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Employer Bulletin

Your route to the latest in payroll news and views

February 2011 Issue 37

A close-up photograph of a person's hand clicking a silver computer mouse. The hand is wearing a dark purple long-sleeved shirt. To the right of the mouse, a portion of a white computer keyboard is visible. The background is a light-colored, reflective surface.

New Basic PAYE Tools
available to download now

Welcome

Hello and welcome to another edition of the Employer Bulletin which contains lots of useful information, reminders and details of some of the support available to help you meet your payroll obligations to HMRC.

As part of our drive to move more of our business and interactions online, we have replaced the Employer CD-ROM with our new, downloadable Basic PAYE Tools. The article on page 10 tells you all about this and where you can download it from. I would also strongly recommend you sign up to our email alert facility to allow us to notify you when any changes have been made to these tools, you can find out how to register on page 14.

You might also find the article on page 13 worth reading as it tells you about some changes we have made to PAYE tax codes for 2011-12 and you can find details about the new rates and allowances for 2011-12 on pages 5 and 6.

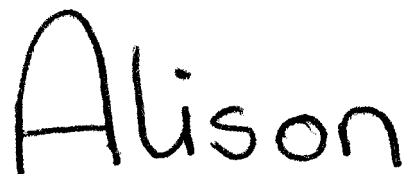
Following the decision to withdraw paper copies of the Bulletin for the vast majority of employers, a number of you have contacted me expressing concerns about the time and costs associated with printing off hard copies and also the time it takes to actually download the online version. We have listened to your concerns and as a result a number of changes have been made to this edition of the Bulletin. To try and reduce the time it takes to download and the costs incurred should you want to print a hard copy, no images have been used in this edition and the use of colour has significantly been reduced. If you print a copy of the Bulletin you will also find

that the paper version will be slightly different to what you see on screen. The PDF has been set up so that the image on the front cover, the 'tabs' on the top of each page and the grey background shading won't carry forward when printed.

To help further reduce the cost of printing a copy of the Bulletin you may also like to consider the following:

- Set your printer to print out in black and white only
- If your printer has the facility, make sure it is set to print on both sides of the paper
- Print only the pages that are of particular interest to you

I hope the changes we have made so far go some way to help reduce the cost of printing a hard copy should you want to. Please let me know what you think of the new format or if you have any other ideas that you would like us to consider. My email address is Alison.bainbridge@hmrc.gsi.gov.uk



Alison Bainbridge
Editor

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Need to know

Essential reading, articles
and information

EmployerTalk Bitesize 2011

Free payroll advice at EmployerTalk Bitesize 2011

EmployerTalk Bitesize events are free of charge and designed especially with the new and small employer in mind.

We know that running a payroll can seem a daunting task and you may need help and support. Join us at one of these events where you will hear all the latest news about payroll issues and get jargon-free answers to your questions.

It is also an opportunity to speak with other local employers and discuss 'best practice'.

A small exhibition area will be open continuously from 10.00 to 13.00 and this will be supported by two presentations.

To book a place at an EmployerTalk Bitesize event near you go to www.hmrc.gov.uk/employers/talk.htm or ring 08453 667 878.

2011 dates and locations

16 February	Watford	Park Inn Hotel
2 March	Doncaster	The Dome
10 March	Burnley	Burnley FC (Turf Moor)
16 March	Chester	The Ramada Chester
22 March	Aberdeen	Aberdeen FC (Pittodrie)

Very useful to be able to ask direct questions and discuss with knowledgeable staff.

Local Bitesize events are good for small/very small employers who may not have the time/funds to travel to larger functions.

Very well presented and delivered professional event.

Venue closer to my work - smaller group means more chance of discussion with HMRC staff.

Budget - 22 June 2010 - Updated information published on 2 December 2010

Following a written ministerial statement published on 2 December 2010 the Exchequer Secretary to the Treasury provided information which may have some effect on the operation of your payroll obligations to HMRC. Full details of the statement can be found at: www.hmrc.gov.uk/budget-updates/index.htm#1

This article provides a brief summary of the announcements which are as follows;

Income Tax Allowances

The basic personal allowance for 2011-12 will be increased to £7475 and the tax code for emergency use will be 747L.

As a result there will be a general uplift of tax codes with suffix 'L' which will be increased by 100. HMRC will also issue individual 2011-12 tax codes for some employees. Full instructions on what to do for both employees with or without a tax code can be found on form P9X at www.businesslink.gov.uk/payeformsandpublications

We will issue any individual tax codes for the 2011-12 tax year to employers during January, February and March 2011.

If you have registered to use the 'PAYE Online for Employers' service, remember to check regularly to ensure that you action any 2011-12 tax code notices we send you online when you set up your 2011-12 payroll. Further help on what you need to do before the start of the tax year is also available at www.businesslink.gov.uk/taxyearstart

Income Tax bands and rates

Income tax rates and income tax bandwidths for the 2011-12 tax year are shown below:

Rate	%	Bandwidth
Basic Rate	20%	£1 to £35,000
Higher Rate	40%	£35,001 to £150,000
Additional Rate	50%	£150,001 and above

[article continues >](#)

National Insurance contributions (NICs) earnings limits and thresholds

The recent announcement also confirmed the changes to the National Insurance (NI) limits and thresholds for the 2011-12 tax year.

- the main rate of Class 1 NICs will be increased to 12%
- the Class 1 employer rate of NICs will be increased to 13.8%. The increased rate will also apply to Class 1A and Class 1B contributions
- the additional rate of Class 1 will be increased to 2%
- the Lower Earnings Limit will be £102 per week
- the Secondary Threshold (for employers) will be £136 per week
- the Primary Threshold (for employees) will be £139 per week
- the Upper Accrual Point will be £770 per week
- the Upper Earnings Limit will be £817 per week.

No changes were announced to the contracting out rebate percentages.

Tax and NI Calculations

If you complete your payroll electronically using:

- Payroll software – make sure it incorporates the tax and Class 1 NI changes from 6 April 2011
- HMRCs P11 Calculator – an updated version is now available from our Basic PAYE Tools (formally the Employer CD-ROM) at www.businesslink.gov.uk/basicpayetools

If you complete your payroll manually using:

- HMRCs Internet PAYE and NI Calculators – updated calculators will be available from our website on 6 April 2011. Go to www.hmrc.gov.uk/practitioners/tools-more.shtml
- Manual Tables – use the updated versions for use from 6 April 2011 which will be available to view and print at www.businesslink.gov.uk/payeformsandpublications

More information is available in the article ‘Do you still use Manual Tables?’ on page 15.

You can find out more about tax and NI rates and allowances at www.hmrc.gov.uk/employers/rates_and_limits.htm which will be updated from 6 April with the 2011-12 rates, or in Employer Helpbook E12, PAYE and NICs rates and limits for 2011-12.

Introduction of Tax Code D1

A new 50% additional rate of tax was introduced from 6 April 2010 which applies to individuals with taxable income above £150,000. For the 2011-12 tax year we will be issuing a new D1 tax code in those circumstances where all an employee's earnings from that source are taxable at the additional rate.

Online Filing - Employer Annual Returns

Sending your Employer Annual Return (P35 and P14) online and on time.

Your Employer Annual Return (P35 and P14s) for 2010-11 must reach us by 19 May 2011. This year it will be even more important to file your return online as penalties may be applied. We recommend that you file your return online as soon as it is ready. Don't wait until the last minute to send your return and allow sufficient time in case you need to resubmit before the statutory deadline.

If you need to send us a return (because you have been required to complete at least one P11 deductions working sheet or equivalent during the 2010-11 tax year) you must send it to us by this statutory deadline, otherwise a late filing penalty will be due.

Once your Employer Annual Return has been completed, it must meet HMRC's quality standard validation specifications to ensure it is not rejected. For up to date information on business validation rules, take a look at www.hmrc.gov.uk/ebu/qual_stand.htm

Almost all employers must send their Employer Annual Return online. If you have not previously sent your return online you must act now by registering for HMRC's online service. More information on filing online and registration can be found at www.businesslink.gov.uk/usingpayeonline

If you send your return on paper you may receive a penalty. For more information on these, go to www.hmrc.gov.uk/paye/problems-inspections/wrong-filing-method.htm

Remember, to avoid penalties, file your Employer Annual Return (P35 and P14s) online and file as soon as you can before 19 May 2011.

If you do not need to send us an Employer Annual Return, you should tell us as soon as possible. Further information about how to tell us can be found at the end of this article.

Extra Statutory Concession (ESC) B46 comes to an end on 31 March 2011

In the last edition of the Bulletin we gave you details of important changes to ESC B46 which affects the requirement to file your Employer Annual Return (P35 and P14s) returns on time.

Virtually all returns have to be submitted electronically which means this ESC B46 is redundant. The concession was introduced to ensure that penalties would not be charged when customers had taken all reasonable steps to file their returns on time but were prevented from doing so, for example by postal delays.

The period of grace permitted by Extra Statutory Concession B46 (ESC B46) will therefore come to an end on 31 March 2011. From that date, customers filing their 2010-11 and subsequent years return must make sure it is filed as soon as the return is ready before the statutory deadline on 19 May. For further information, go to Revenue and Customs Brief 24/10 at www.hmrc.gov.uk/briefs/company-tax/brief2410.htm

[article continues >](#)

Employers' Liability Insurance: Important changes

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

If you do not have to complete a P11 deductions working sheet during the 2010-11 tax year, you will not need to send us an Employer Annual Return. You should tell us as soon as possible so we can update our records and prevent unnecessary reminders and penalty notices being issued.

The easiest way to tell us that you have no Employer Annual Return to make is by using the structured email forms (one for employers, one for agents declaring on behalf of their clients). It is quicker, cheaper and easier to use the structured email forms than writing or calling. We will also confirm via email that we have received your online form and acted upon it.

Last year we received 2,000 email notifications that we couldn't link to an employer record so please make sure you correctly enter your employer reference number in the form. To use the forms and for further information go to www.businesslink.gov.uk/noemployerreturn

April 2011 will see the introduction of some changes to the information that employers have to provide to their employers' liability (EL) insurance providers. This supports a new initiative that aims to help people who have suffered injury or disease in the workplace to identify their employer's EL insurer.

Insurers will be obligated to capture and publish their EL policy data, which will include the following additional employer information:

Employer Reference Number (ERN)

Also commonly referred to as the 'Employer PAYE Reference', this information is allocated to each employer by HMRC and is shown on a number of PAYE forms and documents.

Subsidiary Information

Details will have to be provided for all companies covered by the policy. For example where a policy relates to one parent company and four of its related subsidiary companies, the name and the ERN for all five companies must be provided.

It is important that all employers are aware of these changes, as insurers will soon begin to ask for this information before confirming cover for all new and renewal policies as a routine part of the insurance process.

Further information will follow in the next Bulletin. In the meantime, the best contact point for any questions about these upcoming changes is your insurance provider.

Paper P14 forms

Paper P14 forms

The volume of paper P14 forms we have issued and had returned by employers and their agents as part of their Employer Annual Returns has significantly reduced over the last 12 months. This has been driven by both the legal requirement for virtually all employers to file their Employer Annual Return (P35 and P14s) online and the austerity measures we must take to reduce costs.

We have identified two further measures we must take to make additional savings.

For those employers who still file on paper, we no longer require two copies of the paper P14 for each employee. To reflect this, we will be changing our P14 stationery from a three-part form with effect from the 2010-11 tax year. Those employers who have already ordered their paper P14s and have received a three-part 2010-11 form, can continue to use them.

Furthermore, whilst our Employer Orderline will continue to supply P14s only to the small minority of employers that are exempt from the obligation to file their returns online, from November 2010 it will only hold a stock of the manual completion version of the two-part P14. We will no longer produce and provide the continuous and laser sheet versions of the form.

Form P60

Electronic P60 forms

For the tax year ending 5 April 2011 employers and their agents can provide an electronic version of the form P60 to employees. More detailed advice can now be found on our website at www.hmrc.gov.uk/news

There is no change to the deadline for providing the P60 information which in this instance will be before 1 June 2011.

Paper P60 forms

The following paper P60 forms are available to order from the Employer Orderline

- P60(LaserSheet-Landscape)(2010-11)
- P60(LaserSheet-Portrait)(2010-11)
- P60(Continuous)(2010-11)
- P60(Single sheet)(2010-11)

Basic PAYE Tools

(formerly Employer CD-ROM)

February 2011 sees the launch of HMRC's new Basic PAYE Tools, replacing the popular Employer CD-ROM. You can download the Tools straight to your computer from www.businesslink.gov.uk/basicpayetools Once downloaded you will be able to transfer the information from your Employer CD-ROM database and complete the year end 2010-11 and start 2011-12.

The Tools have calculators to help you run your payroll throughout the year and include:

- an employer database on which you can record your employees' details
- a P11 Calculator that will work out and record your employees' tax, National Insurance contributions and Student Loan deductions every pay day with a linked P32 Employment Payment record that works out what you need to pay us
- a range of other calculators that will help you work out, for example, Statutory Payments – and, new for 2011-12, an Additional Statutory Paternity Pay calculator
- interactive forms such as P11D working sheets
- a Learning Zone to help you use the calculators and understand how the calculations are made.

You can find all the up to date help and guidance that you need to run your payroll at www.businesslink.gov.uk/payee

If you have been using the Employer CD-ROM during 2010-11 please make sure that you can transfer your employee data successfully across to the new Tools. If you haven't already done so download the latest update to your 2010 CD-ROM which you can find at www.hmrc.gov.uk/employers/cdrom

You will then be ready to download the Basic PAYE Tools which you can find at www.businesslink.gov.uk/basicpayetools

The Computer and software you need to use the tools

To successfully download the Tools your computer needs to be:

- a PC using either Microsoft Windows 7, Vista Premium, XP Professional
- an Apple Mac running Mac OS X 10.5 or OS X 10.6
- a PC using Linux.

You will also need:

- A web browser (for example Internet Explorer 6 or later, Mozilla FireFox 3.6, Google Chrome 5.0, Safari 5.00, Opera)
- Adobe Acrobat Reader
- Adobe Flash Player 9 or higher.

If you don't have these Adobe products installed already on your computer you can download them free from www.adobe.com/products

[article continues >](#)

**Need
to know**

New telephone number for employee tax enquiries

The recommended minimum requirements you need to run the Tools are

- 512MB RAM
- 1GHz processor
- 300MB available disk space.

We have listened to your suggestions over the last few years and made some improvements which we hope will help you. This year we have introduced

- a new database engine which improves speed and reliability – especially for those of you using the P11 Calculator
- a new integrated tabbed viewer for the P11 and other summaries
- the option for you to automatically check for updates online and install them – you must be connected to the internet
- separate modules in the Learning Zone which means you only need to download and install the modules you want.

We have tested the new Tools with employers, but at times there are PAYE legislative changes and enhancements to computers and software which means the Tools will need to be updated. To make sure that you can operate PAYE correctly for your employees, please make sure that you download the updates to your computer when they are available.

We will be placing the information that you need to run your payroll on our website. You will need this to operate your payroll correctly for your employees.

Make sure you sign up for our email alerts and visit the website regularly to keep up to date with changes that may affect you and your employees. Go to

www.businesslink.gov.uk/paye

Employers please note – new telephone number for employee tax enquiries. There's now just one telephone number for your employees to call for help with their tax enquiries – 0845 300 0627.

Employers can use this number too, for example if you need to confirm an employee's tax code. But you should continue to call the Employer Helpline for enquiries relating to running your payroll.

The new number replaces more than 60 old numbers, which will shortly be 'switched off'. In the meantime, it would be helpful if you could update any correspondence you send to your employees and perhaps your intranet/internet sites, so that references to 'tax office' quote only this new number.

Would saving up to £50,000 help to kick start your new business?

In his Budget last June, 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.

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.

If your new business was set up on or after 22 June 2010 and is based in one of the countries or regions listed, you might be eligible to benefit from the NICs holiday and you may even be due a refund of some of the employer NICs you’ve already paid. The eligible countries and regions are:

- | | | |
|--------------------|-----------------|----------------------------|
| - Northern Ireland | - East Midlands | - South West |
| - Scotland | - North East | - West Midlands |
| - Wales | - North West | - Yorkshire and the Humber |

The Bill containing the NICs holiday legislation has now been published and is currently going through its Parliamentary stages. We hope to confirm in the next edition of Employer Bulletin that the legislation has received Royal Assent.

Employers taking advantage of the NICs holiday will need to submit an End of Year Return providing details of the NICs holiday claimed. This is in addition to your Employer Annual Return (P35 & P14s) and must also reach us by 19 May 2011. Full details of what you need to do at the end of the year will be available shortly at www.businesslink.gov.uk/nicsholiday

In the meantime you can visit the website above to find out if you are eligible for the holiday and for any further information you may require about the scheme.

New Coding changes for 2011-12

We have made some amendments to the PAYE Regulations which will come into effect from 6 April 2011. These involve changing the PAYE tax code we authorise you to operate in the following situations:

- An employee starts working for you but does not provide a form P45.

This will affect individuals who fail to complete a form P46 before their first payday. Currently where an employee fails to complete the P46 you complete it to the best of your knowledge, tick checkbox C and submit it to us to update their record and issue a tax code if necessary. In the meantime you are authorised to operate code BR on a cumulative basis. This can result in higher paid employees paying less tax than is due and an underpayment arising at the year end. From April 2011 we will be changing the code you will operate to 0T (zero allowances) instead of BR, so that the employee will pay tax at the basic, higher and additional rate as appropriate.

- An employer makes a payment to an individual after leaving their employment.

Currently the guidance says you have to deduct tax at BR on any payments made to an employee after the employment has ceased, if they have not been included in their form P45. If the individual is liable to tax at the higher or additional rate

however this will result in an underpayment that we would have to collect from the employee. From April 2011 we will be changing the code we authorise you to operate from BR to 0T. Code 0T will ensure that tax is deducted from payments at the basic, higher and if appropriate the additional rate of tax.

- An employer continues to make payments to an individual as an employee and then begins paying them a pension.

It is becoming commonplace for employees to begin receiving occupational pension payments whilst continuing in employment with their existing employer. In this event the current guidance instructs you to continue using the same tax code against the individual's employment income until we issue a new code. We also tell you to operate the same tax code against the pension payments on a Week1/Month 1 basis. This can result in the employee receiving more personal allowances than they should and an underpayment of tax arising at the tax year end. To remedy this, from April 2011 the authorised code to be operated against the occupational pension receipts will be changed to code 0T where the employee continues to work for you.

Detailed employer guidance regarding the uncompleted P46 will be included in the E13 Day to day payroll helpbook. The other changes will be included in the CWG2 Employer Further Guide to PAYE and NICs. The 2011 version of these helpbooks will be published online in February 2011.

Employer Packs and PAYE information now online

From 2011 you will no longer receive a paper version of the Employer Pack or Budget Pack which previously included the Employer CD-ROM and Employer Bulletin.

These are being replaced by online guidance and downloadable applications which can be found at www.businesslink.gov.uk/employerpacandbulletins

Email alerts

To enable us to let you know when any of these online products have been updated we have introduced an email alert facility. You need to register your details to use this facility but once registered we will send you an alert in February, April and September, when the old paper employer packs used to be issued. We will also send you an alert if you need to download any critical changes for the HMRC Basic PAYE Tools (formerly the Employer CD-ROM).

We strongly recommend that you register for this facility so you don't miss any important changes. To do so is quick and easy, go to www.businesslink.gov.uk/hmrcemployeremailalerts and fill in the online registration form.

Feedback tells us that some employers think that once they have registered to file online they will receive this email alert. This is not the case and you will need to register separately to use this facility.

Forms and guidance

As most employers now have to file online we would expect you to also use our online PAYE forms and guidance which are available from our website at www.businesslink.gov.uk/payeformspublications

If exceptionally you cannot download or access information online contact the Employer Orderline on 08457 646 646.

Move to online – receiving P9 and P6 forms electronically

Are you still receiving your employee PAYE coding forms on paper? If so read on.

Many employers have told us how much more convenient and efficient it is for them to receive codings electronically than on paper, and that they wished they'd done it sooner!

Once you register for HMRC's 'PAYE Online for employers' service, HMRC will automatically stop sending you forms P9 and P6 'Notice of the tax code to use for an employee' by post and will automatically send them to you online.

There are two ways to access the forms that HMRC sends to you online.

- Log on to the 'PAYE online for employers' service on the HMRC website and choose either; 'tax code notices', 'student loan notices' or 'employer notices'. We strongly recommend that you provide the service with an email address, so it will send you an email alert each time HMRC sends you one of these forms.
- Use the PAYE Desktop Viewer (PDV). This is an application that you can download and install from the HMRC website. It is particularly suitable for employers expecting a large number of forms.

For more information – go to www.businesslink.gov.uk/payeonlineforms

Do you still use Manual Tables?

Do you still use Manual Tables to calculate your employees' tax, National Insurance (NI) contributions and Student Loan deductions?

Traditionally a number of employers have continued to use manual tables, either as a paper or electronic copy, every pay day to calculate their employees' tax, NI and Student Loan deductions. For every payment made to each employee the employer has to carry out a number of time consuming tasks, with greater potential for human error.

If you are one of those employers who are continuing to use manual tables you may find it more efficient to use a commercial payroll package. Alternatively HM Revenue & Customs provides a P11 Calculator which will calculate and record your employees' tax, NI and Student Loan deductions every pay day. The P11 Calculator in the Basic PAYE Tools is available to download from www.businesslink.gov.uk/basicpayetools

If however you are continuing to operate a manual payroll there is an alternative to manual tables. Rather than looking up tables there are some easy to use calculators available to assist you to complete your form P11 Deductions Working Sheet(s).

Each calculator has useful help buttons if you require help when first using them. These calculators are available from the following locations:

- PAYE Calculator at www.hmrc.gov.uk/calcs/payee.htm
- NI Calculator at www.hmrc.gov.uk/calcs/nice.htm
- Collection of Student loans Calculator in the Basic PAYE Tools and is available to download from www.businesslink.gov.uk/basicpayetools

The tax, NI and Student Loan deduction tables are now available in easy to print format and can be accessed from the 'Forms and publications for employers' page of our website. Go to www.businesslink.gov.uk/payeformsandpublications If you still require a paper copy please help us to save paper and costs by printing off the tables you require. If you do not have access to the internet you can order a copy from the Employer Orderline on 08457 646 646.

New Toolkit available to help and support you with employers' end of year forms

We have published a new toolkit covering expenses & benefits from employment.

The toolkit has been designed to help and support agents and advisers when completing employers' end of year forms (P35, P9D, P11D and P11D(b)) on behalf of their clients, although employers themselves may also find it useful when completing these forms.

Additionally tax agents and advisers may find it useful as a source of reference when advising their clients' on expenses and benefits from employment matters.

A new toolkit covering NICs and Statutory payments will also be published by end of February 2011.

The toolkits are easy to use and their use is entirely voluntary. Each toolkit will be updated annually to reflect any changes in legislation.

What is a toolkit?

Each toolkit has 3 key elements:

1. A checklist – which identifies the key risks.
2. Explanatory notes – which identify the underlying risks of error, how to mitigate those risks and a brief outline of the tax treatment.
3. Cross references – giving quick and easy reference to more detailed guidance if required.

Purpose of the toolkits

The purpose of the toolkits is to help prevent common errors occurring before returns are submitted. This should reduce the need for HMRC compliance checks after an error has been made, saving time and costs for everyone.

The toolkits highlight common errors that we find in returns from our compliance work and set out the steps that can be taken to reduce those errors. Using the toolkits can also help to give an assurance to demonstrate that “reasonable care” has been taken.

What other toolkits are available?

So far, we have published 12 toolkits covering a number of key areas.

The toolkits are published in PDF format in the Agents' section of our website at www.hmrc.gov.uk/agents/prereturn-support-agents.htm

Need help with your Employer Annual Return?

HMRC's Business Education and Support teams (BEST) offer free valuable advice and support to employers on a variety of payroll subjects.

As the end of the tax year is approaching have you considered how to file your annual return? Are you a new employer filing for the first time? If you would like to know more why not attend an Employers Annual Return workshop where our trained advisers will cover:

- an overview of the end of year process
- preparing for annual returns
- online services
- finalising the P11 Deductions Working Sheet or equivalent record
- sending P35s and P14s online using the Basic PAYE Tools
- completing the P14
- completing the P35
- paying any under/overpayments due at the end of the year
- amending your return using PAYE online for employers

If you pay expenses or provide benefits to employees you may also wish to attend the End of Year Expenses and Benefits Return (P11D) workshop.

Subjects covered include:

- an overview of expenses and benefits
- dispensations
- PAYE Settlement Agreements (PSA's)
- an introduction to P9D/P11D
- form P11D
- Class 1A National Insurance and form P11D(b)
- employers obligations

For a full list of our workshops and presentations please visit www.hmrc.gov.uk/bst or contact our workshop booking team on 0845 603 2691 to find out more about course content and availability.

Moving towards Real Time Information

Real Time Information (RTI) is a Government priority both to improve PAYE and to support the introduction of Universal Credits. It aims to make PAYE less costly for employers and, over time, HMRC should be able to amend more tax codes more quickly in year – meaning fewer over and underpayments for taxpayers.

The second stage of consultation on collecting Real Time Information will end on 28 February. Our proposals are contained in a consultation document which can be found on HMRC's website at www.hmrc.gov.uk/consultations/ then click on current consultations.

There is still a short time to have your say – and we would welcome your views. If you have not already replied please email responses to paye.consultation@hmrc.gsi.gov.uk by end of February 2011.

What will be different under Real Time Information?

Employers will remain responsible for calculating and deducting tax, NICs and student loan repayments as now. However under RTI employers will send details of net payments to employees to HMRC each payday – rather than after the year end. Where employers pay their employees via Bacs, they will send RTI data as part

of the Bacs submission. Employers, who do not use Bacs to pay their employees, will be able to send the information over the internet through the Government Gateway. Bacs will send the RTI data to HMRC – and the costs of this will be met by HMRC. Where smaller employers use an agent to calculate tax etc, but pay the employees themselves, the agent will be able to use the Government Gateway.

Employers' payroll software will be updated so that the data is automatically extracted according to a common standard. Because information is sent each payday, there is no need for further reconciliation – meaning P35s and P14s could be phased out. The starting and leaving processes will also be simplified – reducing costs for HMRC and employers.

We envisage bringing the first employers on to the new system in April 2012 with all employers using the new system by October 2013.

As we approach the end of the consultation period we have already spoken to lots of people and are considering the many good points raised. We will be publishing a final list of data items by the end of March. We will continue to work with software developers, employers and payroll bureaux to develop the new system over the coming months.

PAYE Late Payment Penalties

We have told you about the introduction of PAYE late payment penalties in previous editions of the Employer Bulletin. These new penalties will be charged after the year end, for each late payment. They will be charged at rates of between 0% and 5% depending upon how many late payments there have been and how late they were. You can find more information about these penalties at www.hmrc.gov.uk/paye/problems-inspections/late-payments.htm

We also explained in the last edition of the Bulletin, that we had seen a very welcome increase in the number of employers paying on time, and offered some further advice to help make sure your payments reached us on time. We're pleased that the early improvement has been maintained but about 1 in 4 monthly payers are still late with their payments.

Details of our PAYE payment deadlines can be found at www.businesslink.gov.uk/payepaymentdeadlines and you should ensure that your payment reaches us in full by the dates specified. If you are experiencing difficulties and believe you won't be able to pay us, it is essential that you contact us to discuss your situation before your payment is due.

Our Business Payment Support Service is designed to meet the needs of businesses and individuals who are experiencing temporary difficulties in paying their tax. They will be able to discuss your circumstances and work with you to find a solution. Further information about the Business Payment Support Service, including the information you'll need to provide, can be found at www.hmrc.gov.uk/payinghmrc/problems/bpps.htm

We don't want to have to charge penalties and many employers are facing penalties that are wholly avoidable.

Employers have an obligation to make their PAYE payments on time and it is in everyone's interests that we don't waste resources and public money chasing employers who are able to pay on time but don't do so. If you don't believe you can meet the payment deadlines then you must contact us before your payment is due.

Over the remainder of the year, as well as repeating and strengthening the messages we issue in relation to PAYE late payment penalties, we will also be paying particularly close attention to what we hope will be reducing numbers of employers who continue to pay late.

PAYE starter and leaver forms penalties

Penalties for employers with 50 or more employees who are not filing PAYE starter and leaver forms (P45, P46, P46(Pen) and P46(Expat)) online.

In the last edition of the Employer Bulletin we explained that we would not be issuing any penalties to employers who fail to file their PAYE starter and leaver forms online while we looked at your responses to the warning letters we issued in December 2009.

We have reviewed the feedback we received and have introduced changes to our systems to address the issues that were raised. We will begin to issue the first penalties to employers with 50 or more employees who have filed PAYE starter and leaver forms on paper in the period from 6 January 2011 to 5 April 2011. The first penalty notices will be sent soon after 6 April 2011.

Employers with 50 or more employees have been required to file their PAYE starter and leaver forms online from 6 April 2009 and those with fewer than 50 employees will be required to do the same from 6 April 2011.

Revised Employer Compliance Guidance

Revised internal guidance for Employer Compliance staff.

HMRC has launched a project to modernise and update its internal Compliance Operational Guidance (COG).

Phase one of the project produced modernised Employer Compliance guidance which staff are now using in place of the Employer Compliance Handbook.

Updated Employer Compliance guidance was published on our website in December and at the same time the internet version of the Employer Compliance Handbook was withdrawn.

Future phases of the Compliance Operational Guidance project will introduce changes to our internal guidance currently found in the Compliance Handbook and will cover areas including compliance checks and penalties.

Further updates will be provided on our website and in future editions of Employer Bulletin.

Make sure you're using the correct HMRC bank account details

Background

Previously the majority of HMRC's bank accounts were with the Bank of England but in 2009 HMRC moved to two new banking suppliers:

- NatWest (part of the Royal Bank of Scotland Group) for payments made by bank giro
- Citi for payments made by Bacs Direct Credit, internet/telephone banking and CHAPS

Since the new accounts were introduced in 2009 HMRC have continued to accept payments made using the old Bank of England account details or paying-in slips and payslips. However, the old bank sort codes and account numbers are now closing and payslips with the Bank of England details on will no longer be accepted.

To ensure that your payment is received you now need to use HMRC's new bank account details and payslips.

Which bank account details should you use?

Paying by bank giro

When making payments to HMRC you should use the new NatWest payslips that are provided in the P30B payment booklets. You can identify a new payslip as it will have 'Natwest Bank PLC' on it.

When paying by bank giro please only use an official HMRC payslip. Official payslips contain the correct HMRC bank account information and makes sure payment reaches your account on time.

Paying by Bacs Direct Credit, internet/telephone banking or CHAPS

When making payments to HMRC by Bacs Direct Credit, internet/telephone banking or CHAPS please make sure you use the new Citi details:

Accounts Office	Sort code	Account Number	Account Name	Bank Address
Cumbernauld	08 32 10	12001039	HMRC Cumbernauld	Citi Citigroup Centre Canada Square
Shipley	08 32 10	12001020	HMRC Shipley	Canary Wharf London E14 5LB

You should not use the account numbers shown on the front of your HMRC payslip to make payment by Bacs Direct, internet/telephone banking or CHAPS as these account numbers are only for payments made by bank giro.

If you are paying by internet or telephone banking and you use your bank or building society's beneficiary list (sometimes called a 'payee list') then you don't need to make any changes as updates have been made to these lists centrally by the Banking Industry.

However, if you are paying us using other templates or transactions that you have stored for online banking purposes then you need to arrange for these to be updated with our new Citi bank details as above.

[article continues >](#)

Employer Bulletin › [Make sure you're using the correct HMRC bank account details](#)

Please take care when entering HMRC's bank account details. If you make a mistake with the sort code or account number there may be a delay before your record is credited or your payment may not be received at all.

It is also important to provide the correct reference number with all payments, otherwise there could be delays in updating your record. You can check some reference numbers on the HMRC website at www.hmrc.gov.uk/paymentreferencechecker

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?

Make your payments online

Electronic payment is safe, secure, efficient and ensures that 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'll save on postage costs too.

Find more information on paying us electronically at 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

Help us to lower our carbon footprint and protect the environment

If you no longer need a Payment Booklet and would like us to stop issuing them, please tell us. You can do this using our online form at www.businesslink.gov.uk/payingpaye

Payment Booklet for 2011-12

If you still need a payment booklet, your 2011-12 Employer Payment Booklet (P30BC) should be received in time for you to make your first payment for 2011-12. If you don't receive your booklet by 28 April 2011 let us know by telephoning 0845 366 7816.

The booklet you will receive for use in 2011-12 is very different to the one used for 2010-11. The cover is now white instead of yellow and is reduced to a front and back cover giving less information than before. Much of the information previously provided can be found on our internet pages and has been removed from the booklet. There is no difference in the number of payslips and reply envelopes supplied but there is no longer a divider between the final month/quarter payslip and the spare payslip.

If you do intend to pay using payslips from the booklet please make sure you keep it safely to hand throughout the year.

Additional Statutory Paternity Pay (ASPP)

Your employee may be entitled to Additional Statutory Paternity Pay (ASPP) if their partner has a baby or adopts a child and is entitled to Statutory Maternity Pay, Maternity Allowance or Statutory Adoption Pay. ASPP is designed to allow parents more flexibility when arranging time off to care for children. Employees whose partners have babies due or who are jointly matched with a child for adoption on or after 3 April 2011 are eligible to apply for it. As ASPP replaces normal earnings, tax and National Insurance contributions (NICs) should be deducted in the normal way.

Further information on ASPP along with all the relevant forms can be found at www.hmrc.gov.uk/paye/employees/statutory-pay/aspp-overview.htm

We have also provided an electronic calculator to help you calculate your employee's entitlement to ASPP, the amount you have to pay them and the amount you can recover. This can be found at www.businesslink.gov.uk/basicpayetools

When ASPP can be due before 3 April 2011

ASPP isn't normally payable until the child is 20 weeks old, however it can be paid immediately, following a mother's death. This means there could be instances where your employees may be entitled to claim ASPP during the 2010-11 tax year. If a baby, which was due on or after 3 April 2011, is born early and the mother dies, an employee can make a claim for ASPP if they have responsibility for the upbringing of the child. Most of the normal eligibility rules apply however there are some exceptions. Details of these can be found at www.hmrc.gov.uk/paye/employees/statutory-pay/aspp-overview.htm#2

Recording payments of ASPP

Any early payments of ASPP made in the 2010-11 tax year should be recorded in

the SPP column of the End of Year forms. From the 2011-12 tax year there will be a new column for ASPP.

Employer Helpbooks

We expect the Statutory Payment Employer Helpbooks to be available during February 2011. The E16 'Employer Helpbook for Statutory Adoption Pay' will only be available online.

New SP rates

The new Statutory Payment rates were published on 8 December and details can be found at www.hmrc.gov.uk/news/january.htm. At the time of going to print these were still subject to Parliamentary Approval. If there is any change to the rates it will be announced on our "What's New" page at www.hmrc.gov.uk/news

Removal of Incapacity Benefit (IB) linking

The linking rules which allowed employees who have received Incapacity Benefit to return to that benefit if they became sick again have been abolished from 31 January 2011.

What this will mean for employers?

If you have an employee who has recently been in receipt of IB (they may have a linking letter from Jobcentre Plus to confirm this) and they become sick on or after 31 January 2011, do not pay SSP. The qualifying conditions to Statutory Sick Pay (SSP) have not changed and these employees are not entitled to SSP. You should issue form SSP1 – Why you cannot get SSP to these employees to help support any claim they may make to Employment Support Allowance or Severe Disablement Allowance.

National Minimum Wage

The National Minimum Wage (NMW) Annual Report is now available.

The report sets out key achievements for 2009-10 (including the recovery of over £4.4m in arrears for over 19,000 workers!) and it sets out how the Department for Business, Innovation & Skills (BIS) and HMRC are using the NMW Compliance Strategy that was published in March 2010 to make a difference to workers and employers alike. The report and the compliance strategy can both be viewed on the Department for Business, Innovation and Skills (BIS) website at www.bis.gov.uk/nmw

Change to Legislation

NMW legislation has been amended from 1 January 2011. From this date payments to workers for travelling expenses, and associated expenses for food and accommodation, reduce national minimum wage pay if they are paid for travel from home to a temporary workplace and are allowable for tax and National Insurance purposes.

Naming Deliberately Non-compliant Employers

On 1 October 2010, BIS announced a scheme to name employers who deliberately flout NMW law. The scheme came into effect on 1 January 2011 and employers who meet published criteria will be named by 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

Joint Working

NMW's Dynamic Response Team has been working with Employment Agency Standards in Leicester and with colleagues in HMRC's Hidden Economy Teams in East London. The campaigns resulted in the identification of non-compliance in a number of the visits to employers. Further Joint Working campaigns in 2011 will be targeted at specific sectors and geographical areas where risks of non-compliance have been identified.

Help prevent illegal working

The UK Border Agency has published updated guidance for employers on preventing illegal working.

An employer is acting unlawfully if they employ a person who does not have the right to work in the UK and can be fined up to £10,000 per illegal migrant worker.

Tackling illegal working is a priority for the Government and employers. It:

- harms legitimate business
- reduces employment opportunities for those entitled to work
- costs the taxpayer through lost revenue
- risks the health and welfare of those who work illegally

The UK Border Agency works with employers to combat illegal working. Where employers are found to be breaking the law, the UK Border Agency takes robust enforcement action.

The latest guidance and news updates to help you prevent illegal working can be found on the UK Border Agency website at www.ukba.homeoffice.gov.uk/employers/preventingillegalworking/ The Comprehensive Guidance for Employers on Preventing Illegal Working includes details of the document checks that employers are advised to undertake and images of the documents and stamps/endorsements that may be presented by migrant workers as evidence of their right to work in the UK.

General enquiries on illegal working can be directed to the UK Border Agency's Sponsorship and Employers' Helpline on 0300 123 4699.

Salary Sacrifice

Changes to employment income exemption for canteen meals from 2011-12.

The rules about the exemption for certain canteen and workplace meals are changing from 6 April 2011. These changes only affect meals provided through salary sacrifice or flexible benefit arrangements.

For more information about the changes, including their interaction with our compliance challenges to existing canteen salary sacrifice arrangements, see the article on canteen arrangements on our website at

www.hmrc.gov.uk/specialist/salary_sacrifice.htm

All VAT businesses must file online in 2012

You'll have to file your VAT returns online in 2012 if:

- you registered your businesses for VAT before 1 April 2010, and
- your annual VAT exclusive turnover is less than £100,000.

You'll also have to pay any VAT due to HMRC electronically – there are lots of ways you can do this.

We're not changing the rules on how you calculate VAT, keep your records (on paper or computer) or complete the return. And the online return is the same as the paper one – it's only the way you send your return to us that's changing.

Get ahead and act now

Why not join over 1.5 million VAT registered businesses that have already signed up to VAT Online services. A significant number of these have chosen to go online voluntarily, and are realising the benefits that online filing can bring:

- The online service is available day or night, so file online at a time that suits you.
- The figures for boxes 3 & 5 are automatically calculated and entered for you, to help reduce arithmetical errors.
- You'll get an automatic on-screen confirmation that your return has been safely received by us.
- When you pay electronically you get longer to file and pay. Paying by online Direct Debit gives you the longest extension to the filing deadline, and means we'll collect the VAT shown on your return automatically, on the right day.
- Any repayments due to you will be processed more quickly online, than if you send the same return on paper.

What you need to consider

You'll need to decide how you want to file your VAT returns online. The options are:

- HMRC's free VAT Online service;
- commercial software (as you may wish to complete/file your return directly from your accounting software); or
- the services of an agent or bookkeeper to file on your behalf.

Whichever method you choose, you (or your agent, if you're using one) must first of all register and enrol your business for the VAT Online service. Once enrolled we strongly recommend that you sign up to receive an email reminder so that we can let you know when your next VAT return is due. You can do this on the 'At a glance' page.

You'll also need to consider which electronic payment method best suits you and your business; and then set up any necessary arrangements. You can pay electronically by online Direct Debit, telephone or internet banking, CHAPS transfer, Bacs Direct Credit, Billpay using a debit or credit card over the Internet, or Bank Giro credit transfer. You can find out more about these methods and the extra time to file and pay at www.hmrc.gov.uk/payinghmrc/vat.htm

Help with signing up and filing online

We expect most businesses will find the transition to online, a straightforward one. But if you need any extra help getting started take a look at our online services demonstrator at www.hmrc.gov.uk/demo Or you can access our Beginner's Guides to 'Signing up' at www.hmrc.gov.uk/vat/sign-up-for-online.pdf and 'Filing a VAT return online' at www.hmrc.gov.uk/vat/online-return.pdf

Tax relief on Pensions

Pension Savings: Changes to tax relief.

There are changes to the amount of tax relief on pension contributions that an individual can benefit from each year, coming into effect from April 2011. The annual allowance, that limits the total amount of tax relieved pension savings an individual can benefit from in a year, is being reduced for the tax year 2011-12 to £50,000. This change may have an impact on some employers as well as their employees.

If you operate a defined benefit (DB) or cash back pension scheme for the benefit of your employees these changes may impact on your payroll operations.

There will be a new HMRC requirement on employers who sponsor these pension schemes to provide information to the pension scheme administrators about their employees' pensionable pay, benefits and service by **6 July** after the end of the tax year. This is to allow pension scheme administrators time to calculate the employees' annual pensions savings and report that to the individual if appropriate. The individual will need this information to calculate any tax charge, if their pension savings have exceeded the annual allowance.

For the first year only, employers will be given an extra 12 months to provide this information, to allow them time to change their systems if necessary. This means for the 2011-12 tax year the latest the information can be provided to the scheme administrator is 6 July 2013.

Further updates about the draft regulations setting out these requirements will be published on our website.

There are no changes to the taxation of employer pension contributions for corporation tax purposes.

If you or your employees require any further information regarding these changes, you can find out more at www.hmrc.gov.uk/budget-updates/

State Pension age (SPa) for women is changing

The age at which women reach SPa is rising gradually to 65. The changes are being phased in on a sliding scale between 6 April 2010 and 5 April 2020 and will affect women born between 6 April 1950 and 5 April 1955. Women born on or after 6 April 1955 but before 6 April 1959 will reach SPa at age 65.

Recording National Insurance contributions

Any employees over SPa do not have to pay employee's National Insurance contributions (NICs). However, employers still pay Class 1 category C rate NICs.

If you employ any women over 60 you will need to continue deducting Class 1 NICs up to their new SPa. Ensure that you have accurate dates of birth for all employees to determine when they no longer need to pay Class 1 NICs.

Women's SPa dates 2010-11

Female Date of Birth	State Pension age date	SPa (in years and months)
06/08/50 – 05/09/50	06/01/2011	60.5
06/09/50 – 05/10/50	06/03/2011	60.6
06/10/50 – 05/11/50	06/05/2011	60.7
06/11/50 – 05/12/50	06/07/2011	60.8
06/12/50 – 05/01/51	06/09/2011	60.9
06/01/51 – 05/02/51	06/11/2011	60.10
06/02/51 – 05/03/51	06/01/2012	60.11
06/03/51 – 05/04/51	06/03/2012	61

Further information

For further information go to www.businesslink.gov.uk/employeepensionage

Contracting out and Defined Contribution Pension Schemes

From 6 April 2012 contracting out of the additional State Pension on a defined contribution (DC) basis will no longer be possible. Our records will show these contracted-out scheme memberships as closed from 5 April 2012.

Schemes which contract out on a DC basis include occupational Contracted-out Money Purchase (COMP) Schemes, Appropriate Personal Pension (APP) Schemes and APP Stakeholder Schemes. Abolition of contracting out on this basis was provided for in the Pensions Act 2007 and the Pensions Act 2008. Corresponding provisions were made for Northern Ireland.

It will still be possible to contract out on a Defined Benefit basis (Contracted-out Salary Related (COSR) schemes).

What this means for employers

For employers operating COMP schemes the 2011-12 tax year will be the last tax year National Insurance (NI) category letters F, G, H, K, V and S should be used. From the 2012-13 tax year these category letters and the NI rates they represent will no longer be processed and should not be entered on forms P11 and P14 for tax years after 2011-12. The relevant 'not contracted-out' rate and the corresponding NI category letters should be used instead.

Where a contracting-out certificate covers a Contracted-out Mixed Benefit Scheme (COMBS), it will remain valid only for sections of the scheme contracted out on a defined benefit basis. Where employees join (or remain members of) a COSR

Scheme, the appropriate COSR category letters should be used. As part of the abolition process we will also be removing the Scheme Contracted-out Number (SCON) field from form P14.

Employers should also consider discussing with the scheme trustees and advisers about how the scheme will operate following this change and how they will tell employees/scheme members about changes to their NIC rates and any changes to the pension scheme.

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 they were contracted out. From 6 April 2012 scheme members will be brought back into the State Pension scheme and, depending upon the level of their earnings, may build up additional State Pension entitlement.

Contracting out on a defined benefit basis (COSRs) will continue.

Further information

Further articles on the abolition of contracting out on a DC basis will feature in later editions of the Employer Bulletin.

A fact sheet for employers on the contracting out changes is available at www.dwp.gov.uk/docs/emp-contracting-out-factsheet.pdf

National Insurance Numbers

Withdrawing the plastic National Insurance number card

What is changing?

We are withdrawing the plastic National Insurance number card and replacing it with a letter. This follows a suggestion on the Spending Challenge website and an announcement by the Chancellor of the Exchequer in September 2010.

We have already stopped sending out replacement cards. Now when a customer asks us to confirm their National Insurance number, we send them a letter with their number.

We expect to send the last National Insurance number cards in 2011. After that, we won't issue them at all.

What does this mean for an employer?

You will still need to know the right National Insurance number for your employees, and record this on your payroll records and the returns you send us. Your employees should give you their National Insurance number when they start working for you. If they don't have their National Insurance number, ask them to check a previous payslip, P60, or letter from HMRC or the Department for Work and Pensions. If an employee still can't find their number:

- they can fill in the form Your National Insurance number at www.hmrc.gov.uk/forms/ca5403.pdf or
- you can fill in the form Employees National Insurance trace at www.hmrc.gov.uk/forms/ca6855.pdf

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

What if I need to confirm an employee's identity or check that they have a right to work in the UK?

You will still need to do this. Not having a plastic National Insurance number card makes no difference – the card was not evidence of identity or a right to work in the UK.

If you need to confirm an employee's identity ask them for one or more of the following documents – they are normally accepted as reliable evidence of identity:

- Full UK birth certificate or adoption certificate.
- Valid passport (UK or foreign).
- Foreign national identity card.
- Residence permit or residence card, including biometric immigration residency documents.
- Full marriage or civil partnership certificate.
- Driving licence (UK or foreign).

If you need to check whether someone has a right to work in the UK you can find advice at www.businesslink.gov.uk Click on Employment & skills, under Taking on staff select Recruiting people then choose Employment checks.

Employer diary

Feb - Mar 2011

Apr - Jun 2011

Feb 2011

- 2 Forms P46(Car) for the quarter ended 5 January to reach us by this date.
- 15 If you haven't already registered for online filing we suggest you do so now so you are ready to file your Employer Annual Return (form P35 and P14s).

Mid Feb The employer Basic PAYE Tools which replace the Employer CD-ROM can be downloaded now. To find out more about the new PAYE Tools go to Employer CD-ROM 2010 www.hmrc.gov.uk/employers/cdrom/

Remember you can register for email alerts at any time and we suggest sooner rather than later to be directed to new editions of the Employer Bulletin and updates to the Basic PAYE Tools. For information and to register go to HMRC employer email alert service

www.businesslink.gov.uk/hmrcemployeremailalerts

The Basic PAYE Tools contain guidance to help you finish this tax year and start the next.

Mid Feb to Mid March: **Expect** to receive your notification to file your Employer Annual Return (P35 and P14s) for 2010-11.

- 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.

End **Expect your:** Updated software and instructions from your provider if you use a payroll package.

Mar 2011

- 15 If you haven't already registered for online filing we suggest you do so now so you are ready to file your Employer Annual Return (form P35 and P14s) and starter and leaver forms P45 and P46 online.
- 19 Cheque payments for month ended 5 March should reach your Accounts Office by this date.
- 22 Electronic payments for month ended 5 March should have cleared into our Bank Account by this date.
- 30 Expect: Any last minute PAYE tax code changes on forms P9. The P9X in your downloaded Basic PAYE Tools tells you how to update your employees tax codes for 2011-12.

Your payslip booklet for 2011-12, if you use one.

We advise you to:

- Start preparing your Employer Annual Return
- Prepare P11 deductions working sheets for each employee for 2011-12. If you use paper working sheets try using the P11 Calculator in your Basic PAYE Tools, it's easier and quicker.
- Ensure you are registered for online filing.

You must keep records for 2010-11.

Keep copies of pay records, P38(S) and Forms P11 (manual, electronic or downloaded Basic PAYE Tools calculator versions) until 5 April 2014.

Employer diary

Feb - Mar 2011

Apr - Jun 2011

Apr 2011

- 5 You must send your Employer Annual Return (form P35 and P14s) for 2010-11 online. Penalties may be charged if you send them on paper.
- 6 Please ensure you use the new Taxable Pay Tables B to D from today. Check you have made all necessary changes to your employees' tax codes for 2011-12 as explained on P9X.

Computerised payroll users - make sure you have updated your payroll parameters and have the correct version of the software for 2011-12.

Mid to End If you recently registered to use PAYE Online for Employers, look out for your Activation PIN (and ensure you have made a note of your User ID) - you must activate the service within 28 days.

- 19 Cheque payments for month/quarter ended 5 April to reach our Accounts Office.
Last date for any outstanding cheque payments of PAYE and Class 1 NICs for 2010-11 to reach our Accounts Office. We will charge interest on any payments received after this date.
- 22 Electronic payments for month/quarter ended 5 April should have cleared into our bank account.
Last date for any outstanding PAYE and Class 1 NICs payments for 2010-11 to reach our bank account. We will charge interest on any payments received after this date.

May 2011

- Early Expect your email alerts which will advise any updates to the Basic PAYE Tools following the Budget; and your online Employer Bulletin.
- 3 Forms P46(Car) for quarter ended 5 April should reach us by this date.
- 9 Last date to register to use PAYE Online for Employers if you are required or intend to send your 2010-11 Employer Annual Return online.
- 19 Cheque payments for month ended 5 May should reach our Accounts Office.
Last date for Employers Annual Return (P35 and P14s) to reach our office. We will charge penalties on Returns received late.
- 20 Electronic payments for month ended 5 May should have cleared into our bank account.
- 31 Last date for giving form P60 to each employee working for you at 5 April 2011.

Jun 2011

- Early If you have Approved Share Scheme and Employment-related Securities, we recommend you finalise completion of your 2010-11 Annual Returns Form 34, Form 35, Form 39, Form 40 and Form 42 to ensure we receive them before 6 July 2011.
- 19 Cheque payments for month ended 5 June to reach our Accounts Office.
- 22 Electronic Payments for month ended 5 June should have cleared into our bank account.

Helpline & Orderline numbers

Helpline – telephone advice and Orderline – order your 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

General payroll matters – for example PAYE and NICs

Been an employer less than 3 years?	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/paye/forms-publications.htm
Orderline	08457 646 646 Mon – Fri 8am – 8pm, Sat 10am – 1pm
Fax	08702 406 406

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

National Minimum Wage (NMW)

Helpline	08456 000 678	Mon – Fri 9am – 5pm
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	
PAYE/SA payment enquiries	08453 667 816	Mon – Fri 8am – 8pm, Sat 8am – 4pm