matters are often dealt with by a single agreement, which is often described as a “compromise agreement”. These agreements are usually drafted to ensure that further claims cannot later be pursued by the employee.

Where an employee has an entitlement to a Statutory Payment, the employer may seek to include that as part of the compromise agreement. Our Statutory Payments Dispute Team has recently seen several cases where the dispute is about whether or not a Statutory Payment has in fact been paid.

You may wish to note the following basic principles which govern entitlement to Statutory Payments and ensure that they are given effect in any agreement you seek to reach with your employee(s).

Since the cases that we have recently seen concern disputes about Statutory Maternity Pay (SMP), the following information relates directly to SMP. However, the same general principles apply to all Statutory Payments.

## Legal entitlement to SMP

The primary legislation for SMP is set out in Part XII of the Social Security Contributions and Benefits Act 1992 (SSCBA). Where a woman is or has been an employee and satisfies the conditions in section 164 of SSCBA she is entitled to receive SMP.

Entitlement to SMP is therefore a matter of law and must be paid to the employee, provided the qualifying conditions are met. Because there is a legal entitlement, the employee should receive the SMP itself. She cannot receive something that is a substitution for her SMP, or compensation in place of her SMP.

Section 164 of SSCBA makes void any agreement that seeks to exclude, limit or otherwise modify entitlement to SMP. So any agreement that will result in the employee not receiving her SMP is legally void.

The only exception to this is where an agreement authorises deductions from SMP that match deductions the employer is authorised to make from contractual payments in the same period.

Where an employee has a legal entitlement to SMP, that entitlement cannot therefore be reduced or removed by agreement. Furthermore, the employee cannot agree that as a consequence of accepting a payment from the employer she will not pursue her entitlement to SMP. Such an agreement will be void and in consequence her legal entitlement to receive SMP in full will remain.

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### Compromise Agreements

An employee must therefore receive her legal entitlement to SMP and **the payment of SMP must be made in a transparent manner**. Any compromise agreement that pays her something other than her actual SMP will not satisfy that entitlement.

A compromise agreement may use terms such as:

- In lieu of SMP entitlement
- In recognition of SMP entitlement
- Compensation for SMP entitlement

Alternatively, SMP may not be mentioned at all, and the agreement may simply refer to an overall compensation payment to satisfy all outstanding matters.

If you make an agreement with an employee in these terms, you may not have met your obligation to pay SMP and the employee's entitlement will remain. In particular, a payment that is identified as "ex gratia" cannot be a payment of SMP because it is not possible to meet a legal requirement by means of an ex gratia payment.

If you seek to include SMP in any compromise agreement, you must ensure that what is paid is the SMP itself, properly calculated in accordance with the employee's legal entitlement and clearly identified as SMP in the agreement. This will serve to remove doubt about whether your obligation to pay SMP has been met.

As payments of SMP are treated as earnings for tax and NICs purposes, you should also ensure that the relevant tax and NICs obligations are met when you make such payments to an employee.

## Notification of a threshold change for student loan borrowers in the current Income Contingent Repayment (ICR) scheme

Student loans are only collected when an employee's income reaches a certain level (threshold). Regulations have now come into force which state that from 6 April 2012, the repayment threshold will rise annually in line with the Retail Prices Index (RPI).

The current threshold of £15,000 has applied to student loan borrowers in repayment from 6 April 2005, and has been used by employers when calculating student loan deductions from pay.

The Department for Business, Innovation and Skills have now confirmed that from 6 April 2012 the threshold for repayment will rise by 5.3% to £15,795. – this is the figure that will apply to all employees making student loan repayments on and from that date.

Software developers are being notified as early as possible in order that software changes can be made ready for implementation on 6 April 2012. Our Basic PAYE tools and calculators will also be revised. Further information and guidance will follow in the coming months.

### Student loan P46 information

For employers using or obtaining P46 information for new employees who do not have a P45, could you please ask new employees to pay particular attention to the student loan section (D) and remind them that the box should only be ticked in the circumstances outlined and once they have actually started repaying their student loan.

A link to the P46 is attached <http://www.hmrc.gov.uk/forms/p46.pdf>



# Make the move to VAT Online now

**On current plans, from 1 April 2012 virtually all VAT businesses will have to file their VAT returns online and pay any VAT due electronically.**

So if you're still filing on paper, **act now** and join over 1.75m VAT customers (over 80% of the total number) who are already filing their VAT returns online.

The online VAT return form is very similar to the paper one (it has the same boxes, in the same order) but has one distinct advantage – boxes 3 and 5 are automatically calculated and entered for you (based on the figures you enter in boxes 1, 2 and 4). You will be asked to check the completed return, to ensure it's absolutely right, before you send it in to us online. And you can also print out a completed copy of your return, if you wish to keep with the rest of your records.

April 2012 seems a long way off – but it makes sense to act now, get familiar with the online service and be comfortable with online filing by the time the deadline comes round. We strongly recommend you **sign up now**.

## Getting started

To file online, you will need to first of all sign up to VAT Online services (you do this only once). To sign up:

- You'll need to enter information which is specific to your business and known only to you (such as figures from your last VAT return). This is a security device, to ensure no-one can subsequently access your information.

- You'll need to know your 'Effective date of VAT registration' (EDR) to be able to sign up to the VAT online service – this date is on your VAT4 (Certificate of Registration). If you have lost or misplaced your VAT4, you can ask us to email the EDR back to you by using the online form at [www.hmrc.gov.uk/online-services-questions](http://www.hmrc.gov.uk/online-services-questions) (you must complete certain 'required' pieces of information on the form for us to be able to do this).

Once you've successfully signed up to VAT Online services, you can file your VAT returns online immediately, if you wish.

- Going online is straightforward, but if you need help, you'll find some useful support tools on our website. We've produced two beginners' guides to signing up and to filing online for VAT at [www.hmrc.gov.uk/vat/sign-up-for-online.pdf](http://www.hmrc.gov.uk/vat/sign-up-for-online.pdf) and [www.hmrc.gov.uk/vat/online-return.pdf](http://www.hmrc.gov.uk/vat/online-return.pdf). There's also an online demonstrator at [www.hmrc.gov.uk/demo](http://www.hmrc.gov.uk/demo) that gives you a flavour of what the online service looks like, how it works and what you can do online.
- You'll also need to think about and decide on the electronic payment method best suited to your business. You may need time to set these up – especially if you wish to pay by online Direct Debit (which gives you most time to pay) or Bank Giro (which enables you to pay by cash or cheque at a participating bank or building society). Visit our website for more information about the various methods of electronic payment at [www.hmrc.gov.uk/payingvat](http://www.hmrc.gov.uk/payingvat)

# Business Link is improving

Business Link [www.businesslink.gov.uk](http://www.businesslink.gov.uk) the government's online resource for businesses, is set for some important improvements later this autumn.

Government has announced the closure of the regional Business Link advice service in England in November and aims to improve the website as that service is withdrawn.

[www.businesslink.gov.uk](http://www.businesslink.gov.uk) contains essential information, support and services for people in business such as online company incorporation and Employer Direct online. November will see a range of enhancements to the site which will provide key tools for those businesses looking to improve and grow, as well a range of additional support for those looking to get started in business.

## Extensive support to help business grow

In November 2011 Business Link will be launching a new service to help businesses who want to grow, develop and improve. This new service will contain interactive tools to help businesses plan for success, an easy-to-use database of business support schemes, online events and quick access to local business events and peer-to-peer networking, as well as links to other business support.

## Helping people to start a business

Also in November 2011 Business Link will deliver new and improved services to help people start up in business. This enhanced Starting up section will include personalised checklists of start-up tasks, bite-sized e-learning tutorials and video case studies.

## Simplified, easier-to-use content and services

The past three years has seen the content of 175 government websites move to [businesslink.gov.uk](http://businesslink.gov.uk), adding over 100 interactive tools and 2,000 guides. We will be reviewing the content on the site to help to make it easier for businesses to find what they need, creating a better service for our customers.

# Make sure you can still receive coding notices electronically from October 2011

Does your payroll software handle notifications from HMRC – such as P6/P9 coding notices, or Student Loan start and stop notices? In October 2010 HMRC introduced a change to our Data Provisioning Service (DPS). We changed the address the software uses to retrieve this information. If your software obtains these notifications from the DPS, your supplier should now have incorporated this change into the latest version.

To be sure that you can continue to receive these notifications from October 2011, check now that your software is up to date. If in doubt, contact your software provider. They will be able to advise

- whether your software is affected by this change,
- if they have already made the necessary changes, and
- any actions you may need to take to ensure that you continue to receive these notifications.

# New Contracts Finder service

## Find public sector procurement tender and contract documents.

Contracts Finder is a free service for businesses, central government buyers and the public. It can be accessed via [www.businesslink.gov.uk/contractsfinder](http://www.businesslink.gov.uk/contractsfinder) and is now the main source of government procurement opportunities with a value greater than £10,000. You can also use Contracts Finder to access and search for closed tender and contract documentation published by central government departments and agencies.

The Prime Minister launched Contracts Finder on 11 February 2011. The service is one of several practical measures that government has taken to become more open and transparent, so that it can be held to account and deliver better value for money.

At the launch event at the Treasury in London, the PM said the Government was determined to make government procurement “more welcoming” for small and also medium-sized enterprises. The Government’s goal, he said, is to ensure that at least a 25 percent share of government contracts end up awarded to small businesses.

## Suppliers – Setting up email alerts

Suppliers and members of the public using the site can choose to receive email alerts by registering via the Government Gateway at [www.businesslink.gov.uk](http://www.businesslink.gov.uk) – it’s free and only takes a couple of minutes. If you have already registered to file online you should be able to utilise this service straight away.

## New ‘Winning the Contract’ course

The learndirect website now also offers a free online course – Winning the Contract – that will help you develop the skills and knowledge needed to bid successfully for public sector contracts. You can find out more on Business Link’s guide to selling to government: [www.businesslink.gov.uk/winningthecontract](http://www.businesslink.gov.uk/winningthecontract)

To find out more, see Business Link’s guide on how to find government opportunities, tenders and contracts on Contracts Finder: <http://www.businesslink.gov.uk/contractsfinder-supplierguide>

# Employer diary

Oct - Dec 2011

Jan - Feb 2012

## Oct2011

- 1 National Minimum Wage (NMW) annual rates increase from this date.
- 19 Cheque payments for month/quarter ended 5 October should reach your Accounts Office by this date.  
Cheque payment of your PAYE Settlement Agreement for 2010-11 (if any) should reach your Accounts Office by this date.
- 21 Electronic payments for month/quarter ended 5 October should have cleared into our Bank Account by this date.  
Electronic payment of your PAYE Settlement Agreement for 2010-11 (if any) should have cleared into our Bank Account by this date.

## Nov2011

- 2 Forms P46(Car) for quarter ended 5 October to reach us by this date.
- 19 Cheque payments for the month ended 5 November should reach your Accounts Office by this date.
- 22 Electronic payments for month ended 5 November should have cleared into our Bank Account by this date.

## Dec2011

- 19 Cheque payments for month ended 5 December should reach your Accounts Office by this date.
- 22 Electronic payments for month ended 5 December should have cleared into our Bank Account by this date.
- end If you are subject to IR35 Service Companies legislation, we recommend that you start to prepare your 2010-11 P14s if you need to account for a balancing deemed payment by 31 January.

# Employer diary

Oct - Dec 2011

Jan - Feb 2012

## Jan 2012

- 19 Cheque payments for month/quarter ended 5 January should reach your Accounts Office by this date.
- 20 Electronic payments for month/quarter ended 5 January should have cleared into the HMRC bank account by this date.
- end Register to file your 2011-12 PAYE Return online.  
You can register to use this service at any time of the year but we recommend you register early.

## Feb 2012

- 2 Forms P46(Car) for the quarter ended 5 January to reach us by this date.
  - Mid Feb to Mid March: Expect to receive your notification to file your Employer Annual Return (P35 and P14s) for 2011-12.
  - 19 Cheque payments for month ended 5 February should reach your Accounts Office by this date.
  - 22 Electronic payments for month ended 5 February should have cleared into our Bank Account by this date.
- Expect your: Updated software and instructions from your provider if you use a payroll package.

# Helpline & Orderline numbers

'Helpline - telephone advice and Orderline - for employers exempt from online filing obligations to order forms and guidance.

**Calls may be monitored for quality control and training purposes**

To access a wide range of employer information at a time to suit you, visit the Employer pages on our website at

[www.businesslink.gov.uk/paye](http://www.businesslink.gov.uk/paye)

## General payroll matters - for example PAYE and NICs

Been an employer 3 years or less? **08456 070 143** Mon - Fri 8am - 8pm, Sat 8am - 4pm

Been an employer more than 3 years? **08457 143 143** Mon - Fri 8am - 8pm, Sat 8am - 4pm

Textphone **08456 021 380** for employers who are deaf or hard of hearing (only people with specialised equipment such as Minicom are able to use this number)

## Order forms and guidance

Website [www.hmrc.gov.uk/employers/emp-form.htm](http://www.hmrc.gov.uk/employers/emp-form.htm)

Orderline **08457 646 646** Mon - Fri 8am - 8pm, Sat 10am - 1pm

Fax **08702 406 406** (Please use your Fax Order Form)

## Construction Industry Scheme (CIS)

CIS Helpline **08453 667 899** Mon - Fri 8am - 8pm, Sat 8am - 4pm

Minicom **08453 667 894**

## NICs: special topics

Contracted-out Pensions Helpline & Orderline **08459 150 150** Mon - Fri 8am - 5pm

Non-residents Helpline & Orderline **08459 154 811** Mon - Fri 8am - 5pm

## NMW Information Orderline

Helpline **0800 917 2368** Mon - Fri 8am - 8pm, Sat 9am - 1pm

Orderline **08458 450 360** 7 days a week 24 hours

## Other helplines

HMRC Online Services

Helpdesk\* \*including technical support for the Basic PAYE Tools

Helpline **08456 055 999** Mon - Fri 8am - 8pm, Sat 8am - 4pm

email [helpdesk@ir-efile.gov.uk](mailto:helpdesk@ir-efile.gov.uk)

PAYE/SA payment enquiries **08453 667 816** Mon - Fri 8am - 8pm, Sat 8am - 4pm