



IRIS Payroll Business

Year End Guide 2015

16/02/2015



Dear Customer

Welcome to your guide to completing payroll year end 2015.

The guide contains:

- Year-end preparation – what you need to do before starting year-end procedures
- 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 companies into the new tax year
- **Company checklist** - you can print a checklist for EACH company and use it along with the **Year-end Guide**, ticking each step as you complete it
- **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?

You only need to give P60s to current employees; you do not need forms 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 P60** – click on the **'Reports'** menu, click **'Year-end Reports'** and select **'Plain Paper 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 2014/2015.

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

Have you downloaded and installed the Year-end update?

The version number in the title bar along the top of the screen should read 2.12.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 ready to back up your data?

Make sure you know your back up procedure.

IMPORTANT – From April 6 2015, if you have employees with an NI Rate of D, E, I, K or L it is mandatory to complete the ECON and SCON number fields prior to sending an FPS. A dummy SCON number will no longer be accepted

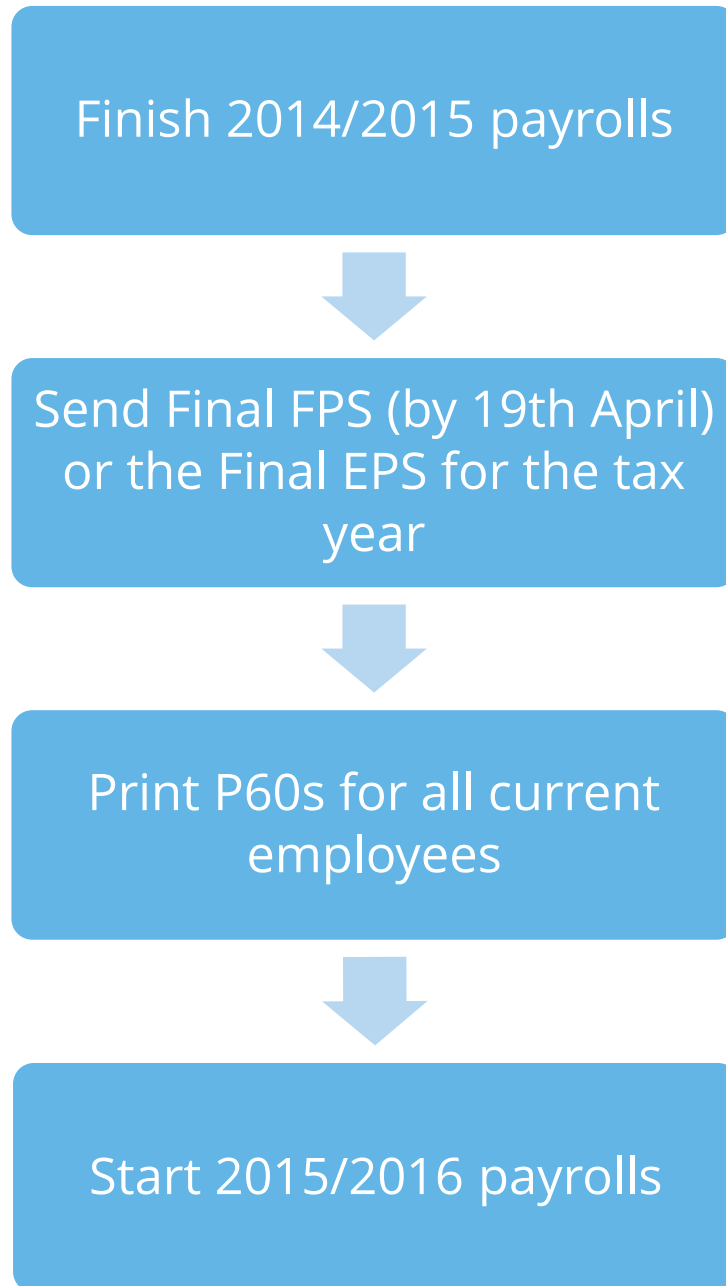
ECON No is on the Company | Company Details | HMRC tab

SCON No is on the Employee Details | Tax & NI tab

HMRC's Gateway is ready now for your submissions – you do not need to wait until 6 April to file your Final FPS/EPF. The **Full Payment Submission** should be submitted on or before the pay date, no later than 19 April

Remember to install your update, version 2.12.* first

Overview of sending your year-end return and starting 2015/2016 tax year



Checklist - Complete year end and start 2015/2016 tax year

Use this checklist if you plan to send your final RTI submissions before you start running payrolls in the 2015/2016 tax year.

Company name	
Company number	
Completed by	
Date	

Before you start make you sure you downloaded and installed version 2.12.*

Step 1 Calculate and finalise all the payroll periods up to the end of 2014/2015

Step 2 Issue outstanding P45s for the 2014/2015 tax year

Step 3 Check year-to-date NI for Directors if you started using the payroll software part of the way through the tax year

Step 4 Back up your 2014/2015 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**. If you do not need to submit an EPS for March, tick '**Final Submission for the year**' and complete the **Questions & Declarations**

Please note: it is not essential that you '**Finalise**' prior to submitting your Full Payment Submission, however we recommend you **Finalise** prior to taking your final backup of the year

Step 6 Submit your **Final Employer Payment Summary for year**, if required, to HMRC. Complete the **Questions & Declarations**

Step 7 Print **P60** forms and give to your employees by 31 May 2015



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 – click on **'Help'** and select **'Release Notes'**.

Note: If you need to start payrolls in 2015/16 before you have printed P60s for the employees, you can return to the last year's data and print the P60s for 2014/2015. Click on the **'Year-end'** tab and select **'Use Last Year's Data'**. Check that the year shown in the title bar at the top of the window is 2014/2015. To return to the 2015/2016 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 2015/2016.

Using Last Year's Data

During the **Year-end Restart** process the payroll software makes a copy of your company's 2014/2015 data – this will be known as 'Last Year's Data' once you start using the 2015/2016 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 2014/2015 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 2014/2015.

You can use last year's data just as you would your current year's data – you can amend employees, take backups, and 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 2014/15 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 2014/15 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 the payroll software.

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 the payroll software.

Before you start make you sure you downloaded and installed version 2.12.*

Step 1 Do payroll runs

Calculate and finalise all the pay periods up to the end of the 2014/2015 tax year.

Step 2 P45s

Issue P45s for employees you do not intend to pay in the 2015/2016 tax year.

Step 3 Check Directors' NI calculation

If the company was set up in the payroll software part of the way through the 2014/2015 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 2014/2015 which you can find on their website [here](#)

Step 4 Backup your data

Backup the 2014/2015 data. Click on the '**Application Button**', select '**Backup & Restore**' | '**Backup Company Data**' or follow your standard back up routine.



Step 5 Send Final FPS for the tax year (if no EPS needs to be sent for March)

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

- Go to **Online filing | Send Full Payment Submission**, tick '**Final Submission for the tax year**' from the **FPS Selection** screen then click '**Next**'
- **Complete Questions & Declarations**
Tick the boxes which apply and complete any additional information that is relevant to the company and click '**Next**'
- **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

- **Start the submission**

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

Please note: it is not essential that you **Finalise** prior to submitting your Full Payment Submission, however we recommend you **Finalise** prior to taking your final backup of the year

Step 6 Send FPS then Final Employer Payment Summary for year

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

- **Send your FPS**

Following your normal procedures, ensure you have sent an FPS for the final pay period with **'Final Submission for the tax year'** un-ticked

- **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'**

- **Check Totals**

Check the figures on the **Employer Payment Summary Values** screen and amend the values if necessary. For example, if you pay some employees in a company via IRIS payroll software and some in another payroll system and the company has the same tax reference in each, the EPS values must be combined before submitting. Click **'Next'**

- **Complete Questions & Declarations**

Tick the boxes that apply then click **'Next'**. HMRC have now made this non-mandatory however you will still need to complete the screen. The announcement was made too late for us to change our software

- **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 the company on the last day of the tax year (5 April). Employees should receive them before 31 May

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 the company (this will now be known as **Last Year's Data**), removes old data and applies changes for the new tax year. If the company qualified for small employer relief in 2014/15 a message appears asking if you want to continue in the new tax year. If you respond **'No'**, the payroll software will un-tick the **Small Employer Relief** setting for you.

Please note: The copy of the 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

After you have completed the **Year-end Restart** you can still access **last year's data**.

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, the payroll software 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, the payroll software 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 2014/15 were Wednesday 9 April, Wednesday 16 April and so on. In 2015/2016 your payroll dates will automatically be set to Wednesday 8 April, Wednesday 15 April etc.

If you have a monthly payroll, the payroll software 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 the payroll software 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 19 December to Thursday 18 December. You need to apply this type of change manually after the **Year-end Restart** has completed.

If the **Small Employer Relief** box is already ticked (indicating that your company qualified for small employer relief in 2014/15) 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'**, the payroll software 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.)

Step 9 Small Employer Relief

If the company NEWLY qualifies as a small employer for the 2015/2016 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 2015/2016 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 2014/2015 tax year. Companies who qualify for small employer relief can claim extra compensation for SMP, SPP, ASPP, ShPP 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 2015	2014/15 tax year ends
6 April 2015	2015/16 tax year begins
19 April 2015	Corrections to Full Payment Submissions for tax year 2014/2015 cannot be made after this date. An EYU would have to be submitted – see RTI Guide
31 May 2015	P60s to be given to employees by this date, excluding any leavers during the tax year
6 July 2015	P9D and P11D forms to HMRC by this date
19 July 2015	Payment of Class 1A NIC on P11D benefit in kind due

Tax, NI and Statutory Payments Rates for 2015 / 2016

Income Tax			
Tax Bands		Other Details	
Rate	Band (£)	Emergency Tax Code	1060L
20%	1 to 31785	L Tax Code Uplift	60
40%	31786 to 150000	Student Loan threshold	17335
45%	Over 150000	Student Loan rate	9%

National Insurance												
NI Bands (£)												
Pay Period	LEL		ST		PT		UAP		UST		UEL	
	2014-15	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15	2015-16		2015-16	2014-15	2015-16
Weekly	111	112	153	156	153	155	770	770		815	805	815
2 Weekly	222	224	306	312	306	310	1540	1540		1631	1611	1631
4 Weekly	444	448	612	624	612	620	3080	3080		3261	3221	3261
Monthly	481	486	663	676	663	672	3337	3337		3532	3489	3532
Annual	5772	5824	7956	8112	7956	8060	40040	40040		42385	41865	42385
LEL = Lower Earnings Limit PT = Primary Threshold UST = Upper Secondary Threshold ST = Secondary Threshold UAP = Upper Accrual Point UEL = Upper Earnings Limit												

Band	NI Rates (Employee - %)						NI Rates (Employer - %)			
	A, M	D, I	B, E	C	J, Z	L, K	A,B,C, J	M, Z	D,E, L	I, K
< LEL	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
LEL to threshold	Nil	1.4*	Nil	Nil	Nil	1.4*	Nil	Nil	3.4*	3.4*
Threshold to UAP	12	10.6	5.85	Nil	2	2	13.8	Nil	10.4	3.4*
UAP to UEL	12	12	5.85	Nil	2	2	13.8		13.8	
UAP to UST								Nil		Nil
> UEL	2	2	2	Nil	2	2	13.8	13.8	13.8	13.8

Statutory Payments

SSP Rate (Weekly)	88.45	ShPP Rate (Weekly)	139.58
SAP Rate (Weekly)	139.58	Small Employers Relief Threshold	45000
SMP Rate (Weekly)	139.58	Recovery Normal / Small Employer	92% / 100%
SPP & ASPP Rate (Weekly)	139.58	Compensation (Small Employer)	3%

Automatic Enrolment & Pensions

	Weekly	2 Weekly	4 Weekly	Monthly	Annually
QE_LT	112	224	448	486	5,824
AE_trig	192	384	768	833	10,000
QE_UT	815	1,631	3,261	3,532	42,385

Additional Details

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

National Minimum Wage		Hourly rate from 1 Oct 2014
	Apprentice Rate	£2.73
	Aged 16 and 17	£3.79
	Aged 18 to 20	£5.13
	Age 21	£6.50

Employment Allowance Rate	£2000
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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-efile.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 4)

Fax: 0844 815 5665

Email: ipsupport@iris.co.uk