



**Exchequer**

Release Notes

Summer 2013

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## Welcome to your Summer 2013 update of IRIS Exchequer

As we are continually striving to improve our products and services, you will occasionally be offered a maintenance release like this one which includes updates and amendments. This document contains information about the program changes in version 1.20.60 of the software.

### Workplace Pension Reform

IRIS Exchequer has been updated to help you with **Workplace Pension Reform**. A number of features have been added to IRIS Exchequer to enable you to manage your new or existing Workplace Pension Scheme more effectively. These will mostly be contained within the new **Pension** menu.

A detailed **Pensions Guide** is also available on the new **Pension** menu once you have installed version 1.20.60



**Some of the new Workplace Pension Reform functions are chargeable; please contact our Sales team for further details**

### Compacting Databases Progress Bar

When opening each company for the first time after installing this update, a progress bar will be displayed as IRIS Exchequer compacts the databases prior to updating them.



**Please be aware this may take some time; do not attempt to cancel the process**

### Month-end Processing

As a result of the RTI Pilot and recent RTI HMRC reconciliation payment discussions, a change has been made to the way that IRIS Exchequer picks up the week number payments which are to be included in each tax month for the **Month-end Summary**.

For the **Month-end Summary** report and **Month-end Processing** when based on the tax calendar, IRIS Exchequer will include payments based on the payment date instead of the pay period irrespective of pay frequency.

The new process will only apply from tax year 2013/2014 onwards.



**This change was first made in version 1.20.11 which was available to download from our website**

## Examples

Employee paid in...	New Tax Month
<b>Week 5 on 5 May 2013</b>	Month 1 or Quarter 1 April - June
<b>Week 5 on 6 May 2013</b>	Month 2 or Quarter 1 April – June
<b>Week 13 on 5 July 2013</b>	Month 3 or Quarter 1 April – June
<b>Week 14 on 6 July 2013</b>	Month 4 or Quarter 2 July - September
<b>Week 27 on 5 October 2013</b>	Month 6 or Quarter 2 July - September
<b>Week 27 on 6 October 2013</b>	Month 7 or Quarter 3 October - December

## New message type from HMRC

HMRC are introducing a new type of DPS message called Generic Messages. These will be notifications that contain information relating to Reminders, Instructions, Warnings, Events etc. These messages will be included in the existing process for downloading messages from HMRC.

## BACS

The Hash Code required for RTI has been added to the BACS schedule report. To see the new version of the report you must reselect your BACS from the library. If you have a bespoke BACS report you will need to install the new version of the BACS schedule using the Report Table.

## Trivial Commutation Payments

A trivial commutation pension payment is a one-off lump sum that pays off or is paid in place of a small pension, so that there's no need to make the usual weekly, monthly or annual payments. Typically, these one-off payments are used if the regular payments would be very small.

The ability to record Trivial Commutation Payments has been added to the **Starter Details | Pensioner** tab. This information will be reported via the FPS.

In certain circumstances 25% of the payment could be tax free however further information regarding Trivial Commutation Payments can be found via the following links:

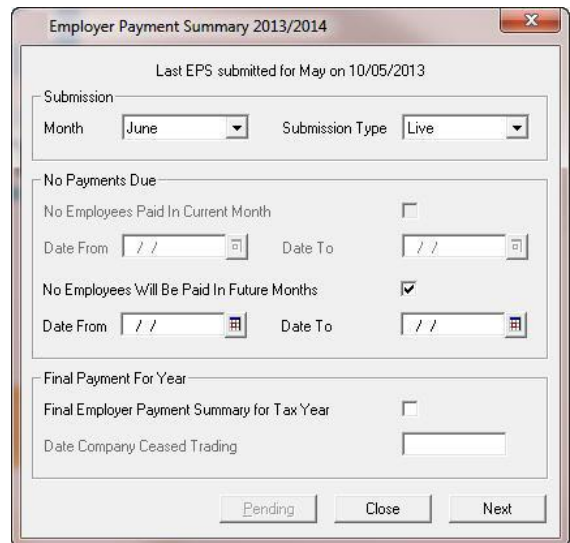
<http://www.hmrc.gov.uk/payerti/payroll/pension-payments/special-situations.htm#1>  
<http://www.hmrc.gov.uk/manuals/rpsmanual/RPSM09105085.htm>

## Period of Inactivity – No Employees Will Be Paid in Future Months

If you know that for a future period of one or more complete tax months within the tax year, you will have no paid employees or directors (no FPS submissions will be made), you can send an EPS to let HMRC know you won't be sending an FPS for any of these months.

Tick the **'No Employees Will Be Paid In Future Months'** box and enter the start date of the first tax month of the 'period of inactivity' in the **Date From** field. This date must be the start of the next tax month, i.e. the 6th of the calendar month immediately after the month you send the EPS. This must be done in the tax month before the period of inactivity starts.

For example, if the employer knows in April that they will have no paid employees or directors between 6 August and 5 December the employer should enter 6 August in the **Date From** field.



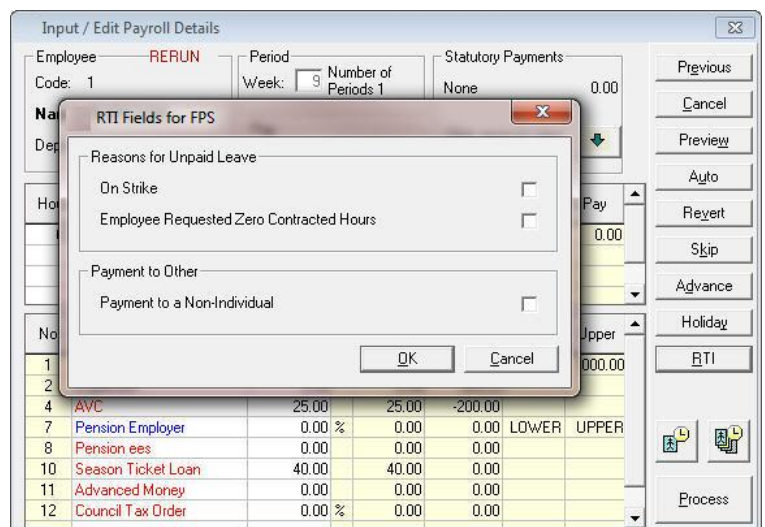
If an employer completes a 'period of inactivity' for say June, July and August and then starts to pay employees or directors again in July, once an FPS has been sent to HMRC in July, HMRC deem the 'period of inactivity' to have ended.

## RTI Fields for FPS

IRIS Exchequer omits employees from the FPS if they have zero Taxable and Nlable Gross in the pay period. This will continue unless the new **On Strike** or **Employee Requested Zero Contracted Hours** boxes are ticked.

A new **RTI** button has been added to the **Input/Edit Payroll Details** screen. This button opens a new **RTI Fields for FPS** screen, allowing you to tick three new options to appear on the FPS.

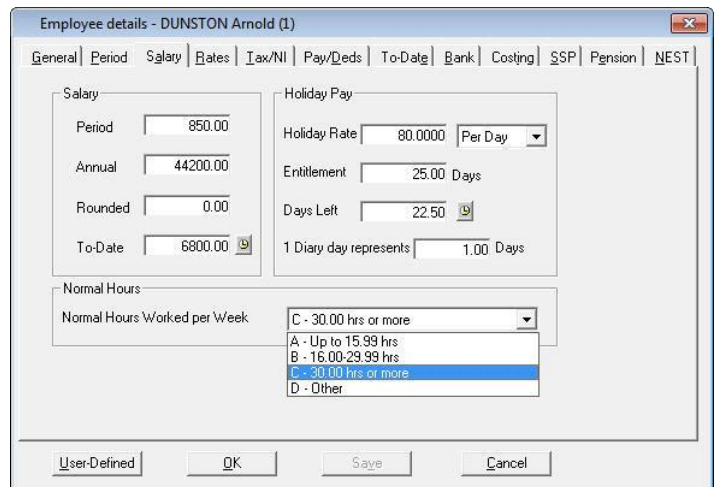
- **On Strike**
- **Employee Requested Zero Contracted Hours**
- You can also select under the **Payment to Other** section **Payment to a Non-Individual** for instance full payment going to a charity



**Please note:** if you tick one of the boxes, it will remain ticked for all subsequent payroll runs for the employee until you un-tick the box.

## Normal Hours Worked Per Week

The **Normal Hours Worked per Week** field has changed to allow you to select a category from a drop down list instead of entering in an amount. You won't need to make any changes to existing employees as they will be updated automatically.



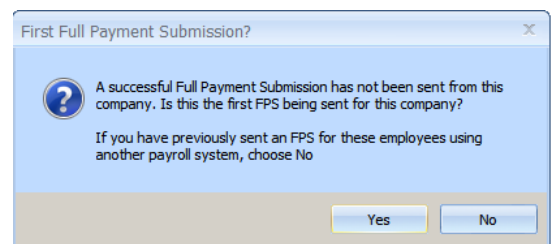
## Last FPS/EPS Warnings

A new tab called **RTI Warnings** has been added to the **Online Services | Configuration** screen. This new feature allows you to set up messages to advise when the last FPS or EPS was successfully submitted. These messages will appear on opening the relevant company.

## First FPS not the first sent to HMRC

We have added an option when sending a first FPS to select if it's the first FPS for the company or just the first sent via IRIS Exchequer.

When an FPS is sent, IRIS Exchequer checks whether it is a first FPS or not. If it is, IRIS Exchequer will display the message:



If you select **Yes**, all employees are included in the submission; if **No** then only the employees paid in the period are included.

## Changes to EYU screen

The EYU screen has been updated to include the tax code basis (week/month1)

## Surname/Forename Field in Employee Details

You are now able to enter up to 35 characters in the **Surname** and **Forename1** fields

## New Net to Gross Single Payment option

A new **Net to Gross Single Payment** type has been added to **Alter Payments/Deductions**.

This new option allows you to pay an employee normally and also put one amount through Net to Gross, for

example a net bonus.

If you select this type of payment then during the payroll run IRIS Exchequer will:

- Calculate the employee's net pay using all the pay elements except the **Net to Gross Single Payment** value
- Add the **Net to Gross Single Payment** to the previously calculated net pay
- Calculate the total gross amount figure for the total net pay including the **Net to Gross Single Payment**
- Calculate the difference between the original gross pay and the new gross pay to find the gross figure for the **Net to Gross Single Payment**

The gross figure for the **Net to Gross Single Payment** will be displayed on the Preview screen and also on the printed payslips and/or reports.

## Example

An employee is paid:

- **Salary** = £2000
- **Overtime** = 10 hours @ £20 per hour
- **Net to gross single payment bonus** = £100

**Tax code** = £944L

**NI Rate** = A

**Tax year** = 2013/14

**Pay Period** = Month 1

### Calculation

- Calculate net pay of all pay elements excluding net bonus
    - $2000 + 200 = 2200$
- Tax on £2200 = £282.40
- NI on £2200 = £186.48
- Net pay = £1731.12
- $1731.12 + 100$  (net bonus) = 1831.12 total net pay
  - Calculate the total gross pay figure to arrive at the net pay of 1831.12 (changes to tax and NI amounts will now be altered). Total gross pay = **£2347.04**
  - Calculate the difference between new gross pay and the original gross pay
    - $2347.04 - 2200 = \mathbf{£147.04}$

### **Overview**

**$2000 + 200 + 147.04 - \text{tax} - \text{NI} = 1831.12$  net pay**

## Other Issues

### BACS

75558 Output filename and extension for Bank of Scotland Corporate HOBS (NDP) has been renamed to bacsXXX.txt where XXX = Company ID

75559 Output filename and extension for Bank of Scotland HOBS (BACS) has been renamed to bacsXXX.txt where XXX = Company ID

### CIS

74366 The Company UTR number has been added to the CIS Monthly Remittance report

74367 The Employee No. has been replaced by the Subcontractor No. on the Plain Paper Payslip (CIS)

### Month-end Summary

74101 The Month-end Summary warning option in Operator Preferences is now appearing correctly

### Teachers' Pensions

75203 A new tier has been added for Teachers' Pensions to apply from 1<sup>st</sup> April 2013

### Reports

75351 The Company Costs report is now showing the correct payroll date

75692 The P11 Working Sheet now displays the current tax year

### SSP

75589 The flag for SSP greater than 28 weeks is clearing correctly