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SOFTWARE GROUP



IRIS Payroll Business

RTI Year End Guide

Dear Customer

Welcome to your guide to completing payroll year end 2013 with RTI enabled.

The guide contains:

- **Year-end help** - step by step instructions for completing and submitting your final **Full Payment Submission/Employer Payment Summary** for the tax year and moving your companies into the new tax year
- **Company checklists** - you can print a checklist for EACH of your companies 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

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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?**

As you have RTI enabled, you only need to print P60 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**’ menu, click ‘**Year-end Reports**’ and select ‘**Plain Paper Laser P60**’ from the menu (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 2012/2013.



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

- **Have you downloaded and installed the Year-end update?**

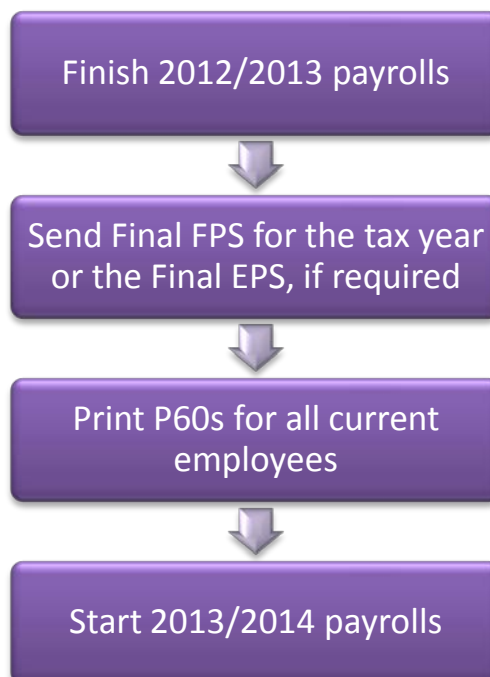
To make sure, check the version number in the title bar along the top of the screen. It should read 2.8.0

- **Have you read this guide through carefully?**

Familiarise yourself with the year-end process before you start.

Overview

Sending your year-end return then starting 2013/2014 tax year



Important note: HMRC's Gateway is ready now for your submissions - you do not need to wait until the 6 April to file your Final FPS/EPS. The Full Payment Submission should be submitted on or before the pay date. Remember to install version 2.8.0 of IRIS Payroll Business first.

- **Are you prepared to backup your data?**

Make sure you know your backup procedure.

Checklist - Send year-end return then start 2013/2014 tax year

Use this checklist if you plan to send your final RTI submissions before you start running payrolls in the 2013/2014 tax year.

Company name	
Company number	
Completed by	
Date	

 **Before you start make sure you have downloaded and installed version 2.8.0 of IRIS Payroll Business.**

- Step 1 Calculate and finalise all the payroll periods up to the end of 2012/2013
- Step 2 Issue any outstanding P45s for the 2012/2013 tax year
- Step 3 Check the year-to-date NI for Directors if you started using IRIS Payroll Business part of the way through the tax year
- Step 4 Back up your 2012/2013 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 your **Full Payment Submission** (if you do not need to submit an EPS for March, tick **Final Submission for the year** and complete the **Questions & Declarations**) to HMRC
- Step 6 Submit your **Final Employer Payment Summary for year**, if required, to HMRC
- Step 7 Print **P60** forms and give to your employees by 31 May
- Step 8 Run the **Year-end Restart** process
- Step 9 If your 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**' | '**Release Notes**'.

Note: If you need to start payrolls in 2013/14 before you have printed P60s for your employees, you can return to the last year's data and print the P60s for 2012/2013 – 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 2012/2013. To return to the 2013/14 data, click '**Year-end**' | '**Close Last Year's Data**'. Check that the year shown in the title bar at the top of the window is 2013/2014.

Using Last Year's Data

During the **Year-end Restart** process IRIS Payroll Business makes a copy of your company's 2012/2013 data – this will be known as 'Last Year's Data' once you start using the 2013/2014 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 2012/2013 data for your company. When **Use Last Year's Data** is in use, the title bar at the top of the screen will show tax year 2012/2013.

You can use last year's data just as you would your current year's data – you can amend employees, take backups, print reports and so on. Any changes you make are saved, so if you re-instate your current year's data then return to last year's data again, the changes you made to last year's data are still there. If you make changes in the 2012/13 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 2012/13 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 you can 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 Payroll Business.

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

Final Submission of the tax year

Carry out steps 1 to 9 for each company you have in IRIS Payroll Business.



Before you start, make sure you have installed version 2.8.0 of IRIS Payroll Business.

Step 1 Do payroll runs

Calculate and finalise all your pay periods up to the end of the 2012/2013 tax year.

Step 2 P45s

Issue any P45s for employees you do not intend to pay in the 2013/2014 tax year.

Step 3 Check Directors' NI calculation

If you started using IRIS Payroll Business part of the way through the tax year and you have some employees set up as Directors (i.e. with the **Director** box ticked on the **Employee Details** screen's **Tax & NI** tab) 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 2012-2013** which you can find on their website at www.hmrc.gov.uk/calcs/nicd.htm

Step 4 Backup your data

Backup the 2012/2013 data. Click on the '**Application Button**', select '**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**' and 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 FPS then 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 (no Tax & NIC liability)'**:

6.1 Send your FPS

Following your normal procedures, ensure you have sent an FPS for your final Week/Month 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 Payroll Business and another payroll system for a company with the same tax reference, the EPS values must be combined before submitting. Click **'Next'**.

6.4 Complete Questions & Declarations

Complete the responses then 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'** tab and click **'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 are given to each employee who was working for you on the last day of the tax year (5 April). Employees should receive them before 31 May 2013

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 company (this will now be known as **Last Year's Data**), removes old data and applies changes for the new tax year. If your company qualified for small employer relief in 2012/13 a message appears asking if you want to continue in the new tax year. If you respond **'No'**, IRIS Payroll Business will disable the **Small Employer Relief** setting for you.



Please note: The copy of your company 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 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 Payroll Business 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 Payroll Business 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 2012/13 were Wednesday 11 April, Wednesday 18 April and so on. In 2013/14 your payroll dates will automatically be set to Wednesday 10 April, Wednesday 17 April etc.

If you have a monthly payroll, IRIS Payroll Business 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 Payroll Business will NOT carry this change forward into the new tax year. For example, if you normally pay your employees every Friday, you may have amended the pay date in the Christmas week from Friday 21 December to Thursday 20 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 company qualified for small employer relief in 2012/13) 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 Payroll Business will remove the tick for you. (The **Small Employer Relief** tick-box is found by clicking the **'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 [page 6](#).

Step 9 Small Employer Relief

If your company **newly qualifies** as a small employer for the 2013/2014 tax year, you need to click **'Company' | 'Company Details' | 'HMRC'** tab and tick the **'Small Employer Relief'** box.

The definition of a small employer for tax year 2013/2014 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 2012/2013 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'** tab | **'Release Notes'**.

Dates to Remember

Date	Requirement
5 April 2013	2012/13 tax year ends
6 April 2013	2013/14 tax year begins
19 April 2013	Final payments due to HMRC for tax year 2012/13
19 May 2013	Annual year-end return to be submitted to HMRC
31 May 2013	P60s to be given to employees by this date, excluding any leavers during the tax year
6 July 2013	P9D and P11D forms to HMRC by this date
19 July 2013	Payment of Class 1A NIC on P11D benefit in kind due

Income Tax

Tax Bands		Other Details	
Rate	Band (£)	Emergency Tax Code	944L
20%	1 to 32010	Student Loan threshold	16365
40%	32010 to 150000	Student Loan rate	9%
45%	Over 150000		

National Insurance

NI Bands (£)										
Pay Period	LEL		ST		PT		UAP		UEL	
	2012-13	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13	2013-14
Weekly	107	109	144	148	146	149	770	770	817	797
2 Weekly	214	218	288	296	293	299	1540	1540	1634	1595
4 Weekly	428	436	576	592	585	597	3080	3080	3268	3189
Monthly	464	473	624	641	634	646	3337	3337	3540	3454
Annual	5564	5668	7488	7696	7605	7755	40040	40040	42475	41450
LEL = Lower Earnings Limit PT = Primary Threshold UEL = Upper Earnings Limit ST = Secondary Threshold UAP = Upper Accrual Point										
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)	86.70	Small Employers Relief Threshold	45000
SAP Rate (Weekly)	136.78	SSP Reclaim Threshold	13%
SMP Rate (Weekly)	136.78	Recovery Normal / Small Employer	92% / 100%
SPP & ASPP Rate (Weekly)	136.78	Compensation (Small Employer)	3%

Additional Details

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

National Minimum Wage		2012
	Apprentice Rate	2.65
	Age 16 and 17	3.68
	Age 18 to 20	4.98
	Age 21	6.19

Software & services available from IRIS



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 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 Accounts Office

Smarter accounting for growing businesses



IRIS Backup

The easiest, most secure way to back up and restore your business files

Stationery order line

 **0844 815 5700**

HMRC online service helpdesk

 **0845 605 5999**

 **0845 366 7828**

 **helpdesk@ir-e-file.gov.uk**

HMRC employer helpline

 **0845 7143 143**

HMRC new employer helpline (for new business)

 **0845 607 0143**

Support

 **0844 815 5661**

 **0844 815 5665**

 **support@iris.co.uk**

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