

Pay As You Earn

Reporting in real time: what's changing

Real Time Information

1. What it means: The way you report PAYE information to HMRC will change from your first payday that's on or after 6 April 2013. You will report in real time by sending PAYE information to HMRC for **all** employees:

- Every time you pay your employees, on or before the time that you pay them
- Using payroll software, or HMRC's Basic PAYE Tools, that will calculate your PAYE **and** send the PAYE information to HMRC as part of your routine payroll process

2. What you'll need to do: There is work you will need to do to get ready by April 2013:

- Update or acquire software or use a payroll service provider.
- Ensure your employee data is up-to-date, complete and correct.
- Register for PAYE Online (if you haven't already).
- Include some new information in your payroll records.
- Align HMRC's data with yours.

3. The changes you'll see: Here are some of the differences you will see:

Reporting PAYE at the moment	Reporting in real time from April 2013
Report PAYE at end of year	Report PAYE each time you pay employees when you pay them - eg if you pay weekly, you will tell HMRC weekly. This applies to all employers however large or small and how frequently they pay their employees or pay HMRC.
Send forms P14	Using payroll software, send: <ul style="list-style-type: none"> - Full Payment Summary (FPS) each time you pay employees. - Employer Payment Summary (EPS) each month for adjustments to what you owe. - Earlier Year Update (EYU) to amend details for earlier years where PAYE information was submitted in real time.
Send forms P35	
Report starters and leavers using forms P45 parts 1 and 3, P46, P46(Pen) or P46(Expat)	Include starters and leavers on your FPS. Please check the guidance as some of the information you report will change.
Report PAYE using the HMRC Online service (sometimes known as the "portal" or "on-line forms")	Report using commercial payroll software. If you have nine or fewer employees, some products are available free or you can download HMRC's free Basic PAYE Tools.
Report PAYE using paper forms	

Reporting PAYE at the moment	Reporting in real time from April 2013
If you currently operate PAYE, you do not need to include all employees in your PAYE reports	If you currently operate PAYE, include all employees in your PAYE reports, including nannies and domestic staff, casual employees, part-time staff, students working in their vacation and those below the Lower Earnings Limit.
No data alignment between employer and HMRC records	You will tell us about all your employees when you start reporting PAYE in real time so that we can align our data with yours, using an Employer Alignment Submission (EAS) or FPS (our website has more information).
Use form CA6855 to trace or check a National Insurance Number	Use payroll software to issue a National Insurance Number Verification Request (NVR) to trace or check a National Insurance Number once you are reporting PAYE in real time and we have fully processed your first submission.

4. Other things to remember:

- Reporting in real time does not change your legal obligation to pay us in full and at the right time what you deduct from your employees as you go through the year.
- HMRC will have a more accurate in-year view of the deductions you are making from your employees and the amounts you are due to pay to us each month, each quarter or annually. So HMRC will be able to resolve any discrepancies or errors more quickly than before.
- You may need to change the way you collect information about your employees to make sure that you can send your PAYE information to HMRC when or before you pay your staff.

For detailed guidance go to hmrc.gov.uk/payerti/index