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Payroll Year End Procedures 2012

All companies had to file end of year data online from April 2010.
Please also note that in addition to online filing of end of year returns it is also obligatory for all companies to file all in-year forms (p45 parts 1 & 2, P46 and pension notifications) online. Please contact us if you are interested in the Taskmaster software available for this.

There are two options for end-of-year online filing:
• Use the Taskmaster online filing procedure, which will take the data directly from the Taskmaster payrolls and submit it to the Inland Revenue in the correct format. There is no need for paper copies of P14s or P35s – however you will still need to produce Paper P60s for each employee. You will need to order these forms in plenty of time from the Inland Revenue. **Please note that this year, the P60 form is ONLY available in portrait format. We have amended the print option to print onto this format.**

You must also register online with the Inland Revenue to gain access to the online filing system regardless of which of these two options you decide to use. This is each individual Company's responsibility.
NB There is a fee for the additional Taskmaster software.

OR
• Use the free Inland Revenue online filing software. This means that you will have to key in the data for each individual employee from the Taskmaster payroll system into the Inland Revenue screens.

This document gives details for
- Performing the Year End
- Preparing the system for the new payroll year
- Online end of year filing using Taskmaster software

Performing the Year End

Run the last period of the year in the normal way, printing out all period reports before updating the YTD files. On update, the system will remind you that it is time to perform the Year End.

From the Payroll menu, select the *Payroll Year End Routine*.

The screen will warn you that all reports and forms must have been printed prior to continuing. Select Perform Year End. This will clear out all YTD files and details of employees who have left during the year and will leave only the current employees for processing in period one of the new tax year. This process also removes all week one/month one indicators for the start of the new year.

Prepare the payroll system for the new year

You may have more than one Payroll Account which you log on to – for example, a weekly and a monthly account. You must follow the procedures detailed below in each different account that you log on to so that each one is ready to process payroll in the new

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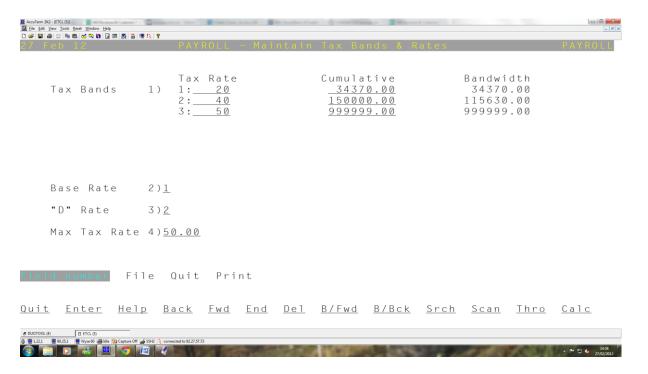year. The procedures to be completed in each payroll account after performing the year end are:

• Enter any New Tax Bands & Rates
• Update Employee Tax Codes
• Maintain Monthly PAYE/NIC Totals Screen
• Enter New NI Thresholds & Rates
• Update NI Tables

Enter the New Tax Bands & Rates

You will have received an email regarding the Employer's Pack which is now only available online. The Emergency tax code will change to 810L. If any further changes are announced in the budget, you will receive an email about an updated online Budget Pack from the Inland Revenue detailing these changes.

The figures detailed here are those to be implemented for the first payroll run after 6th April 2012. To implement the changes, select *Payroll Parameters* from the menu followed by *Maintain Tax Bands & Rates.*

Your screen should be completed so that the figures are the same as in the example below.

Updating Employee Tax Codes

There is a general uplift of codes to be carried out this year.
1. Select the *"Update Tax Codes"* option from the Payroll Parameter Menu.
2. Enter 63 against the letter L (eg old tax code 747L becomes 810L)
3. Enter 0 against all other codes
4. Select the appropriate Monthly, Weekly or Both update option followed by "Upgrade Codes"

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Remember that this routine, as with all others, must be run in each payroll account you log on to. You may also have received some P9(T) forms for the year to April 2013 for some of your employees. You must enter these codes manually into each individual Employee master file, overriding any changes to their code which may have been implemented by running the Update Tax Code option above.
The code on the P9(T) is the code that must be used.

Calculate Months/weeks PAYE/NIC Totals
NB – This routine should NOT be run until after the last week and/or last month of the payroll year has been updated and the year-end has been performed. It should also be noted that this routine should not be re-run during the year as it will clear out the totals accumulated.

This routine must be run before you update the first week and/or month so that the system can keep a cumulative total of Weekly/Monthly PAYE or NIC due in any month.
From the Payroll Parameter Menu select the Calculate Months/Weeks option. You will be prompted to enter the first Month ending, e.g. 30 04 12 followed by the first week ending date.
Enter the date you are making the first week's payment and then select Continue

Enter New NI thresholds
Changes to the NI tables & Thresholds must be done before running the first payroll of the new tax year.
From the TASKMASTER Payroll Module choose the *Payroll Parameters* Menu, followed by *Maintain NI Threshold Limits*. Amend the screen to look as shown below.
Please note that the Student Loan Threshold has also changed.

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27 Feb 12          PAYROLL — Maintain NI. Threshold Limits          PAYROLL


                    Weekly Payroll              Monthly Payroll
                 Lower        Upper           Lower         Upper

    Band Limits 1)  1:    0.00     107.00  2)  1:    0.00      464.00
                    2:  107.01     144.00      2:  464.01      624.00
                    3:  144.01     146.00      3:  624.01      634.00
                    4:  146.01     770.00      4:  634.01     3337.00
                    5:  770.01     817.00      5: 3337.01     3540.00


      SSP Recoverable %    3) 0.00
      SMP Recoverable %    4)_____
  STUDENT LOAN DEDUCTIONS
      Weekly Threshold     5) 303.75
      Monthly Threshold    6) 1316.25
      Percentage           7)  9.00


  Field number   File  Quit  Print screen


  Quit  Enter  Help  Back  Fwd  End  Del  B/Fwd  B/Bck  Srch  Scan  Thro  Calc
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Update NI Tables

This should be done before the first payroll is run in the new year.
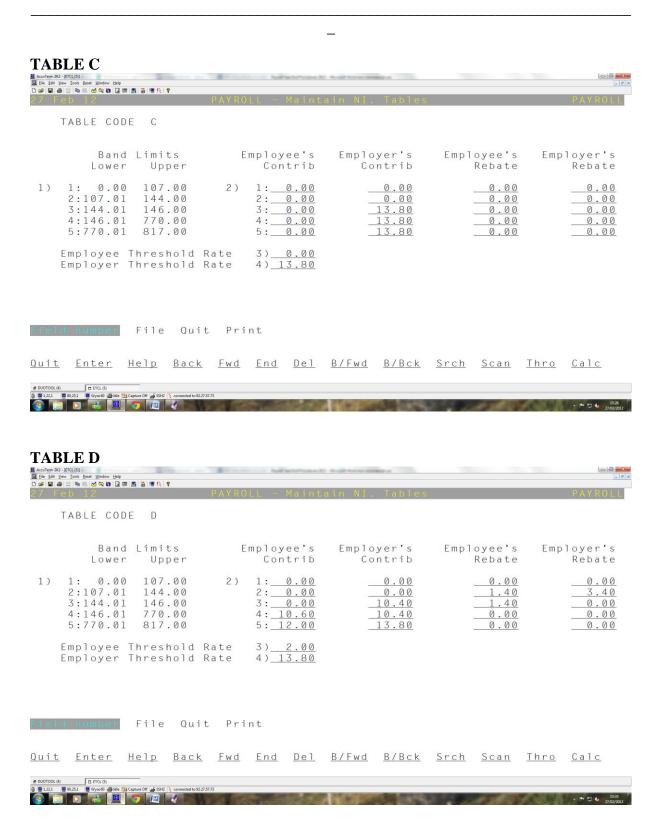From the TASKMASTER Payroll Module choose the **Payroll Parameters Menu** followed by **Maintain NI Tables.** Enter the letter of the tables, which have to be amended. The screens should be the same as the screens overleaf for tables A, B, C, D . If you have any other NI tables please check online with the Inland Revenue to ensure you enter the correct parameters.

TABLE A

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27 Feb 12                 PAYROLL — Maintain NI. Tables                 PAYROLL

      TABLE CODE   A


              Band Limits        Employee's     Employer's     Employee's     Employer's
           Lower    Upper          Contrib        Contrib        Rebate         Rebate

   1)  1:   0.00   107.00    2)  1:   0.00          0.00           0.00           0.00
       2:107.01   144.00        2:   0.00          0.00           0.00           0.00
       3:144.01   146.00        3:   0.00         13.80           0.00           0.00
       4:146.01   770.00        4:  12.00         13.80           0.00           0.00
       5:770.01   817.00        5:  12.00         13.80           0.00           0.00

       Employee Threshold Rate   3)   2.00
       Employer Threshold Rate   4)  13.80




   Field number    File   Quit   Print


   Quit   Enter   Help   Back   Fwd   End   Del   B/Fwd   B/Bck   Srch   Scan   Thro   Calc
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TABLE B

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27 Feb 12                 PAYROLL — Maintain NI. Tables                 PAYROLL

      TABLE CODE   B


              Band Limits        Employee's     Employer's     Employee's     Employer's
           Lower    Upper          Contrib        Contrib        Rebate         Rebate

   1)  1:   0.00   107.00    2)  1:   0.00          0.00           0.00           0.00
       2:107.01   144.00        2:   0.00          0.00           0.00           0.00
       3:144.01   146.00        3:   0.00         13.80           0.00           0.00
       4:146.01   770.00        4:   5.85         13.80           0.00           0.00
       5:770.01   817.00        5:   5.85         13.80           0.00           0.00

       Employee Threshold Rate   3)   2.00
       Employer Threshold Rate   4)  13.80




   Field number    File   Quit   Print


   Quit   Enter   Help   Back   Fwd   End   Del   B/Fwd   B/Bck   Srch   Scan   Thro   Calc
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TABLE C


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27 Feb 12                    PAYROLL  -  Maintain  NI.  Tables                    PAYROLL

     TABLE CODE   C


             Band Limits        Employee's    Employer's    Employee's    Employer's
          Lower      Upper        Contrib       Contrib        Rebate        Rebate

   1)  1:  0.00    107.00    2)  1:   0.00        0.00          0.00          0.00
       2:107.01    144.00        2:   0.00        0.00          0.00          0.00
       3:144.01    146.00        3:   0.00       13.80          0.00          0.00
       4:146.01    770.00        4:   0.00       13.80          0.00          0.00
       5:770.01    817.00        5:   0.00       13.80          0.00          0.00

       Employee Threshold Rate   3)   0.00
       Employer Threshold Rate   4)  13.80




Field number   File  Quit  Print


Quit  Enter  Help  Back  Fwd  End  Del  B/Fwd  B/Bck  Srch  Scan  Thro  Calc
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TABLE D


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27 Feb 12                    PAYROLL  -  Maintain  NI.  Tables                    PAYROLL

     TABLE CODE   D


             Band Limits        Employee's    Employer's    Employee's    Employer's
          Lower      Upper        Contrib       Contrib        Rebate        Rebate

   1)  1:  0.00    107.00    2)  1:   0.00        0.00          0.00          0.00
       2:107.01    144.00        2:   0.00        0.00          1.40          3.40
       3:144.01    146.00        3:   0.00       10.40          1.40          0.00
       4:146.01    770.00        4:  10.60       10.40          0.00          0.00
       5:770.01    817.00        5:  12.00       13.80          0.00          0.00

       Employee Threshold Rate   3)   2.00
       Employer Threshold Rate   4)  13.80




Field number   File  Quit  Print


Quit  Enter  Help  Back  Fwd  End  Del  B/Fwd  B/Bck  Srch  Scan  Thro  Calc
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**Please note that Task Computer Logic Ltd cannot be held responsible for the
accuracy of the payroll parameters detailed. It is your responsibility to ensure that
all parameters in the payroll are entered correctly. All details can be found online at
www.hmrc.gov.uk**

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Online Filing Procedures using Taskmaster

Online End of Year return data can only be captured from previous year data, so you must have first run the Payroll Year End before embarking on completion of online filing routines.

The following steps need to be taken for each separate PAYE Reference for which you run a weekly or monthly payroll.

1. Registering with the Inland Revenue for Online Filing
If you haven't already done so, the first step is to register with the Inland Revenue for online filing. To do this, go to their web site: www.hmrc.gov.uk and select Online Services and follow the options to register for PAYE Online for Employers. You will need to allow 7 to 10 days to receive an activation code for this.
Once you have received your Government Gateway User ID and password you need to put this data into the Taskmaster Payroll software on each payroll account that you run.. To do this, select the Payroll Parameters Menu, followed by Maintain Company Details. Select Screen Five and enter the details as follows:

Sender ID – Enter the ID as given to you by the Inland Revenue
Password – Enter the password as entered on the IR site
Tax Office Number - Enter Your Tax Office Number
Tax Office Reference Enter your Tax office reference
URI Enter 0180 This is the id of the Task payroll software
Live Flag Enter Y
Test Flag Enter N
Sender Enter the word Employer

2. Checking Master Data
In order to comply with Inland Revenue requirements, it is useful to ensure that each employee's details are as up to date as possible. In particular, the National Insurance Number and Date of Birth Fields are especially important. If these are not known, leave the fields blank.

3. Checking PAYE/NIC Totals
You must first reconcile the payments you have made in the year to the Inland Revenue prior to filing online to ensure that the data submitted is correct. From the Payroll Year End Menu, you can print out the Previous Year P35 listing on to blank paper to check that the NIC and PAYE totals agree with what you have actually paid in the year. Alternatively, you can look at the screen summary which is displayed from the Export P14s option on your menu.

Please go first to Screen 3 and check that the Year Ending field is set to 2012. If not, the figures displayed on screen 1 will be incorrect.

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4. Printing Employee P60s

Once you are happy with the figures, proceed with printing Employee P60s by selecting *Print Previous Year P60* option from the *Payroll Year End Menu*.

NB – Ensure that you have the correct version of the P60 Year End form. Please note that this year, the P60 form is ONLY available in Portrait format. We have amended the print option to print on to this form. If you are unsure, check with the Inland Revenue. Remember also that employees must have their P60s by 31st May.

5. Complete the file for exporting P14 & P35 Data to the Inland Revenue

Select the Export P14s option from the menu. There are three screens of information, which must be completed.

NB: Before checking the totals in screen one, please go to Screen Three and check that the Year Ending field is set to 2012. If not, the totals on screen one will be for the incorrect year.

Screen One

This screen holds the P35 summary information. The system will default the total NIC, total Tax, total Student Loans fields. You must enter data if applicable for all the other fields, entering zero where appropriate. Please make sure that you enter the Tax Free incentive amount if you were eligible and claimed this during the year.

Screen Two

Checklist – Answer the questions as displayed. Note that the Completed P14s or P38s should be YES as they will be exported along with this file. Answer the others as appropriate to your company. This follows a similar format as the paper P35. You may want to print a copy of Screens One and Two as a record of what you are submitting to the Revenue.

Screen Three

This screen will be completed by Task.

Once all data is input, select File Record.

6. Submitting the file to the Inland Revenue

Task will submit the file to the Inland Revenue. Please contact us once you have completed the steps above. Please note that you are obliged to submit the online file by May 19th. Please note that it is each company's responsibility to ensure that the steps above are completed in plenty of time to meet the deadline. It is also your responsibility to ensure that the data being submitted is correct.

Once Task have submitted the file to the Inland Revenue, you will get an email to your own designated email address acknowledging receipt of your end of year forms. It is important that you retain this receipt as proof in case there is any dispute with the Inland Revenue. **You must not send paper copies of p14s or p35s**.