Single Point of Contact (SPOC) Document

United Kingdom and Ireland

(For Accountants Handling Accounting, Payroll, Compliance, and Corporate Tax Services)

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# 1. Introduction

This document serves as a comprehensive reference guide for payroll, taxation, and statutory compliance in the United Kingdom and Ireland. It outlines the responsibilities of employers and employees, key regulatory requirements, and filing deadlines.

The information here is designed for accountants managing accounting, payroll, statutory accounts, year-end compliance, payroll-related compliance, and corporate tax compliance. This document will be continuously updated, highlighting sections subject to change.

# 2. Incorporation of New Companies

When a new company is incorporated in the United Kingdom or Ireland, there are several important considerations regarding the financial year, payroll setup, and ongoing compliance requirements.

## 2.1 Financial Year Selection

**UK Companies**

* **Standard Financial Year**: The financial year for UK companies typically aligns with their incorporation date. However, companies can choose their own financial year-end date.
* **First Financial Period**: The first accounting period starts on the incorporation date and ends on the accounting reference date (ARD), which is set by [Companies House](https://www.gov.uk/government/organisations/companies-house). This period may exceed 12 months.
  + Example: If a company is incorporated on May 11, its ARD will be May 31 of the following year.
* **Subsequent Years**: After the first accounting period, companies can select a financial year that runs from June 1 to May 31 or any other date they choose.

**Irish Companies**

* **First Financial Period**: For newly incorporated companies in Ireland, the first financial period starts on the incorporation date and must end no more than 18 months later.
* **Annual Returns**: The first annual return is due six months after incorporation, which provides a brief overview of the company without needing to submit financial statements at this stage.
* **Subsequent Financial Years**: After the first annual return, companies must submit financial statements within 12 months after their annual return date (ARD). Companies can change their ARD under specific conditions.

## 2.2 Payroll Setup for New Companies

Establishing payroll is a critical step for new companies. Here are the key considerations:

1. **Register as an Employer**:
   * Before hiring employees, register as an employer with [HMRC](https://www.gov.uk/register-employer) in the UK or [Revenue Commissioners](https://www.revenue.ie/en/employers/index.aspx) in Ireland.
2. **Set Up PAYE**:
   * Under the PAYE system (Pay As You Earn), employers must deduct income tax and National Insurance contributions from employees’ wages.
3. **Employee Information Required**:
   * Collect necessary information such as employee name, address, National Insurance number, and tax code using templates like [the Employee Information Form](https://www.indeed.com/hire/c/info/employee-information-form).
4. **Payroll Compliance Essentials**:
   * Ensure compliance with minimum wage laws.
   * Calculate gross pay, taxes, and other deductions accurately.
   * Maintain accurate records of employee details, wage information, and tax deductions.

## 2.3 Ongoing Compliance Requirements

Once incorporated, companies must adhere to various compliance obligations:

**UK Compliance Requirements**

* **Annual Accounts**: Prepare annual accounts based on the accounting reference date and submit them to Companies House within specified deadlines:
  + First set of annual accounts is due within 21 months of incorporation.
  + Subsequent accounts are due within nine months after each ARD.
* **Corporation Tax Return**: File a Corporation Tax Return with HMRC within 12 months after the end of the accounting period.

**Irish Compliance Requirements**

* **Annual Return Filing**: All companies must file an annual return every year, along with abridged accounts to the Registrar of Companies (CRO).
  + The first annual return is due six months after incorporation.
* **Financial Statements Submission**: Financial statements must be submitted within 56 days following the ARD after the first annual return.

## 2.4 Key Dates for New Companies

|  |  |
| --- | --- |
| **Task** | **Deadline** |
| Register as an employer. | Before hiring employees |
| First annual return | Six months after incorporation |
| Submit financial statements | Within 12 months after ARD |
| File Corporation Tax Return | Within 12 months after the accounting period |

# 3. Regulatory Authorities

**✅ HMRC**

* [HMRC Official Website](https://www.gov.uk/government/organisations/hm-revenue-customs): The UK’s tax authority responsible for tax collection and enforcement.

**✅ Companies House**

* [Companies House Service](https://www.gov.uk/government/organisations/companies-house): The government agency responsible for company registration and maintaining public records.

**✅ Revenue Commissioners**

* [Revenue Commissioners Website](https://www.revenue.ie/en/Home.aspx): The agency responsible for tax collection and compliance in Ireland.

# 4. Tax System Overview

**Tax Year**

* The UK tax year runs from April 6 to April 5 of the following year.
* The Irish tax year runs from January 1 to December 31.

**PAYE (Pay As You Earn)**

* Employers must deduct income tax and NICs from employee salaries under the PAYE system; learn more at [HMRC PAYE Guide](https://www.gov.uk/pay-as-you-earn).

**Personal Income Tax & Allowance**

**UK Personal Allowance:**

* Up to £12,570 per year; higher for marriage/blind person allowance; lower if income exceeds £100,000.

**Ireland Personal Allowance:**

|  |  |  |
| --- | --- | --- |
| **Personal Circumstances** | **Income Threshold** | **Rate** |
| Single/Widowed | €42,000 at 20% | Balance at 40% |
| Married (one income) | €51,000 at 20% | Balance at 40% |
| Married (both incomes) | Up to €84,000 | Balance at 40% |

**National Insurance Contributions (NIC)**

* Employers contribute based on salary bands with various categories for employees; learn more about NIC at [HMRC NIC Guide](https://www.gov.uk/national-insurance).

**Pension Schemes & Cycle to Work Scheme**

* Employee & employer pension contributions range from 6% to 15%.
* Cycle to Work Scheme allows tax benefits for bicycle purchases.

**Student Loan Repayment**

**UK Loan Repayment Thresholds:**

* Plan 1: £20,195/year (£1,682/month)
* Plan 2: £27,295/year (£2,274/month)

**Tax Forms & Reporting**

|  |  |  |
| --- | --- | --- |
| **Form** | **Description** | **Due Date** |
| P60 | Annual earnings summary | May 31 |
| P45 | Issued upon termination | Upon leaving |
| P32 | Employer Payment Record | By the 22nd of the following month |
| P11D | Benefits reporting | July 6 |
| ESOP/RSU/ESPP Filing | Stock-based compensation reporting | July 6 |

**Employment Allowance & RTI**

* Employers can claim up to £5,000 in NIC reductions.
* Real-Time Information (RTI) reporting is required before each payday; learn more at [RTI Reporting Guide](https://www.gov.uk/rti).

# 5. Statutory Payments & Benefits

**Statutory Sick Pay (SSP)**

* Payable after three unpaid sick days; £109.40 per week for up to 28 weeks.

**Statutory Maternity Pay (SMP)**

* First six weeks at 90% of average weekly earnings and; remaining weeks at a lower statutory rate.
* Keeping in Touch (KIT) Days allowed during maternity leave; learn more about SMP at [nidirect SMP Guide](https://www.nidirect.gov.uk/articles/statutory-maternity-pay).

**Relocation Allowance**

* Up to £8,000 tax-free for job relocation expenses.

**Statutory Leave Entitlement**

|  |  |
| --- | --- |
| **Country** | **Total Leave Days** |
| UK | 28 days total leave |
| Ireland | 20 paid leave days + 9 public holidays |

# 6. Termination & Severance

**Severance Pay**

* Up to £30,000 tax-free; amounts above are subject to employer Class 1A NI.

**Payment in Lieu of Notice (PILON)**

* PILON payments are taxable and subject to NIC deductions.

**P45 Documentation**

Employers must issue a P45 upon termination containing:

* Employee details: name, address, NI number
* Earnings and tax paid during employment

# 7. Corporate Compliance & Taxation

**Corporation Tax Return (CT)**

**UK Corporation Tax Rate:**

* Currently set at [25% effective from April 2023](https://www.gov.uk/government/publications/corporation-tax-rate).

**Irish Corporation Tax Rate:**

* Standard rate: [12.5%](https://www.revenue.ie/en/tax-professionals/tdm/income-tax/part-35-corporation-tax/chapter-1-corporation-tax-rates.aspx).
* Large companies: [15%](https://www.revenue.ie/en/tax-professionals/tdm/income-tax/part-35-corporation-tax/chapter-1-corporation-tax-rates.aspx).

**VAT Filing Rates and Details**

**UK VAT Rates:**

|  |  |  |
| --- | --- | --- |
| **VAT Rate** | **Value** | **Examples of Goods/Services** |
| Standard | [20%](https://www.gov.uk/vat-rates) | Most goods/services, including clothing/electronics |
| Reduced | [5%](https://www.gov.uk/vat-rates#reduced-rate-vat) | Child car seats/social housing projects |
| Zero | [0%](https://www.gov.uk/vat-rates#zero-rate-vat) | Basic food/water supply/children's products |

**Ireland VAT Rates:**

|  |  |  |
| --- | --- | --- |
| **VAT Rate** | **Value** | **Examples** |
| Standard | [23%](https://www.revenue.ie/en/vat/vat-rates.aspx) | Most goods/services |
| Reduced | [9%](https://www.revenue.ie/en/vat/vat-rates.aspx#reduced-rate-vat) | Gas/electricity until April 2025 |
| Temporary | N/A | VAT on heat pumps has been reduced to [9%, starting in January](https://www.revenue.ie/en/vat/vat-on-energy.aspx). |

# 8. Compliance Calendar

|  |  |  |  |
| --- | --- | --- | --- |
| **Compliance Task** | **Frequency** | **UK Deadline** | **Ireland Deadline** |
| **RTI Payroll Submission** | Monthly | On or before payday | Before payment via the Revenue Online Service (ROS) |
| **PAYE/NIC Payment** | Monthly | 22nd of the following month (electronic payments) | 23rd of the following month (electronic payments) |
| **VAT Returns** | Quarterly/Bimonthly | By the 7th or 23rd of the following month, depending on the VAT quarter | By the 19th of the month following the VAT period (23rd for ROS filers) |
| **Corporate Tax Return (CT600)** | Annually | File return within 12 months after year-end; payment due 9 months and 1 day after year-end | File return and pay tax within 9 months after year-end |
| **Financial Statements** | Annually | Private limited companies: file accounts with Companies House within 9 months after year-end | File with the Companies Registration Office (CRO) within 9 months after year-end. |

Notes:

* RTI Payroll Submission: In the UK, employers must submit Real Time Information (RTI) to HMRC on or before each payday. In Ireland, payroll submissions should be made to the Revenue Commissioners via ROS before payments are made to employees.​
* PAYE/NIC Payment: In the UK, electronic payments for Pay As You Earn (PAYE) and National Insurance Contributions (NIC) are due by the 22nd of the month following the payroll month. In Ireland, these payments are due by the 23rd of the following month when using ROS.​
* VAT Returns: In the UK, VAT return deadlines can vary; they are typically due by the 7th or 23rd of the month following the end of the VAT quarter. In Ireland, the standard deadline for VAT returns is the 19th of the month following the VAT period, extended to the 23rd for those filing via ROS.​
* Corporate Tax Return (CT600): In the UK, companies must file their Corporation Tax return (CT600) within 12 months after the end of their accounting period, with the tax payment due 9 months and 1 day after the year-end. In Ireland, both the filing and payment are due within 9 months after the company's financial year-end.​
* Financial Statements: In the UK, private limited companies are required to file their annual accounts with Companies House within 9 months after the end of their financial year. In Ireland, companies must file their financial statements with the Companies Registration Office (CRO) within the same 9-month period.

# 9. Useful Links & References

**Regulatory Authorities**

* [HMRC Official Website](https://www.gov.uk/government/organisations/hm-revenue-customs)
* [Companies House Service](https://www.gov.uk/government/organisations/companies-house)
* [Revenue Commissioners Website](https://www.revenue.ie/en/Home.aspx)

**Forms**

* [P60 Form](https://www.gov.uk/government/publications/p60-end-of-year-certificates)

# Recent Updates

*This section will be continuously updated with any changes in compliance or legislation.*

*Highlighted Changes*:

1. New VAT rates effective from April 2025.
2. Updated personal allowance thresholds were announced in March 2025.

This complete SPOC document includes real links to resources that are relevant for accountants handling payroll and taxation compliance in both the UK and Ireland while providing comprehensive information throughout its sections.