

# Payroll Year End Procedures Mar/April 2014

From 6 April 2013 employers started reporting PAYE information to HMRC in real time. You must therefore report your payroll yearend information in the same way by submitting an FPS and/or EPS. For most employers, this means you will send your final FPS on or before your last payday in the tax year, which ends on 5 April.

**Don't try to send forms P35 or P14 for 2013-14 or later tax years - if you do they'll be rejected.**

At the end of the tax year, **before you update the period**, you simply submit your final FPS for the pay period as normal - on or before the date you pay your employees. The only difference is that you have to indicate on the form that it is your final submission for the year.

## 1) Identify your final submission

For most employers, the final submission will be the final FPS. This is the one telling HMRC about the very last employee payment for the tax year. The tax year ends on 5 April so, for most employers, their final submission will be made on or before that date on an FPS. So, for example, if you pay some employees weekly and others monthly, your final submission is the **last** one of these.

If you don't pay any employees in the final tax month of the tax year send HMRC your final submission on an EPS

## 2) Indicate your final submission

On your last FPS or EPS for the year you must also:

- indicate it is your 'Final submission for the tax year'

To do this, go to screen 2 of the FPS or EPS and enter Y for Final submission.

- answer the end-of-year questions and declaration

The end of year questions and declarations are also on screen 2 of the FPS or EPS

## 3) Send your final submission as normal

The same time limits apply to final submissions as they do for normal submissions. So, unless an exception or relaxation applies, you should send your final submission on or before the date of your last employee payment in the tax year (or by 19 April if you are sending an EPS).

**Please note that If you don't make your final submission for 2013-14 on time you may get a penalty.**

The only remaining task is to print/email P60s to all employees in your employment at the Year End. This task is completed once the Year End procedures have been followed. Please see details of how to output P60s at the end of this document.

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

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

**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 14 followed by the first week ending date. Enter the date you are making the first week's payment and then select *Continue*

**Enter the New Tax Bands & Rates**

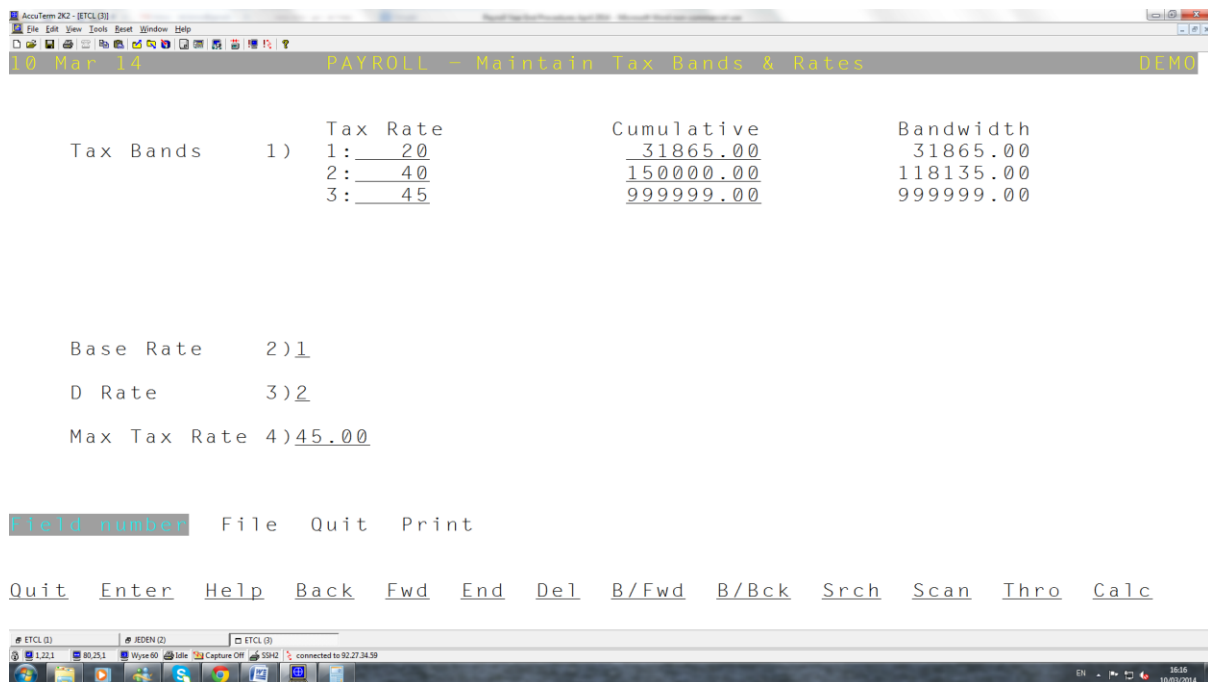
You will have received an email from HMRC with the latest P9X form . All HMRC guidelines are now generally only available online.

The Emergency tax code will change to 1000L. 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 2014. 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 overleaf.

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### 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 56 against the letter L (eg old tax code 944L becomes 1000L)
3. Enter 0 against all other codes
4. Select the appropriate Monthly, Weekly or Both update option followed by “**Upgrade Codes**”

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 2015 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.

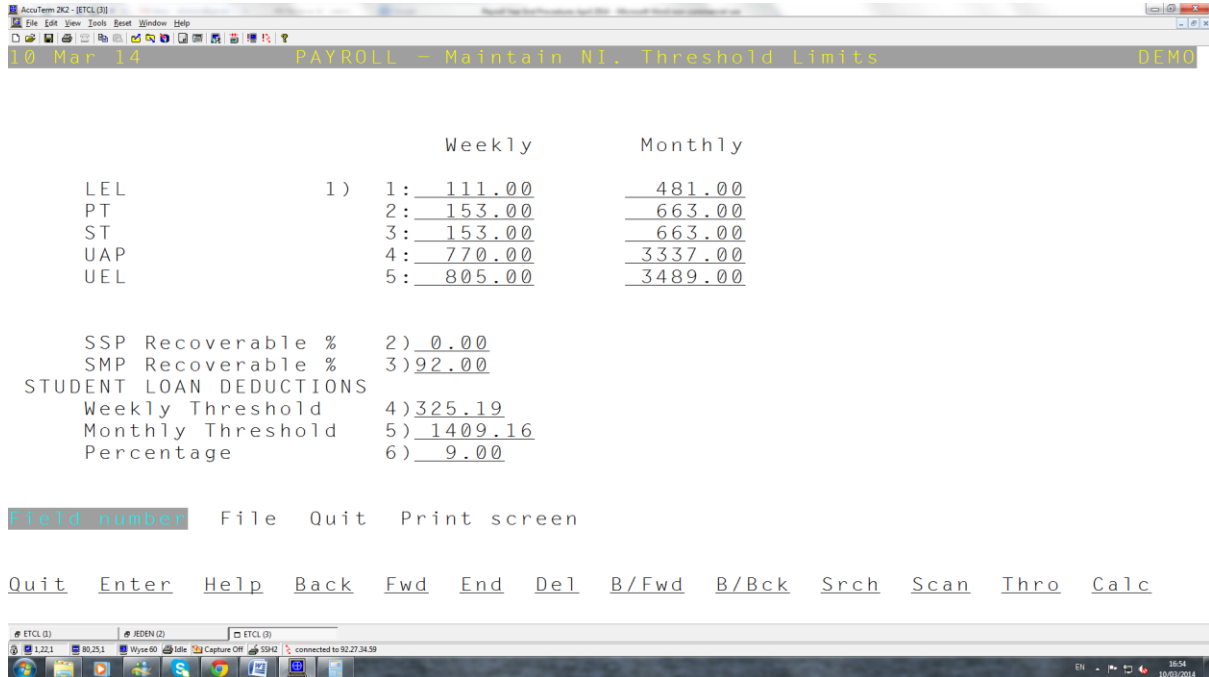
**The code on the P9(T) is the code that must be used.**

**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.



**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**



TABLE CODE A

| Band                    | Limits     | Employee's Contrib | Employer's Contrib | Employee's Rebate | Employer's Rebate |
|-------------------------|------------|--------------------|--------------------|-------------------|-------------------|
| LEL                     | 1: 481.00  | 1) 1: 0.00         | 0.00               | 0.00              | 0.00              |
| PT                      | 2: 663.00  | 2: 0.00            | 0.00               | 0.00              | 0.00              |
| ST                      | 3: 663.00  | 3: 0.00            | 13.80              | 0.00              | 0.00              |
| UAP                     | 4: 3337.00 | 4: 12.00           | 13.80              | 0.00              | 0.00              |
| UE                      | 5: 3489.00 | 5: 12.00           | 13.80              | 0.00              | 0.00              |
| Employee Threshold Rate |            | 2) 2.00            |                    |                   |                   |
| Employer Threshold Rate |            | 3) 13.80           |                    |                   |                   |

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**Table B**



TABLE CODE B

| Band                    | Limits     | Employee's Contrib | Employer's Contrib | Employee's Rebate | Employer's Rebate |
|-------------------------|------------|--------------------|--------------------|-------------------|-------------------|
| LEL                     | 1: 481.00  | 1) 1: 0.00         | 0.00               | 0.00              | 0.00              |
| PT                      | 2: 663.00  | 2: 0.00            | 0.00               | 0.00              | 0.00              |
| ST                      | 3: 663.00  | 3: 0.00            | 13.80              | 0.00              | 0.00              |
| UAP                     | 4: 3337.00 | 4: 5.85            | 13.80              | 0.00              | 0.00              |
| UE                      | 5: 3489.00 | 5: 5.85            | 13.80              | 0.00              | 0.00              |
| Employee Threshold Rate |            | 2) 2.00            |                    |                   |                   |
| Employer Threshold Rate |            | 3) 13.80           |                    |                   |                   |

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**Table C**

| TABLE CODE              | C  | Band Limits | Employee's Contrib | Employer's Contrib | Employee's Rebate | Employer's Rebate |
|-------------------------|----|-------------|--------------------|--------------------|-------------------|-------------------|
| LEL                     | 1) | 1: 481.00   | 1: 0.00            | 0.00               | 0.00              | 0.00              |
| PT                      | 2) | 2: 663.00   | 2: 0.00            | 0.00               | 0.00              | 0.00              |
| ST                      | 3) | 3: 663.00   | 3: 0.00            | 13.80              | 0.00              | 0.00              |
| UAP                     | 4) | 4: 3337.00  | 4: 0.00            | 13.80              | 0.00              | 0.00              |
| UE                      | 5) | 5: 3489.00  | 5: 0.00            | 13.80              | 0.00              | 0.00              |
| Employee Threshold Rate |    |             | 2)                 | 0.00               |                   |                   |
| Employer Threshold Rate |    |             | 3)                 | 13.80              |                   |                   |

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**Table D**

| TABLE CODE              | D  | Band Limits | Employee's Contrib | Employer's Contrib | Employee's Rebate | Employer's Rebate |
|-------------------------|----|-------------|--------------------|--------------------|-------------------|-------------------|
| LEL                     | 1) | 1: 481.00   | 1: 0.00            | 0.00               | 0.00              | 0.00              |
| PT                      | 2) | 2: 663.00   | 2: 0.00            | 0.00               | 1.40              | 3.40              |
| ST                      | 3) | 3: 663.00   | 3: 0.00            | 10.40              | 1.40              | 0.00              |
| UAP                     | 4) | 4: 3337.00  | 4: 10.60           | 10.40              | 0.00              | 0.00              |
| UE                      | 5) | 5: 3489.00  | 5: 12.00           | 13.80              | 0.00              | 0.00              |
| Employee Threshold Rate |    |             | 2)                 | 2.00               |                   |                   |
| Employer Threshold Rate |    |             | 3)                 | 13.80              |                   |                   |

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**Output Employee P60s**

To proceed with printing Employee P60s, select :

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. If you are unsure, check with HMRC. Remember also that employees must have their P60s by 31st May.

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 and that all RTI submissions are correct. All details can be found online at [www.hmrc.gov.uk](http://www.hmrc.gov.uk)