



IRIS Bureau Payroll

Year End Guide 2014

18/02/2014



Dear Customer

Welcome to your guide to completing payroll year end 2014.

The guide contains:

- **Year-end help** - step by step instructions for completing and submitting your year-end returns online and moving your Clients into the new tax year
- **Company checklists** - you can print a checklist for EACH of your Clients and use it along with the year-end guide, ticking each step as you complete it
- **Troubleshooting** - solutions to common problems
- **Dates to Remember** - all the dates relevant to year end at a glance
- **Legislation information** - details of the legislation changes that have been included in the software
- **Contact details** - a handy reference for important contacts during year end

Contents

Year-end preparation	3
Overview	4
Checklist - Send year-end return then start 2014/2015 tax year	4
Year-end online filing - step by step.....	7
Dates to Remember	12
Tax, NI and Statutory Payments Rates for 2014 / 2015	13

Year-end preparation

Before you start your year-end procedures, there are some important checks to make:

- Have you got enough of the correct year-end forms?
- You only need to give P60s to current employees; you do not need to print them for employees who have left.
- IRIS has produced a variety of forms specifically designed for your software. Please contact us for details on 0844 815 5700 or go to www.iris.co.uk/stationery to order your stationery online. You can also email us at stationery@iris.co.uk.
- Alternatively you can print the P60s on plain A4 paper using the **Plain Paper Laser P60** – click on the **'Reports'** tab, click **'Year-end Reports'** and select **'Plain Paper Laser P60'** (if it is not included in the menu you need to select it using the **Report Manager** first).

You can also order P60 forms from HMRC - order P60 single sheet forms for 2013/2014.

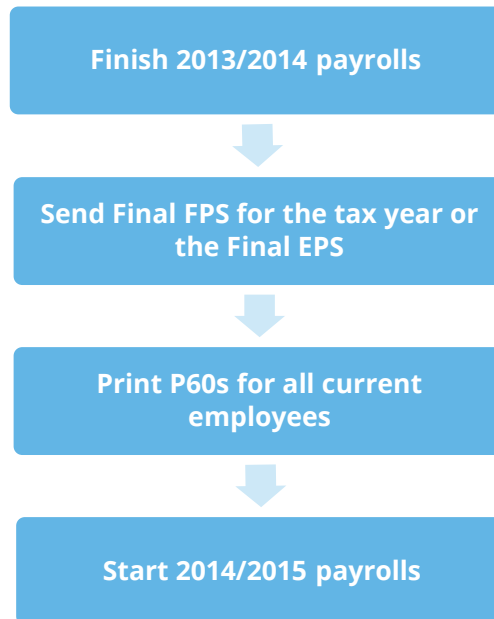


Important Note: Forms must be PORTRAIT LASER style. Remember to order well in advance

- **Have you installed the year end update?**
To make sure, check the version number in the title bar along the top of the screen. It should read 2.10.xx (where xx is a number)
- **Have you read this guide through carefully?**
Familiarise yourself with the year-end process before you start
- **Are you prepared to create a backup your data?**
Make sure you know your backup procedure

Overview

Sending your year-end return then starting 2014/2015 tax year



Checklist - Send year-end return then start 2014/2015 tax year

Use this checklist if you plan to send your final RTI submissions before you start running payrolls in the 2014/2015 tax year.

Company name	
Company number	
Completed by	
Date	



Before you start make sure you have downloaded and installed version 2.10.xx (where xx is a number) of IRIS Bureau Payroll.

- Step 1** Calculate and finalise all the payroll periods up to the end of 2013/2014
- Step 2** Issue any outstanding P45s for the 2013/2014 tax year
- Step 3** Check the year-to-date NI for Directors if you started using IRIS Bureau Payroll part of the way through the tax year

Step 4 Back up your 2013/2014 data. Use the space below to keep a record of where you saved it and when you did this:

Back up details

Location/filename _____

Date/Time _____

Step 5 Submit the **Full Payment Submission** (tick **Final Submission for the year**, if an **Employer Payment Summary** is not required) to HMRC

Step 6 Submit the **Final Employer Payment Summary for the tax year**, if required, to HMRC

Step 7 Print **P60** forms and give to employees by 31 May

Step 8 Run the **Year-end Restart** process

Step 9 If the company newly qualifies as a small employer, tick the **'Small Employer Relief'** box

Make sure you know about changes to the software and payroll legislation by reading the **Release Notes** – click on the **'Help'** tab and click **'Release Notes'**.

Note: If you need to start payrolls in 2014/15 before you have printed P60s for employees, you can return to the last year's data and print the P60s for 2013/2014 – click on the **'Year-end'** tab and click **'Use Last Year's Data'**. Check that the year shown in the title bar at the top of the window is 2013/2014. To return to the 2014/15 data, click on the **'Year-end'** tab and click **'Close Last Year's Data'**. Check that the year shown in the title bar at the top of the window is 2014/2015.

Using Last Year's Data

During the **Year-end Restart** process IRIS Bureau Payroll makes a copy of your Client's 2013/2014 data – this will be known as 'Last year's data' once you start using the 2014/2015 data.

You can access last year's data at any time after you run the **Year-end Restart**: click on the **'Year-end'** tab and click **'Use Last Year's Data'**. This will temporarily restore the 2013/2014 data for your Client. When last year's data is in use, the title bar at the top of the screen will show tax year 2013/2014.


You can use last year's data just as you would the current year's data – amend employees, take back ups, print reports and so on. Any changes made are saved, so if you re-instate the current year's data then return to last year's data again; the changes made to last year's data remain. If you make changes in the 2013/14 tax year that alter the year to dates, prior to the 19th April you can resend an **FPS**. However, if you need to amend figures for the 2013/14 tax year after the 19th April, you will need to submit an **Earlier Year Update (EYU)**. For information on submitting an Earlier Year Update please refer to the Manual via **Help | Manual**.

If you want to return to the current year's data, click **'Close Last Year's Data'** (this replaces the **Use Last Year's Data** button while you are using last year's data). The current year's data is also re-instated if you change company or close IRIS Bureau Payroll.

You can check which year's data you are using at any time by looking at the tax year displayed in the title bar.

Year-end online filing - step by step

Carry out steps 1 to 9 for each Client you have in IRIS Bureau Payroll

 **Before you start, make sure you have installed version 2.10.xx (where xx is a number) of IRIS Bureau Payroll**

Step 1 Do payroll runs

Calculate and finalise all your Client's pay periods up to the end of the 2013/2014 tax year.

Step 2 P45s

Issue any P45s for employees you do not intend to pay in the 2014/2015 tax year (you will not be able to do this after the Year-end Restart).

Step 3 Check Directors' NI calculation


If the Client started using IRIS Bureau Payroll part of the way through the tax year and some employees are set up as Directors (i.e. on **Employee Details, Tax & NI** tab the **Director** box is ticked) you must check their year-to-date NI calculations.

To calculate Directors' NI you can do one of the following:

- use the calculation described in HMRC's leaflet 'CA44 National Insurance for Company Directors', which you can access by clicking on the '**HMRC**' tab and clicking '**Tax & NI Books**'
- use HMRC's **National Insurance Calculator - Director's Annual Earnings Period 2013-2014** which you can find on the HMRC website at www.hmrc.gov.uk/calcs/nicd.htm

Step 4 Back up your data

Back up the 2013/2014 data. Click on the '**Application Button**' | '**Backup & Restore**' | '**Backup Company Data**' or follow your standard back up routine.

 If you intend to send an **Employer Payment Summary** to HMRC to indicate any adjustments due to SMP, SAP, ASPP, OSPP or SSP reclaimed/recovered or no employees were paid this month go to **Step 6**

Step 5 Send Final FPS for the tax year

Tick **Final Submission for the tax year** from the **FPS Selection** screen, accessed via '**Online filing**' | '**Send Full Payment Submission**' then click '**Next**'.

5.1 Complete Questions & Declarations

Tick the boxes which apply and complete any additional information that is relevant to your company and click '**Next**'.

5.2 Check Totals

Check the figures on the **Full Payment Submission – Final Confirmation** screen. Click **'Print Summary'** and/or **'Print Details'** to print a copy for your records, if you wish.

5.3 Start the submission

Click **Send** to submit the Full Payment Submission. Go to **Step 7**

Step 6 Send Final Employer Payment Summary for year

Follow this step if you need to send a **Final Employer Payment Summary for year** to HMRC to indicate adjustments due to SMP, SAP, ASPP, OSPP or SSP reclaimed/recovered in the final pay period or **'No employees paid in Current Month'**

6.1 Send your FPS

Following your normal procedures, ensure you have sent an FPS for your final payroll of the tax year, making sure **Final Submission for the tax year** is un-ticked

6.2 Send your Final EPS

Click **'Online filing'** | **'Send Employer Payment Summary'** and from the selection screen tick **'Final Employer Payment Summary for year'** then click **'Next'**

6.3 Check Totals

Check the figures on the **Employer Payment Summary Values** screen and amend the values if necessary. For example, if you pay employees via IRIS Bureau Payroll and another payroll system for a client with the same tax reference, the EPS values must be combined before submitting. Click **'Next'**.

6.4 Complete Questions & Declarations

Tick the boxes which apply and complete any additional information that is relevant to your company and click **'Next'**.

6.5 Start the submission


Check the values on the **Employer Payment Summary – Confirm year to-dates values** screen and click **'Print'** if you require an EPS Confirmation report. Click **'Send'** to submit to HMRC.

Important Note: You will receive an email from HMRC telling you that your submission was successful. It may take some time to arrive, depending on how busy the Gateway is. It is important to keep this email in case there are any disputes about your submission.

Step 7 Print P60 year-end forms

Make sure you have selected the correct report for the forms you are using: click on the **'Reports'** | **'Report Manager'** then select the **'Year-end'** category, highlight the report you want to use and click the arrow button to include it in the list of **Year-end Reports**. Click **'Save'**, then **'Close'**.

If you are using pre-printed P60 forms, make sure your printer is loaded with forms designed for the current tax year. Click on the **'Year-end'** menu then click **'Print P60s'** and select the report you want to use from the list.


 **Please note:** P60s will only be printed for current employees. This is correct according to legislation. You must give the P60s to employees before 31 May 2014.

If you experience difficulties aligning your forms, use the **'Margins'** button on the **Report Preview** screen to adjust the size of the margins - this will shift the text left/right or up/down. If you continue to have problems printing the P60s, try using the HP LaserJet 2100 printer driver with your printer. You can install it from your Windows CD.

Step 8 Year-end restart

Click on the **'Year-end'** tab and click **'Year-end Restart'**. A message appears explaining what will happen and asking you to confirm. Click **'Yes'**. A second message appears warning you that the tax calendar will be updated and asking you to confirm again. Click **'Yes'**.

The **Year-end Restart** process automatically takes a copy of your Client (this will now be known as **Last Year's Data**), removes old data and applies changes for the new tax year. If your Client qualified for small employer relief in 2013/14 a message appears asking if you want to continue in the new tax year. If you respond **'No'**, IRIS Bureau Payroll will disable the **Small Employer Relief** setting for you.

 **Please note:** The copy of Client data made during the **Year-end Restart** is overwritten each year, so it is NOT a substitute for your end-of-year backup. You may need your end-of-year backup for up to seven years in the future.

Year-end Restart in Detail

The **Year-end Restart** process is automatic, however you may be interested to know exactly what happens.

1. A backup is made and stored in the **LastYear** folder.
2. The year-to-date figures are cleared. This includes:
 - the to-date figures you can access from the **Employee** menu when you click '**To-date History**'
 - the figures on the **Employee Details** screen's **To-Dates** tab
 - the **To-date** figures for **Pay Elements** such as **Rates** and **AEOs** (the to-date figures for a **Pension** are cleared only if the **Clear Totals** field for the **Pension** is set to **Annually**)
3. Your employee tax codes are updated in line with the budget.
4. If you specified a tax code in the **Default Employee** screen, and that tax code is affected by the budget changes, IRIS Bureau Payroll updates the default employee tax code too.
5. For all employees the **Week 1 / Month 1** box (in the **Employee Details** screen's **Tax & NI** tab) is un-ticked – i.e. the tax code basis for all employees is set to cumulative.
6. The **Payroll Calendar** is updated:

If you have a weekly payroll, IRIS Bureau Payroll will create payroll dates in the new year on the same day of the week as the previous year's dates. For example, if you pay your employees weekly each Wednesday, the payroll dates in 2013/14 were Wednesday 10 April, Wednesday 17 April and so on. In 2014/15 your payroll dates will automatically be set to Wednesday 9 April, Wednesday 16 April etc.

If you have a monthly payroll, IRIS Bureau Payroll will create the payroll dates in the new year based on the option you selected such as **Last Working Day of Month**.

If you changed one or more payroll dates manually IRIS Bureau Payroll will NOT carry this change forward into the new tax year. For example, if you normally pay employees every Friday, you may have amended the pay date in the Christmas week from Friday 20 December to Thursday 19 December. You need to apply this type of change manually after the **Year-end Restart** has completed.

7. If the **Small Employer Relief** box is already ticked (indicating that your client qualified for small employer relief in 2013/14) a message appears asking if you want to enable small employer relief again for the new tax year. If you respond '**Yes**' nothing will change. If you respond '**No**', IRIS Bureau Payroll will remove the tick for you. (The **Small Employer Relief** tick-box is found by clicking '**Company**' | '**Company Details**' and selecting the **HMRC** tab.)

After you have completed the **Year-end Restart** you can still access last year's data – see **Using Last Year's Data**.

Step 9 Small Employer Relief

If your client **newly qualifies** as a small employer for the 2014/2015 tax year, you need to select **'Company' | 'Company Details' | 'HMRC'** and tick the **'Small Employer Relief'** box.

The definition of a small employer for tax year 2014/2015 is one who paid, or was liable to pay, total gross employees' plus employer's Class 1 National Insurance contributions of £45,000 or less during the 2013/2014 tax year. Companies who qualify for small employer relief can claim extra compensation for SMP, OSPP, ASPP and SAP payments.

Make sure you know about changes to the software and payroll legislation by reading the **Release Notes** – click on **'Help' | 'Release Notes'**.

Dates to Remember

Date	Requirement
5 April 2014	2013/14 tax year ends
6 April 2014	2014/15 tax year begins
19 April 2014	Corrections to Full Payment Submissions for tax year 2013/2014 cannot be made after this date. An EYU would have to be submitted – see RTI Guide
31 May 2014	P60s to be given to employees by this date, excluding any leavers during the tax year
6 July 2014	P9D and P11D forms to HMRC by this date
19 July 2014	Payment of Class 1A NIC on P11D benefit in kind due

Tax, NI and Statutory Payments Rates for 2014 / 2015

Income Tax			
Tax Bands		Other Details	
Rate	Band (£)	Emergency Tax Code	1000L
20%	1 to 31865	L Tax Code Uplift	56
40%	31865 to 150000	Student Loan threshold	16910
45%	Over 150000	Student Loan rate	9%

National Insurance										
NI Bands (£)										
Pay Period	LEL		ST		PT		UAP		UEL	
	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15
Weekly	109	111	148	153	149	153	770	770	797	805
2 Weekly	218	222	296	306	299	306	1540	1540	1595	1611
4 Weekly	436	444	592	612	597	612	3080	3080	3189	3221
Monthly	473	481	641	663	646	663	3337	3337	3454	3489
Annual	5668	5772	7696	7956	7755	7956	40040	40040	41450	41865
LEL = Lower Earnings Limit ST = Secondary Threshold			PT = Primary Threshold UAP = Upper Accrual Point			UEL = Upper Earnings Limit				
NI Rates (Employee)(%)							NI Rates (Employer)(%)			
Band	A	D	B/E	C	J	L	A,B,C, J	D,E	L	
< LEL	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	
LEL to threshold	Nil	1.4	Nil	Nil	Nil	1.4	Nil	3.4	3.4	
Threshold to UAP	12	10.6	5.85	Nil	2	2	13.8	10.4	10.4	
UAP to UEL	12	12	5.85	Nil	2	2	13.8	13.8	13.8	
> UEL	2	2	2	Nil	2	2	13.8	13.8	13.8	

Values in section LEL to Threshold show the appropriate NIC Rebate % to the Primary and Secondary Thresholds

Statutory Payments

SSP Rate (Weekly)	87.55	Small Employers Relief Threshold	45000
SAP Rate (Weekly)	138.18	Recovery Normal / Small Employer	92% / 100%
SMP Rate (Weekly)	138.18	Compensation (Small Employer)	3%
SPP & ASPP Rate (Weekly)	138.18		

Automatic Enrolment & Pensions

	Weekly	2 Weekly	4 Weekly	Monthly	Annually
QE_LT	111	222	444	481	5,772
AE_trig	192	384	768	833	10,000
QE_UT	805	1,611	3,221	3,489	41,865

Additional Details

Construction Industry Scheme	Registered Rate (Matched Net)	20%
	Unregistered Rate	30%
	VAT Rate	20%

National Minimum Wage	2013	
	Apprentice Rate	2.68
	Age 16 and 17	3.72
	Age 18 to 20	5.03
	Age 21	6.31

Software available from IRIS

IRIS Payroll Basics

Free, RTI compliant payroll software for companies with fewer than 10 employees

IRIS Payroll Business

Intelligent, easy to use payroll software for smaller businesses

IRIS Payroll Professional

Flexible payroll software for medium sized businesses

IRIS Bureau Payroll

Intelligent management for multiple payrolls

IRIS OpenPayroll

Cloud-based UK payroll software – accessible from anywhere on PC, Mac or tablet

IRIS P11D

The easy way to complete employee expenses and benefits returns

IRIS HR Manager

The easy way to keep employee data up-to-date

IRIS OpenPayslips

A secure web based solution that allows your employees to access, and download their e-payslips via an online portal

Stationery order line

0844 815 5656

HMRC online service helpdesk

Tel: 0300 200 3600

Fax: 0844 366 7828

Email: helpdesk@ir-e-file.gov.uk

HMRC employer helpline

Tel: 0300 200 3200

HMRC employer helpline (for new business)

Tel: 0300 200 3211

Support

Tel: 0844 815 5661 (option 5)

Fax: 0844 815 5665

Email: ipsupport@iris.co.uk