

Employer Bulletin

Your route to the latest in payroll news and views

April 2010 Issue 35



No updated CD-ROM to be issued following the Chancellor's Budget announcements



Hello and welcome to the latest edition of the Employer Bulletin

Independent research carried out last year told us the vast majority of employers would rather receive an email alert directing them to information on our website rather than receiving information in the post.

We are always looking for ways to improve the quality of the service we offer and of course, part of that is to ensure we continue to bear down on the costs of the services we provide. So, from September the Bulletin will only be available online. Your Online Bulletin has now been re-launched as a new, improved version. The online version is now published in a handy, accessible format that you can download and view or print off in magazine format. Why not let me know what you think by filling in the feedback questionnaire at www.hmrc.gov.uk/payee/employer-bulletin The article on [page 9](#) also tells you about the new email alert facility we have introduced so we can tell you when and where the Bulletin and certain other information is available online. This will make it much easier for you to access the Bulletin and I urge you to register. We also recognise that a small number of employers do not have access to the Internet. We are looking into ways around this issue and will keep you informed of progress.

Because no changes to the rates of tax and NICs were announced in the Budget, there is no need to issue another CD-ROM. The one we sent you in February will continue to calculate your tax and NICs correctly. The article on [page 7](#) gives you more detail and tells you what to do to make sure you have the most up to date information.

And finally, in February's Bulletin we asked for your help in reducing costs and paper by ensuring you only order those forms from the Orderline that you need. This has been a resounding success and we have seen a huge reduction in the amount of forms P14 ordered. So, a big thank you to all of you for reviewing your stationery needs and only ordering what's absolutely necessary.



Alison Bainbridge
Editor

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Need to know

Essential reading, articles and information

EmployerTalk 2010

Free payroll advice
at EmployerTalk 2010

Free payroll advice at EmployerTalk 2010

It doesn't matter if you're new to payroll or have years of experience there is always something to learn. Come along to one of our EmployerTalk events and get all the latest news in an informal and relaxed atmosphere.

At these events you will find an extensive exhibition area where our experts will be on hand to answer your questions and give friendly advice on a range of payroll topics. And new for 2010 a drop-in centre for those needing more in depth help and a dedicated agents' stand. This is supported by jargon-free presentations giving the latest news on employer and payroll issues.

There are two identical half-day sessions for you to choose from:

- Morning session - reception from 09:00, with an opening speech at 09:30
- Afternoon session - reception from 13:00, with an opening speech at 13:30

The exhibition area will be open all day from 09:00 am to 16:30.

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

EmployerTalk

2010 dates and locations

| | | |
|--|------------|--------------------|
| 6 May | Swansea | Liberty Stadium |
| Unfortunately we have had to cancel the Swansea event due to the General Election being held on the same date - see revised date below | | |
| 19 May | Glasgow | Hilton Glasgow |
| 8 June | Belfast | Ramada Hotel |
| 15 June | Swansea | Liberty Stadium |
| 24 June | Bolton | Reebok Stadium |
| 8 July | Bristol | Marriott Hotel |
| 8 September | Ascot | Ascot Racecourse |
| 22 September | Durham | Ramside Hall Hotel |
| 6 October | Nottingham | EMCC |

2010 Budget Announcements

Need
to know

The Chancellor delivered his Budget on 24 March 2010. This article gives a brief summary of the announcements which may have some effect on the operation of your payroll obligations to HMRC. Full details of the Chancellor's announcements can be found at www.hmrc.gov.uk/budget2010

Current tax year

2010-11

The Chancellor did not announce any changes to the Personal allowances, income tax rates and income tax bandwidths previously announced in his Pre-Budget Report on 9 December 2009. The Class 1 National Insurance contributions (NICs) earnings limits and thresholds remain unchanged from those announced in the Pre-Budget Report.

Details of the PAYE and National Insurance rates and limits can be found at either www.hmrc.gov.uk/pay/rates-thresholds.htm or in the Employer Helpbook E12, PAYE and NICs rates and limits for 2010-11, on your 2010 Employer CD-ROM.

This means that there are no changes to tax codes as a result of the Budget and that you must continue to use April 2010 versions of Payroll software, Tax Tables and National Insurance Tables.



Future tax years

2011-12

The Chancellor also confirmed the 2011-12 Class 1 National Insurance contributions (NICs) changes which were originally announced in the 2008 Pre-Budget Report and updated in the 2009 Budget. A reminder of these changes is as follows:

- The main rate of Class 1 NICs will be increased by 1% to 12%
- The Class 1 employer rate of NICs will be increased by 1% 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 by 1% to 2%
- The annual equivalent of the Primary Threshold for the year will be increased by £570. This follows on from the Chancellor's announcement in the 2008 Pre-Budget Report that the Primary Threshold would be increased to the same level as the weekly equivalent of the income tax personal allowance in 2011-12. The further increase of £570 will mean that the Primary Threshold will be higher than the equivalent income tax personal allowance in 2011-12. It will also be higher than the Secondary Threshold at which employers start to pay NICs.

Further information on these intended changes will be published on our website and in future editions of the Employer Bulletin.

[article continues >](#)

Changes to car and van benefit in 2010-11

Zero and ultra low emission vehicles from 2010-11 for 5 years

The February 2010 edition of the Bulletin reported a Pre-Budget Report announcement that there will be a nil benefit charge for cars or vans propelled solely by electricity for 5 years from 2010-11.

This has now been widened to include all vehicles which cannot in any circumstances emit CO₂ by being driven, whatever the underlying technology. Only purely electric cars currently qualify, but other types are expected on the market in due course.

In an additional measure, the appropriate percentage for cars with CO₂ emissions of exactly 75g/km or less (ultra low emission cars) has been set at a special rate of 5% for the same 5 year period. No such cars are currently on the market, but they will become available in the next year or so.

Other changes for 2010-11, as previously announced

The lower threshold, which sets the 15% rate, is reduced from 135 to 130 g/km

The car fuel benefit charge takes the appropriate percentage for car benefit purposes but applies it to a fixed figure, often known as 'the multiplier'. This figure is increased to £18,000.

Finally, the van fuel benefit charge is a flat rate charge, which is increased to £550.

Important - your 2010 Employer CD-ROM

In his Budget speech on 24 March the Chancellor confirmed tax and National Insurance rates as previously announced. As a result we will not be sending out an updated Employer CD-ROM.

Every time you use the CD-ROM and the P11 Calculator after 1 July a warning message will appear. The message will tell you that the CD-ROM may no longer be valid. Please ignore this message. The CD-ROM will continue to work correctly and the tax and NIC rates will continue to be correct.

Important

We will be publishing updates to the CD-ROM on our website at www.hmrc.gov.uk/employers/cdrom/download-update.htm

We strongly recommend that you check this on a regular basis and download the most recent update. The next planned update will be available in the middle of May.

February 2010 CD-ROM

We are aware that some of you have experienced problems with the CD-ROM sent to you in February. We are very sorry for this and apologise for any inconvenience caused.

We have identified 3 issues affecting the operation of the CD-ROM:

- If you used the CD-ROM to file your Employer Annual Return online in 2008-09, the total of tax and National Insurance contributions due for 2009-10 may not be carry forward correctly to the summary P35.

- After successfully installing the 2010 CD-ROM you may have had problems transferring your data from the 2009 CD-ROM.
- You may have had problems opening PDF forms (Windows users).

If you have been affected by any of these you should install the latest update at www.hmrc.gov.uk/employers/cdrom/download-update.htm immediately.

Future CD-ROMs

With recent advances in technology and the costs involved in producing disks we hope to provide future editions of your employer CD-ROM as a downloadable application from our website. You will however be able to request a disk if you are unable to download it.

Please check our website for news of future developments about this.

How to keep your database secure

We have been asked how you can keep your employer database secure when your CD-ROM is installed on a computer which shares folders on a network.

When installing the CD-ROM on a computer with Windows Vista and Windows 7 you should:

- Choose the location you want to save your data to
- Select the 'Custom' option and on the screen 'User Installation Location' select 'Custom Location'.

Don't forget to give folder access to everyone who will be using the CD-ROM.

STOP PRESS...

From September 2010 we will no longer be sending you a paper copy of the Employer Bulletin.

The new online version of the of the Employer Bulletin, can now be printed off in magazine format if you do not want to read on screen.



We are also introducing a new facility where you can register to receive an email alert letting you know where and when the Employer Bulletin is available to download, or print off if you prefer.

If you would like to register for this facility please go to www.hmrc.gov.uk/payee/forms-publications/register.htm where you will be asked to provide:

- Employer name
- Employer PAYE reference number
- Email address
- Telephone number and a contact name.

Further information on the new email alert facility can be found on [page 9](#)

Email alerts - register for email alerts with web links instead of paper employer packs

In February's Employer Bulletin we previewed the facility to register online to receive email alerts with web links instead of paper employer packs. This facility is now available at www.hmrc.gov.uk/payee/forms-publications/register.htm

Like many others, HMRC is driving down hard on costs and in doing so wants to ensure its customers' needs are met and the quality of service is not reduced. We would like to encourage employers to self serve information from our website instead of routinely mailing out costly paper packs.

Most employers that operate a PAYE Scheme can register to receive email alerts instead of paper copies of the following Employer Packs

- **September Employer Bulletin** – This will only be available on our website. Register for an email alert to prompt you to access the latest online version
- **Employer Pack (February)** – containing a letter, Employer CD-ROM and E3 order form
- **Budget Pack (April)** – containing a letter and Employer CD-ROM.

By registering for the email alerts service you will receive an email prompting you to access particular employer information on our website instead of paper packs. The alerts will direct you to a 'landing page' on our website where you can access the information, and if need be print it.

We currently send out one paper pack for each Employer PAYE reference number held, and if you choose to register for the email alert service we will only send out one email alert. You therefore need to ensure the correct person for your business registers for this service. They can send the alert on to others in your organisation once they receive it.

For more information about email alerts including how to register, go to www.hmrc.gov.uk/payee/forms-publications/register.htm

BulletinBite

Relocation of Employee Shares & Securities Unit

From 6 April 2010 all correspondence relating to employee share schemes, Annual Share Scheme Returns, and NIC elections for approval should be sent to:

Charity Assets and Residence, Employee Shares & Securities Unit
Nottingham Team, 1st Floor, Ferrers House, Castle Meadow Road
Nottingham, NG2 1BB

Telephone: 0115 974 1250 email: Shareschemes@hmrc.gsi.gov.uk

Employer Orderline -

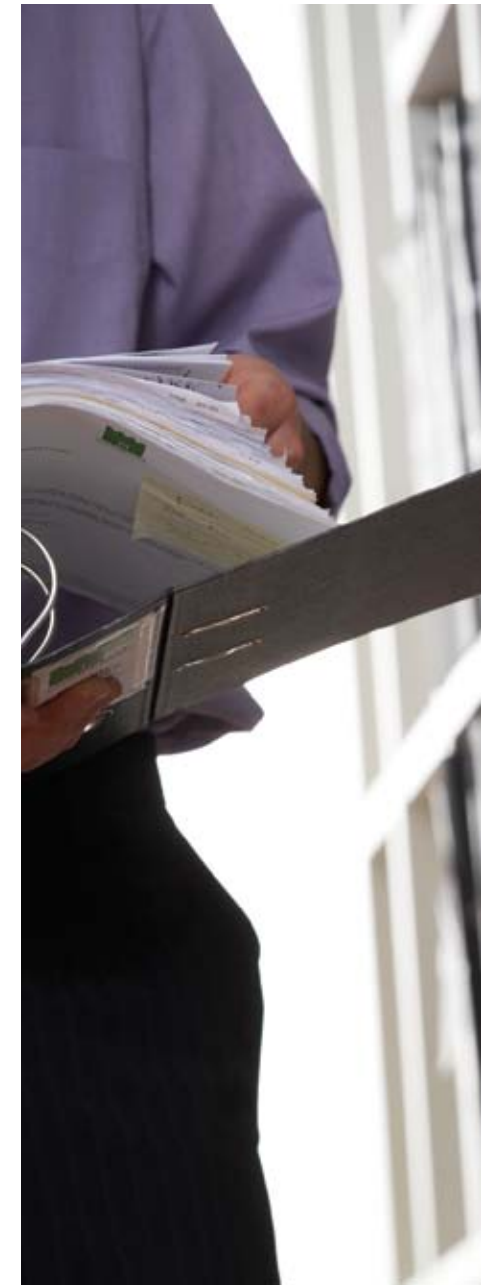
Help us to save paper and costs

We told you in February's Bulletin that HMRC wants to reduce waste. We encouraged you to think about your online filing obligations when ordering forms and, in particular we suggested that those of you with online filing obligations need not order paper P14s. So, thank you – because so far we've seen a massive reduction in demand for paper P14s and we're very grateful for your positive response.

We are by no means at the end of this ordering cycle, so please carry on considering those things we asked in February. When placing an order for any forms, please consider the following:

- Do your HMRC stationery ordering processes ensure that you are ordering only what you need? Do they take into account your existing or new online filing obligations?
- For employers with branches and/or franchises, is your order being placed once, or are multiple branches and your head office ordering the same forms?
- Did you know that you can keep an electronic copy of the P14, it doesn't have to be a paper one? If you need a copy for your own purposes you can download and/or print one from the Employer CD-ROM or HMRC website.
- From April 2011 most employers will have to start sending starter and leaver information online, this should also reduce the number of forms P45 and P46 you need to order.

We've seen a massive reduction in demand for paper P14s



State Pension age (SPa) for women is changing

The age at which women reach SPa is rising gradually to 65. The changes will be phased in on a sliding scale (see opposite) 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) |
|----------------------|------------------------|---------------------------|
| 06/04/50 – 05/05/50 | 06/05/2010 | 60.1 |
| 06/05/50 – 05/06/50 | 06/07/2010 | 60.2 |
| 06/06/50 – 05/07/50 | 06/09/2010 | 60.3 |
| 06/07/50 – 05/08/50 | 06/11/2010 | 60.4 |
| 06/08/50 – 05/09/50 | 06/01/2011 | 60.5 |
| 06/09/50 – 05/10/50 | 06/03/2011 | 60.6 |

Further information:

To calculate SPa go to www.direct.gov.uk/en/Pensionsandretirementplanning/StatePension/DG_4017919

To view the full sliding scale see booklet PM6 at www.dwp.gov.uk/publications/catalogue-of-information/a-to-z-of-all-dwp-information/#p

Paying HMRC

2010-11 Payslip Booklets and Electronic Payments

You should receive your 2010-11 Employer Payslip Booklet (P30BC) in time to make your first payment for 2010-11.

If however you do not receive your booklet by 7 May 2010, please pay using the alternative electronic methods of payment mentioned in this article. Paying electronically will allow you 3 extra days to make payment, as these are due by the later date of 22nd of each month (or quarter if you pay quarterly) compared to 19th for non-electronic payments.

If you are not able to use the electronic payment options please let us know by telephoning **08453 667 816**. We will do all we can to send you a payslip for your first payment but please remember it is your responsibility for making sure your payment reaches us on time (see our article on 'late payment penalties' [page 16](#)). We will also arrange to send you a duplicate booklet for the remainder of the year.

If we don't normally send you a payslip booklet, you should receive your P30B (letter) in time to make your first 2010-11 payment. If exceptionally this is not the case, you can still pay electronically using the following instructions.

Electronic payment

Electronic payment is safe, secure and the most convenient way to ensure your payment is received on time. It also avoids any postal costs or delays. Paying online is quick and easy and you can choose from a variety of electronic payment methods not requiring a payslip such as:

Going online to pay by

- Direct Debit
- Debit or Credit card using the BillPay service (there is a 1.25% charge for using your credit card).

Using your bank/building society service to pay by

- Internet or Telephone banking
- BACS Direct Credit
- CHAPS.

Paying electronically using a payslip

- by bank giro at your own bank/building society branch
- at any participating Post Office.

For further information go to www.hmrc.gov.uk/payinghmrc

[article continues >](#)



No payment due for a month or quarter?

You don't need to use a payslip to tell us you have nothing to pay for a month or quarter. Instead you can do this easily and quickly by completing the online nil-payments form at www.hmrc.gov.uk/payinghmrc

If you no longer require a Payslip Booklet

If you no longer need a Payslip Booklet and would like us to stop sending them in future, please let us know. This will help save paper and is environmentally friendly. You can do this online by completing the online form at www.hmrc.gov.uk/payinghmrc

We will then send you a P30B (letter) each year telling you how to pay.

Paying by Online Direct Debit

Are you

- registered for the online **PAYE for employers** service, and
- able to authorise Direct Debits from the bank/building society account on your own?

If so you can pay your monthly or quarterly PAYE/NICs payments by Direct Debit.

Unlike any other payment method, you are protected by The Direct Debit Guarantee. If you normally pay by post you avoid having to write cheques and pay postage.

If all that is preventing you is that you are not registered for the **PAYE for employers** service then register now. You do that from our website by selecting **PAYE for employers** service and following the screen guidance on the **Welcome to Online Services** page.

You are given immediate access to the Direct Debit Payment facility. When you receive your activation PIN you must activate within 28 days to ensure you continue to have access.

Setting up the first Direct Debit payment

The first time you pay by Direct Debit you will be asked to complete a Direct Debit Instruction (DDI). To set up a Direct Debit payment

- log-in on the Welcome to Online Services page
- select Direct Debit payment from the Main menu
- follow the on-screen link and complete an online DDI
- click Next and choose the tax or duty you wish to pay
- enter details of the Direct Debit payment you would like us to collect.

There is help available with on-screen examples and prompts.

You'll be asked to check the payment details and to re-enter your User ID and password. An Advance Notice is displayed confirming how much HMRC will collect and the date. You can save or print this.

Setting up payments - how much time to allow

When setting up your first Direct Debit payment you need to complete the online DDI at least five bank working days before the date you wish to make your payment. If you re-use the DDI you only need to allow three bank working days for your next payment.

Setting up your next monthly or quarterly payment

Follow the same path as when you created your first Direct Debit payment. Then

- click on the Direct Debit reference (the 9-digit reference in the left-hand column) of the bank account you wish us to collect payment from and
- use the 'Add payment plan' link to add a Pay As You Earn payment.

Don't forget! - HMRC Bank account details have changed

During 2009 HMRC migrated all banking services from the Bank of England to Citi and the Royal Bank of Scotland Group (RBSG). Our new account details have been provided, but there are still some payments being sent to our old account.

HMRC old bank sort codes and account numbers will close during 2010.

Customers who continue to use the old Bank of England account details after the closure may have their payments returned.

Paying by Bank Giro only

A bank giro payment to HMRC must be made using one of our new payslips showing 'NATWEST BANK PLC, COLLECTION A/C' on the front. If you only have payslips that show the Bank of England on the front please ring **0845 366 7816** and we will send you new payslips.

The NatWest account is for Bank Giro payments only. Please do not use this account for electronic payments.

Paying electronically by BACS Direct, Internet/Telephone banking or CHAPS

If you pay electronically by BACS Direct Credit, Internet/Telephone banking or CHAPS it is essential that you use the Citi bank account details (shown below) to make your payment.

| Accounts Office | Sort code | Account Number | Account Name |
|-----------------|-----------|----------------|------------------|
| Cumbernauld | 08 32 10 | 12001039 | HMRC Cumbernauld |
| Shipley | 08 32 10 | 12001020 | HMRC Shipley |

You should not use the account number shown on the front of your HMRC payslip (for NatWest bank) as this sort code is only for payments made by bank giro or at a Post Office.

Please take care when entering our new electronic payment 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.

For further information on our new bank account details go to www.hmrc.gov.uk/payinghmrc

Naming deliberate tax evaders

From 1 April 2010 we may publish the name and other details of anyone deliberately evading tax.

If we charge you a penalty for deliberately evading more than £25,000 of tax we may also publish information about you but, we will not publish your details if we can reduce the penalty by the maximum amount. This means that you must cooperate fully with us by:

- telling us everything you can about the evasion
- helping us to work out the size of the tax evaded
- giving us access to records.

For more information go to www.hmrc.gov.uk/about/tax-defaulters-q-a.htm

New time limits for assessments and claims

From 1 April 2010 the normal time limits for assessments and claims for our main taxes will be four years. In most cases businesses will not be able to claim tax back beyond four years and in many circumstances, HMRC will also not be able to assess for underpaid tax beyond four years.

This affects Capital Gains Tax, Corporation Tax, Income Tax, PAYE and VAT (Previously the time limits for VAT had been three years and for the other taxes six).

For more information go to www.hmrc.gov.uk/about/new-compliance-checks.htm



Take care to avoid a penalty

Please take 'reasonable care' to get your employer returns correct because otherwise you may be charged an inaccuracy penalty. But where it can be shown you took reasonable care we will not charge a penalty even if you make a mistake.

This penalty was introduced in April 2009 for inaccuracies in tax returns and other documents across Capital Gains Tax, Corporation Tax, Income Tax, National Insurance (excluding Class 1A), PAYE and VAT.

From 1 April 2010 the inaccuracy penalty is extended to National Insurance Class 1A contributions – to view the full list of taxes it applies to go to www.hmrc.gov.uk/about/new-penalties/faqs.htm#10

For more information go to www.hmrc.gov.uk/about/new-penalties

Avoid late payment penalties - Pay on time and in full

Any employer or contractor who does not pay PAYE on time and in full may have to pay a penalty. Penalties apply to any late payments due for tax periods starting on or after 6 April 2010.

We will charge the first penalties for late payment in this tax year from April 2011 and will not routinely send out warning letters. This means that you might have to pay a penalty even if you do not hear from us straight away.

Why do we charge penalties?

The new penalties are intended to prevent employers who do not pay on time from gaining a financial benefit – making the system fairer for everyone.

Previously, only the largest employers were penalised for late payment, but, the National Audit Office and Public Accounts Committee have both commented on the lack of effective sanctions to enable us to tackle employers and contractors who pay late.

The simple message is – if you pay on time and in full you do not have to worry about the penalties.

When to pay us

PAYE paid electronically must reach our bank account by the 22nd of the relevant month (unless the 22nd is a non working day). We must receive payments made in any other way by the 19th of the relevant month.

For more detailed information about when to pay please see www.hmrc.gov.uk/payinghmrc/paye.htm#1

We recommend you pay electronically. The table on [page 17](#) shows the last date to initiate the different types of electronic payment. But it is only a guide, so please check with your bank or building society as they may take longer to process your payment.

As a reminder to pay, why not insert the dates in your calendar or visit the Business Link website at www.businesslink.gov.uk/bdotg/action/keydates to set up email alerts to tell you when payments are due.

You might want to consider changing your payment method – perhaps to direct debit – which will allow you to set up future payments as soon as you know how much is due. For further information on electronic payment methods go to www.hmrc.gov.uk/payinghmrc/paye.htm

If you prefer to send a cheque by post we recommend you post it at least three working days before the payment is due. We are not responsible for any delays caused by the postal system and a penalty may be due if your payment does not reach us in time.

Can't pay?

If you are worried that you won't be able to pay please ring HMRC's Business Payment Support Service on **0845 302 1435** as soon as possible. If you contact us before the payment is due and we agree time to pay, we won't charge penalties on payments covered by the agreement – providing you stick to the agreed terms.

[article continues >](#)

Calculating the penalties

For monthly and quarterly payments the amount of the penalty varies from 1-4 % of the late amount; depending on how many payments are late. There is no penalty if you pay late once in a tax year (unless the payment is over 6 months late). There are also penalties of 5% if other payments (such as Class 1A NICs) are late.

For any payments that are very late there are additional penalties. These are 5% for payments 6 months late and a further 5% for payments 12 months late. For more information about the penalties and your responsibilities go to www.hmrc.gov.uk/paye/problems-inspections/late-payments.htm

We will not routinely send reminders but on the first occasion that it appears a payment is late many employers will get a letter saying that if they pay late again they may get a penalty. This letter is not a penalty notice and you do not need to contact us.

As we are not issuing penalties automatically, we will normally be able to contact employers before we charge them. If we do charge a penalty, we will send you a letter explaining our decision and telling you what to do if you disagree. If you think that you should not have to pay the penalty you have the right to an HMRC review and the right to appeal to the independent Tribunal.

| 22nd falls on a | We must have cleared funds by | Last day for setting up a Direct Debit payment | | Last day for initiating payment by | |
|-----------------|-------------------------------|--|--------------------------|------------------------------------|---|
| | | If you need to set up a DDI | If using an existing DDI | CHAPS | BACS Direct Credit, Internet/Telephone banking, BillPay, Bank Giro and at a Post Office |
| Monday | Monday 22 | Monday 15 | Wednesday 17 | Monday 22 | Thursday 18 |
| Tuesday | Tuesday 22 | Tuesday 15 | Thursday 17 | Tuesday 22 | Friday 18 |
| Wednesday | Wednesday 22 | Wednesday 15 | Friday 17 | Wednesday 22 | Monday 20 |
| Thursday | Thursday 22 | Thursday 15 | Monday 19 | Thursday 22 | Tuesday 20 |
| Friday | Friday 22 | Sunday 17 | Tuesday 19 | Friday 22 | Wednesday 20 |
| Saturday | Friday 21 | Sunday 16 | Tuesday 18 | Friday 21 | Wednesday 19 |
| Sunday | Friday 20 | Sunday 15 | Tuesday 17 | Friday 20 | Wednesday 18 |

Filing online

50 or more employees – still sending starter and leaver P45s and P46s on paper?

Don't forget that you should have been sending your starter and leaver forms online from 6 April 2009. To help employers get it right and give them time to get their internal payroll processes in order, we started issuing warning letters in December 2009 to employers with 50 or more employees who continued to send us forms on paper during the period 6 April 2009 – 5 January 2010. However if you have filed or continue to file any paper forms from 6 January 2010 you may receive a penalty. The maximum charge is £3000 depending on the number of paper forms sent.

If you aren't sending your forms online then please make sure you start doing so now to avoid penalties in future. You should also make sure that everyone in your organisation dealing with payroll, including local staff who have responsibilities for recruitment and leavers are aware of the requirement to file online, and what you expect of them.

Do you have 1-9 employees – still calculating your payroll manually?

Using the P11 Calculator on your Employer CD-ROM is much quicker and easier than calculating payroll manually. All you need to do is follow some simple steps to set up a database and enter the gross pay figure for each employee each pay period; the calculations are done automatically. And from 6 April 2010, if you register for HMRC's Online Services you can send starter and leaver forms P45, P46 and P46(Expat) online from the CD-ROM as well as your Employer Annual Return (P35 and P14s).



To find out more about the benefits and features of the CD-ROM have a look at the 'Learning Zone' section or, why not book a place on our free workshop 'Paying someone for the first time made easy, using the Employer CD-ROM' by calling 0845 603 2691.

New legislation for employers with fewer than 50 employees

New legislation introduced on 6 April 2010 means that employers with fewer than 50 employees will be required to file their starter and leaver forms online from 6 April 2011.

You don't need to wait until 6 April 2011 to start filing your P45s and P46s online. Get ahead of the game and file those starter and leaver forms online as soon as you have any.

[article continues >](#)

Employer Bulletin › [Filing online](#)

Changes to the way we process forms P14

Following the launch of the National Insurance and PAYE Service (NPS) we have changed the way we process forms P14. When we match the pay and tax details to the correct employment and there are multiple employments for an individual, NPS will use the works/payroll number you show on the form P14 as well as any starting or leaving dates. If we can't match the P14 to an existing record then we will create a further record from the details you show on the P14.

To help us, we would be grateful if before you send your 2009-10 Employer Annual Return (P35 and P14s) you;

- use the same works/payroll number on both the day-to-day payroll and forms P14
- only show a date of starting and/or leaving if the employee has started or left your employment during the period 06 April 2009 to 05 April 2010
- only send one 2009-10 form P14 for any single period of employment. This includes periods of employment that have been aggregated.

A final reminder to send your Employer Annual Return (P35 and P14s) online and on time

Remember your 2009-10 Return must reach us by 19 May. And almost all employers must now send us their Return online. So don't forget as you could face a penalty.

Penalties are calculated based on the number of P14s you send and range from £100 to a maximum of £3000.

If you haven't registered to file online yet go to www.hmrc.gov.uk/payefile-or-pay/fileonline/register.htm

No Employer Annual Return (P35 and P14s) for 2009-10

Employers who did not have to complete a P11 deductions working sheet during the 2009-10 tax year must advise HMRC so that we can update our records and prevent unnecessary reminders and penalty notices being issued.

To help you, we have introduced two new structured email forms. One for employers and one for agents to make a declaration on behalf of their clients (up to a maximum of eight employers). On receipt of a completed form we will send you an acknowledgement followed by a further email when we have processed the form.

For further information and to see the new forms go to www.hmrc.gov.uk/payee/payroll/year-end/no-annual-return.htm#4

Receiving your PAYE notices and reminders online

Registered users of our 'PAYE Online for Employers' service have online access to their PAYE notices and reminders, including employees' tax code and student loan notices. If you are a registered user please check regularly to ensure you act on any new notices we hold for you.

If you want to receive an email alert when new notices are available please provide us with an email address. To do this, select 'provide us with an email address' under 'Notice options' from your PAYE Online service page.

- To access your tax codes and notices online you can:
- Use a commercial software product
- Use the Data Provisioning Service (DPS) Portal viewer (by logging on to the 'PAYE for employers' on the HMRC website)

Use the PAYE Desktop Viewer (PDV). To install this go to www.hmrc.gov.uk/payee/tools/PDV

BulletinBite

New service for agents

We have launched an online resource specifically for tax professionals. It's available at www.businesslink.gov.uk/taxforagents and you will find many of the essentials you need to keep up to date with the latest tax news, as well as details of events, practical support and in-depth guidance. Please tell us what you think by completing the 'Let us know' survey.

Need help and support for your business? Call the BEST

As part of our ongoing commitment to help and support our customers, we are merging a number of HMRC teams. HMRC's Advice Team will be merged with other units to create a single Business Education & Support Team (BEST). BEST will provide a range of free educational and support products across all business segments.

We have also redesigned and improved our workshops by:

- Reducing them to 2½ hours
- Removing as much official 'jargon' as possible
- Using more interactive content such as video clips and short exercises
- Providing handouts and details of where to go for further help.

HMRC Workshops are free and delivered at locations throughout the UK by our team of expertly trained advisors. A full list and description of the workshops can be found at www.hmrc.gov.uk/bst or contact the workshop booking team on 0845 603 2691 to find out more about course content and availability.



2010-11 Student Loan Start Notices SL1

Are you using the HMRC Data Provisioning Service (DPS) Portal Viewer to receive Student Loan Start Notices SL1? You can view notices in the Tax Year drop down selection for the year they were issued.

From 6 April 2010 the Viewer will default to the 2010-11 tax year.

To view any 2010-11 notices which were issued before 6 April 2010 you will need to select 2009-10 in the drop-down option then search for the data by entering the date they were received i.e. 'Date From 01/03/2010' – 'Date To 05/04/2010' and the Student Loan notices will be shown.

BulletinBite

Agent Update

Are you an Agent? Did you know we also provide a bimonthly publication on our website which could be useful if you offer tax and accountancy advice and your customers need up to date information.

You can find the latest editions of Agent Update at www.hmrc.gov.uk/agents/news.htm

You can also sign up to receive reminders when future Agent Updates are published by visiting www.send-data.net/agentupdate_registration

National Minimum Wage (NMW)

The government has accepted a Low Pay Commission recommendation that the main rate of NMW will be payable to workers aged 21 and over from 1 October 2010. Revised rate bands will then be 16-17 years, 18-20 years and 21 years old and over. (Until October 2010, 21 year olds remain in the 18-21 year old rate band.)

National Minimum Wage rates will increase for pay reference periods starting on or after 1 October 2010 as below:

| NMW Rate | Current Hourly Rate from 1 Oct 2009 | New Hourly Rate from 1 Oct 2010 |
|---|-------------------------------------|---------------------------------|
| Main rate for workers 21 years old and above | £5.80* | £5.93 |
| Rate for workers aged 18 – 20 years inclusive | £4.83** | £4.92 |
| Rate for workers under 18 years and above compulsory school age | £3.57 | £3.64 |
| Accommodation offset rate (Weekly maximum) | £31.57 | £32.27 |
| Accommodation offset rate (Daily) | £4.51 | £4.61 |

* Currently for workers aged 22 and above.

** Currently for workers aged 18 - 21 years.



New apprentice rate

A new apprentice rate of £2.50 per hour will be introduced for pay reference periods starting on or after 1 October 2010. This will apply to apprentices who are workers, and

- aged under 19
- aged 19 and over, and in the first year of their apprenticeship.



Updates and changes to Statutory Payments

Statutory Payment Rates 2010-11

The Statutory Sick Pay (SSP) will remain at £79.15 per week for payment weeks on or after 6 April 2010. The Percentage Threshold Scheme (PTS) rate also remains at 13% and the compensation rate for small employers remains at 4.5%.

Statutory Maternity Pay (SMP), Statutory Adoption Pay (SAP) and Statutory Paternity Pay (SPP) has risen to £124.88 a week.

Remember when calculating or paying SMP, SAP or SPP which spans the uprating date, the new rate only applies to the first complete pay week (a period of 7 days) commencing on or after the 4 April 2010. This applies even if you have split the payment to match your employees pay period.

For full details go to www.hmrc.gov.uk/news/statutory-payment-rates.htm

Revised Medical Statement/Certificate

From the 6 April the revised medical statement will be completed on line by the doctor, printed off, signed and given to the patient as normal. The revised statement contains the new category 'You may be fit for some work taking account of the following advice'. Employees still need to meet the qualifying conditions.

For further information go to www.dwp.gov.uk/fitnote



Additional Statutory Paternity Pay (ASPP)

At the time of going to press it is expected that legislation will have been passed which will introduce Additional Paternity Leave and Pay from April 2010, affecting parents of babies due on or after 3 April 2011 or matched for adoption on or after 3 April 2011.

In most cases, leave cannot be started and ASPP will not become payable until 2011-12. However there may be some claims before the start of 2011-12 – at the earliest from November 2010. This would apply in the highly exceptional circumstances where a baby, due in April 2011, is born prematurely, the mother dies in childbirth, and the partner claims ASPP early. The number of such cases is likely to be extremely small.

Commercially produced payroll software is not expected to be in place to help employers with the small number of early cases. However HMRC will provide guidance and an electronic calculator, as well as a helpline calculation and advice service (as it does for other Statutory Payments).

[article continues >](#)

The Employer Annual Return (P35 and P14s) for 2010-11 will not be updated to allow for reporting cases of ASPP. Instead you will need to report these in the existing SPP boxes.

Detailed guidance will be available in the 2011-12 edition of the Employer Helpbook E19 and we will publish further updates on our website. From October 2010 guidance on Additional Paternity Leave and Pay will be available at

- www.businesslink.gov.uk
- www.direct.gov.uk

With the introduction of ASPP, Statutory Paternity Pay will be renamed Ordinary Statutory Paternity Pay (OSPP). We will start reflecting that change in all new or amended guidance and end of year forms from April 2011.

Recovering SMP, SAP & SPP

There are different rates employers can recover SMP, SAP & SPP dependant on the total gross Class 1 National Insurance contributions (NICs) paid in the last complete tax year before the employee's Qualifying week or Matching week.

Where your annual liability for Class 1 NICs is £45,000 or less, you are classed as a small employer for Statutory Payment purposes and can recover 100% of the SMP, SAP or SPP, plus an additional amount as compensation. For 2010-11 this is 4.5%.

If your annual liability for Class 1 NICs is more than £45,000, you are classed as a large employer for Statutory Payment purposes and can only recover 92% of the SMP, SAP or SPP you have paid to your employees.

Occupational sick, maternity, adoption or paternity pay

If you pay any of these under an occupational scheme at or above the equivalent statutory rate and are entitled to make a recovery, you can only recover up to the level of the statutory amount.



For example:

If you pay full pay during the first 6 weeks of a woman's maternity pay period, you can only make a recovery of either 92% or 100% plus 4.5% compensation, on an amount equivalent to 90% of her average weekly earnings. Similarly, during any of the remaining 33 weeks, if you pay occupational maternity pay or salary above either the lower of 90% of your employee's average weekly earnings, or the standard rate of £124.88 (2010-11) a week depending on their entitlement; you can only base your recovery on the Statutory amount.

Centralising PAYE Employer Work in Newcastle

Customer Operations are responsible for the paper processing element of employer returns, employer correspondence and telephone calls in 30 offices nationwide.

Centralising the work at our Benton Park View site in Newcastle will create significant savings without compromising the high level of customer service we currently provide. Benton Park View is our largest Customer Operations site and already processes Employer's National Insurance and online filing exceptions work.

When will this happen?

Employer work from our smaller locations was moved to Newcastle during March 2010. Work from the largest sites will move in a rolling programme from June 2010 to March 2011.

Where should I send correspondence to?

Employers and agents should continue to use all current contact addresses and we will arrange for redirection through our own channels.

Will contact telephone numbers change?

All telephone contact will migrate to the Employer Helpline and appropriate messages will be placed on old contact numbers re-directing customers accordingly.

Look out for further updates in future editions of Employer Bulletin.

Revised tax rules come into force

The Tax Law Rewrite project's second Corporation Tax Act (CTA 2010) and the Taxation (International and Other Provisions) Act (TIPOA) have now come into force.

They apply for corporation tax purposes for accounting periods ending on or after 1 April 2010 and for income tax and capital gains tax purposes for tax year 2010 – 11 and subsequent years.

CTA 2010 completes the work of rewriting the main corporation tax provisions and TIOPA consists of provisions with an international aspect. These are the last Acts which will be produced by the Tax Law Rewrite project.



For further information
email: benjamin.aldred@hmrc.gsi.gov.uk

New EU REACH Regulation obligations coming into effect in November - Why the whole of manufacturing industry, and the chemical sector in particular, should be interested.

The Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH) Regulation will begin to bite further in November this year. REACH applies primarily to the chemicals industry, but also to virtually every other manufacturing sector, as downstream users are also within its scope. That means manufacturing companies must ensure their uses of chemicals (in whatever form) are covered in the relevant SIEFs (Substance Information Exchange Fora) as preparation for registration of those chemicals.

The first REACH phase-in registration deadline is 30 November 2010. There is much for companies to be doing to prepare for that. This deadline covers substances that are being manufactured in, or imported into, the EU in quantities of 1,000 tonnes per year or more. It also covers hazardous substances classified as category 1 or 2 carcinogen, mutagen or toxic to reproduction in quantities of one tonne or more per year, and those classified as very toxic to the environment in quantities of 100 tonnes or more per year.

To help with the preparations for registration, all companies that submitted a pre-registration by 1 December 2008 should be participating in SIEFs for each pre-registered substance. SIEFs enable sharing of data about the properties of the substance and identifying data gaps in preparation for registration. The costs of data sharing and filling any data gaps are shared between the SIEF members, and reductions in registration fees are applicable, reducing the overall cost to individual members. It is becoming apparent that many SIEFs who will be registering this year are running behind in their preparations, and some haven't even started yet.

Downstream users of substances

If you are reliant on specific substances in your processes or products, you should ensure that your specific use of that substance is included in the registration. If you are unsure, you should contact your supplier urgently for further advice in the first instance.

Who has the responsibility for SIEFs?

It is important to note that responsibility for operating SIEFs rests entirely with industry, and the REACH regulatory authorities (including the European Chemicals Agency, ECHA) have no formal roles in the process. However, there is plenty of advice available offering suggestions about how SIEFs might be operated, available from:

- The UK REACH Competent Authority at www.hse.gov.uk/reach/resources/17sief.pdf
- Department for Environment, Food, and Rural Affairs at www.defra.gov.uk/environment/quality/chemicals/reach/documents/sief-comms-article-sept09.pdf
- The European Chemicals Agency at http://echa.europa.eu/sief_en.asp

Lead Registrant

There is a legal requirement for the members of a SIEF to agree a Lead Registrant, who then has the responsibility for overseeing how the SIEF operates and preparing for registration. That must be agreed between all the SIEF members.

[article continues >](#)

You can check to see whether your substance SIEF Lead Registrant has notified ECHA of his role at http://echa.europa.eu/doc/LRnom_monit.pdf, or through the REACH-IT portal. If your SIEF does not yet have a Lead Registrant, consider whether you could take on that role to help speed up the work of your SIEF – there is plenty of help and advice available about the Lead Registrant role, e.g. from ECHA at http://echa.europa.eu/sief/lead_registrants_en.asp, or commercial sources that can be located on the internet. This is now urgent because, although the deadline is 30 November, companies need to consider the time required to gather the data in preparation for registration. It is likely that the summer months will be an extremely busy time for ECHA when companies across Europe are expected to begin submitting registration dossiers.

My SIEFs all have lead registrants, what more is there to do?

It is important to remember that the Lead Registrant does not register on behalf of the other SIEF members. Every company participating in a SIEF has to make an individual registration, but instead of providing a duplicate set of data may refer to the jointly-prepared single data package that the Lead Registrant will have submitted on behalf of the SIEF membership. Part of the individual registrations by companies involve them ensuring their substance(s) is the same as all the other members' substances in their SIEF, and where their production/import volumes are 10 tonnes or more per year, a Chemical Safety Report must also be completed, including exposure scenarios as appropriate. More information on the registration process is available from the UK REACH Competent Authority at www.hse.gov.uk/reach/resources/16registration.pdf

What happens if the SIEF is not progressing well?

Ultimately, where a SIEF does not operate successfully, each member will have to make a full individual registration, providing all the necessary data themselves, leading to significant extra cost and duplication of effort and information.

Animal Testing

The REACH regime is designed to avoid animal testing unless absolutely necessary (i.e. there is no other way to determine the health effects or environmental impact of a chemical substance). REACH therefore makes it mandatory to share information from animal tests within SIEFs. Where further testing may be needed to fill information gaps in the joint dossier, non-animal alternative tests must always be used wherever possible. Further information is available on the Defra website at www.defra.gov.uk/environment/quality/chemicals/reach/documents/reach-animal-testing-article.pdf and on the UK REACH Competent Authority website at www.hse.gov.uk/reach/resources/18animaltesting.pdf

Further information

For general advice on the application of REACH obligations, you can contact the UK REACH Competent Authority's Helpdesk at ukreachca@hse.gsi.gov.uk, or visit the website at www.hse.gov.uk/reach for more information.

Employer diary

Apr - May 2010

Jun - Jul 2010

Aug - Sept 2010

April 2010

- Mid to End If you recently registered to use PAYE Online for Employers, look out for your user ID and Activation PIN - 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 2009-10 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 2009-10 to reach our bank account. We will charge interest on any payments received after this date.

May 2010

- Early Expect your post-Budget Employer Pack.
- 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 2009-10 Employer Annual Return online.
Note: If we told you to send your 2009-10 Returns online register now - if you don't send them online you will face a penalty.
- 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.
- 21 Electronic payments for month ended 5 May should have cleared into our bank account.
- 31 Last date for giving a 2009-10 form P60 to each employee working for you on 5 April 2010.

Employer diary

Apr - May 2010

Jun - Jul 2010

Aug - Sept 2010

June 2010

- Early If you have approved Share Schemes and employment-related securities, we recommend you finalise completion of your 2009-10 Annual Return Form 34, Form 35, Form 39, Form 40 and Form 42 to ensure we receive them before 6 July 2010.
- 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.

July 2010

- 5 Last date for agreeing your PAYE Settlement Agreement for 2009-10 (if any).
- 6 Last date for Forms P11D(b), P9D and P11D to reach us.
Last date for you to give forms P9D and P11D to relevant employees.
Last date for Annual Returns Form 34, Form 35, Form 39, Form 40 and Form 42 to reach us.
- 19 Cheque payments for month/quarter ended 5 July to reach our Accounts Office.
Cheque payments of Class 1A NICs payments for 2009-10 to reach our Accounts Office. You may be charged interest and penalties on payments made after this date.
- 22 Electronic payments for month/quarter ended 5 July should have cleared into our bank account.
Electronic payments of Class 1A NICs for 2009-10 should have cleared into our bank account. You may be charged interest and penalties on payments made after this date.

Employer diary

[Apr - May 2010](#)[Jun - Jul 2010](#)[Aug - Sept 2010](#)

August 2010

- 2 Forms P46(Car) for quarter ended 5 July should reach us by this date.
- 19 Cheque payments for month ended 5 August to reach our Accounts Office.
- 20 Electronic Payments for month ended 5 August should have cleared in our bank account.

September 2010

- 19 Cheque payments for month ended 5 September should reach your Accounts Office by this date.
- 22 Electronic payments for month ended 5 September 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.hmrc.gov.uk/employers

General payroll matters - for example PAYE and NICs

Been an employer less than 3 years? **08456 070 143** Mon - Fri 8am - 8pm, Sat - Sun 8am - 5pm

Been an employer more than 3 years? **08457 143 143** Mon - Fri 8am - 8pm, Sat - Sun 8am - 5pm

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

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

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

Website www.hmrc.gov.uk/employers/emp-form.htm most of the forms you'll need can be downloaded from the Employer CD-ROM

Construction Industry Scheme (CIS)

CIS Helpline **08453 667 899** 7 days a week 8am - 8pm

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

Pay and Work Rights

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 Employer CD-ROM

Helpline **08456 055 999** 7 days a week 8am - 8pm

email helpdesk@ir-efile.gov.uk

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

Feedback - your views appreciated

If you want to send us any feedback about Employer Bulletin please log on to www.hmrc.gov.uk/employers/questionnaire.htm

If we are sending you too many packs or you have changed address, please contact the HMRC office that you normally deal with and let them know. Thank you.

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