


Welcome



Submitting 2008/09 Payroll year end returns Powercast

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= Submitting end of year returns

- In this Podcast we will concentrate on the completion and submission of the end of year PAYE returns
- The main PAYE returns are the P35 Employers Annual Return and the P14 End of Year Summary and P60 Certificate that must be completed for each employee for whom a P11 deductions work sheet has been completed
- We will also look at the completion of the P38A Employer Supplementary Return and the P38 (S) for Student employees
- Let me begin by reminding you about the 2008/09 Payroll Year End Deadlines that you need to be aware of



= PAYE/NIC and CIS deadlines

• 17 (22) April	Payment of PAYE/NICs/CIS
• 19 (26) May	Submission of EOY returns
• 31 May	Paper P60 to employees
• 6 July	P11Ds/P9Ds & P11D(b)
• 6 July	Third Party benefit notice
• 6 July	PSA Agreement signing
• 17 (22) July	Class 1A NICs
• 31 August?	PSA Calculations
• 19 (22) October	PSA Payment

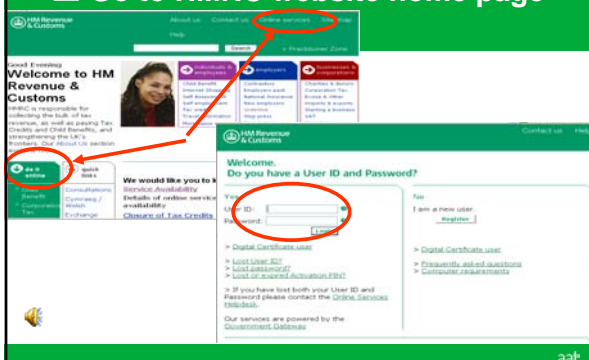




= Submitting end of year returns

- Now that we are ready to complete and submit the end of year PAYE returns we have to decide whether to do this online or by paper, remembering that employers with more than 50 employees must submit online
- Online filing is quick and easy and we will receive £75 as the last of the incentive payments for submitting the 2008/09 PAYE returns online except for employers with more than 50 employees
- Let us have a look at doing it online before getting into the detail of completing and submitting the forms
- Step 1 is to log on to the internet on our computer
- Step 2 will be to get on to the HMRC website
- www.hmrc.gov.uk
- Next we click on PAYE for Employers from the do it online menu on the left

= Go to HMRC website home page






= PAYE online filing

File your returns and forms
PAYE

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- Click on File a Return
- Click on "Online returns & forms – PAYE product"
- HMRC advice is that it is best suited for employers with fewer than 50 employees
- You can view a list of available third party products or log in through your software
- If using the HMRC software you will be taken to your Employee List
- You may need to update by adding new employees or deleting employees that left in the previous year
- You may need to click on change tax year to change the year to 2008/09
- Click on End of Year Returns P35, P38A and complete the returns

= P35 annual return

- The paper form P35 is a 4-page form:
 - Page 1 spells out the employer obligations and tells you where to get help
 - Page 2 and 3 is a listing of directors and employees and a summary of payments
 - Page 4 comprises the checklist at Part 3
 - Employer contracted out pensions at Part 4 and
 - The very important employer's certificate and declaration in Part 5
- List each employee for whom a P11 or equivalent record was required
- If some or all P14s sent by internet, EDI or magnetic media no need to complete Part 1 Summary of employees and directors section
- If more than 10 entries use P35 (CS) continuation sheet
- Next list:
 - Directors first and mark their entries with an asterisk (*)
 - Employees in alphabetical order of surname or as the P14s are collated
 - Total of employee's and employer's NICs recorded in column 1d of the P11
 - Tax deducted or refunded from 'In this employment' box at foot of column 6 on form P11

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Part 3 - Summary

You must answer each question by ticking the correct box.

1 Have you sent a form P14 End of Year Summary, or completed and retained a form P38(S) Student employees for every person in your paid employment, either on a casual basis or otherwise, during the tax year shown on the front of this form?

Yes ☐ No ☒ [2]

2 If 'Yes', please send a form P38A Employer Supplementary Return.

3 Did you make any 'tax' payments to an employee? In other words, did you bear any of the tax yourself rather than deduct it from the employee?

Yes ☒ No ☐ [2]

4 Did you, as you know, did anyone else pay expenses, or in any way provide vouchers or benefits to any of your employees whilst they were employed by you during the year?

Yes ☒ No ☐ [2]

5 Have you paid any of an employee's pay to someone other than the employee, for example, to a school?

Yes ☒ No ☐ [2]

6 Are you a Service Company?

Yes ☒ No ☐ [2]

If 'Yes', have you operated the Intermediaries legislation (sometimes known as IR35) or the Intermediary Service Companies legislation?

Yes ☐ No ☒ [2]

For more detailed information, see HMRC Employer Further Guide to IR35 and SCS.

Part 4 - Contracted out pension schemes If applicable

1 I am a Contracted out pension scheme, enter your Employer Contracted out number (ECOPN) from your contracting-out certificate.

ECOPN

Part 5 - Employer certificate and declaration

I tick one box to complete each statement below. This certificate and declaration covers any documents submitted by me as substantiation for the forms mentioned below. We may provide or generate you a form to make these statements.

1 I declare and certify that:

a. Form P14 End of Year Summary for each employee or director for whom I was required to complete a form P11 Deductions Working Sheet (or equivalent record) during the year, are all enclosed. [2]

b. Form P14 has been sent to more than one party, please state the number of each copy, and the total number, of Form P14, and make any other notes on the back of the form. For more detailed information, see the HMRC P14 notes. Under Sign and attach payment instructions.

c. completed form P38A Employer Supplementary Return is enclosed. [2]

d. completed forms P11D and P11DDX Returns of expenses payments, benefits and Class 1A contributions are enclosed. [2]

e. All the details on this Return and any forms enclosed or sent separately are fully and truly stated to the best of my knowledge and belief.

Employer signature:

Date: / /

Please print your name:

Print the name of the person to whom signed:

Director:

By law this Return must reach us by 19 May.

= Form P14 end of year summary

- The manual P14 is normally a three part form, comprising an orange tax copy, a green NIC copy and the blue P60 for the employee
- A P14 must be completed for each employee that was employed in the year, including leavers, but the P60 should only be given to employees that were still employed on 5 April 2009
- As we have already noted, the P60 must be given to employees by 31 May 2009 and copies or duplicates can be issued, but marked copy or duplicate
- We have to take the totals of pay tax and NICs from the P11 deductions working sheets and if completing manual P14's we need to write legibly and avoid £ signs and continental 7's, taking care with the dates and quality of entries generally
- Use the correct forms if completing manual P14's and have spare copies ready because alterations will be rejected

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= Form P14 end of year summary

Common errors to avoid!

- Invalid NINOs such as temporary reference numbers (63T12345) or temporary NINO that must not be used on the P14
- Incorrect prefix or suffix letters
- Errors on recording of NI earnings & contributions shown in columns 1a to 1e
- Tax Codes Incorrect
- Date of Birth
- Addresses – leading spaces & punctuation
- Forename Field – incorrect characters
- Surname Field – incorrect characters
- Wrong Pay & NI earnings figures
- Incorrect PAYE reference – incorrect format e.g. 951/A123 NOT 951/923/A1234



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= P38A employer supplementary return

- Supplementary PAYE return for "Workers for whom you have not completed a form P14 or form P38(S) for the year 6 April 2008 to 5 April 2009"
- "You must complete this form if you answered 'No' to question 1 of the checklist on your Form P35 Employer's Annual Return"
- A form that is often overlooked by employers
- Sign ONE declaration
 - P46 held, signed statement A or B, and
 - Worker paid less than £90 p.w. or £390 p.m.
- Enter details in Section A
 - Paid £90 or more in any week (or £390 p.m.)
 - Any worker taken on for more than a week
- Enter details in Section B
 - Any worker paid more than £100 in the year
 - Not already listed in Section A
- Harvest workers - special treatment
 - See CWG2

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1.13 Harvest casuals For PAYE	
Circumstances	Action
The person is a daily casual and <ul style="list-style-type: none"> is taken on for one day or less paid off at the end of that period with no contract for further employment 	<ul style="list-style-type: none"> do not deduct tax keep a record of the employee's name, address and amounts paid enter these details on form P38A at the end of the tax year as requested on form P35
The employee is taken on for no more than 2 weeks and <ul style="list-style-type: none"> has not been taken on previously by you since 6 April and paid above the PAYE threshold without PAYE being applied 	<ul style="list-style-type: none"> do not deduct tax keep a record of the employee's name, address and amounts paid enter these details on form P38A at the end of the tax year as requested on form P35
The employee is taken on for more than two weeks	<ul style="list-style-type: none"> no special procedures apply and normal procedures must be followed. The procedures are detailed in the Employer Helpbook E13 Day-to-day payroll
For NICs	
Circumstances	Action
The employee is employed as a regular casual, eg taken on for a specified period and paid at regular intervals	<ul style="list-style-type: none"> no special NIC rules apply and normal procedures must be followed. The procedures are detailed in the Employer Helpbook E13 Day-to-day payroll
The employee is engaged on an irregular basis <ul style="list-style-type: none"> to work outdoors harvesting perishable crops is paid off at the end of each engagement, eg at the end of the day has no contract for further employment 	<ul style="list-style-type: none"> NICs will not be collected where it is impossible for the employer to identify individuals and record their earnings. If the identity details are known NICs are due when the earnings for each engagement exceed the £11 work out the NICs due at the time the earnings are paid complete form P11 etc as detailed in the Employer Helpbook E13 Day-to-day payroll



= Student form P38 (S)

- Annual return that does not have to be sent to HMRC with the P35/P14's
- Should be retained for 3 years
- Students who have worked during the current year and who have not completed a P38 (S) should be asked to complete one now?
- Obtain a new form after 6 April 2009 for any Students working over Easter
- Is a P46 required for students working outside holiday times?
- Has any student earned more than the single personal allowance limit and was the tax code changed from NT to OT, as required?
- P38 (S) procedure does NOT apply to Class 1 NICs
- Change the "NI" entry in the tax code box to NT or OT as NI is not a valid tax code and will be rejected



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Thank you for listening

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