

Legislation Changes

April 2018



Dear Customer

All standard rates and parameters for Tax/NI/Statutory Payments/Pensions etc. have been updated in the payroll software for the 2018/2019 tax year, as have the standard reports.

- Any changes in tax bands from Scottish Parliament have been included
- Any changes to Student Loan rates have also been included

For details of all the rates and parameters changes, click [here](#) to view/print the **Payroll Fact Sheet for 2018/2019**.

This guide details other legislation resulting in changes to the payroll software. For details of how these will be applied, please see the **Release Notes** within your software.

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Tax

Scottish Relief at source for pension calculations

From April 2018/2019 the 'Relief at Source' for pension deductions must be calculated using the appropriate basic rate for Scotland and the appropriate basic rate for the rest of the UK.

Tax Code format SD0 – SD8, D0 to D8

The tax code formats D0 to D8 and SD0 to SD8 are now permitted in the payroll software if there is an appropriate matching tax band introduced.

Car and Car Fuel Benefit

A new **Real Driving Emission Step 2 (RDE2)** regulation will apply to diesel cars from the 2018/2019 tax year. Cars registered after 1 Jan 1998 meeting this regulation will have a 0% supplement i.e. the same rates as petrol cars. Cars registered after 1 Jan 1998 not meeting the regulation will have a 4% supplement up to a maximum of 37%.

If your payroll software has the Car and Car Fuel Benefit function, and you have cars that will meet the **Real Driving Emission Step 2 (RDE2)** regulation in 2018/2019, we advise that you change the **Fuel Type** and **Recalculate** the cash equivalent after year-end processing and before you run the first payroll of the new tax year. You can find details of how to do this in the April Release Notes for your payroll product.

National Insurance

Serious Ill Health Lump Sum

If you retire early due to ill health, your pension may be able to offer you some financial support.

This depends on the scheme and its definition of ill health. The usual definition is where:

"your physical or mental health is bad enough to stop you from carrying on working, or which seriously reduces the amount you can earn."

Provided you meet the criteria of your scheme, you may be able to take benefits early or even receive an ill-health pension.

If your circumstances are immediate, you may be entitled to more access to your pension benefits. For example, if you're diagnosed with a very serious or terminal condition, where your life expectancy is determined to be less than 12 months, you may be able to take the whole of your pension pot as a lump sum, although special tax rules will apply.

Automatic Enrolment

Increase of minimum contributions to pension schemes

The minimum contributions to be paid into automatic enrolment pension schemes are increasing. This is also known as phasing. Minimum contributions are increasing in two phases; the first takes place from 6 April 2018 and the second from 6 April 2019.

All employers operating an automatic enrolment pension scheme must make sure the correct minimum contributions are being paid from these dates, whether you set up a new pension scheme for automatic enrolment or you used an existing scheme.

You do not need to take any action if you don't have any employees in an automatic enrolment pension scheme or if contributions are already above the increased minimum amounts. The increases also do not apply if you are using a defined benefits pension scheme.

This table shows the minimum contributions and the date when they must increase:

Date	Employer minimum contribution	Total minimum contribution
06/04/18 – 05/04/19	2%	5% (including 3% staff contribution)
06/04/19 onwards	3%	8% (including 5% staff contribution)

If you are unsure of any aspect of phasing, please speak to your pension scheme provider.

Change Staging Date to Duty Start Date

The final Staging Dates are for February 2018. After that date, for new employers it will be referred to as **Duty Start Date**.

Cater for General Data Protection Regulation GDPR

General Data Protection Regulation (GDPR) is an EU regulation in which the European Parliament, European Council and European Commission intend to strengthen and unify data protection for living individuals. GDPR will come into effect from 25th May 2018.

If you are still using the 'default' password(s) for your payroll software, that is, those provided on first installation, we strongly recommend you change them to help you comply with GDPR.

For help on doing this please click [here](#).

For more information on how GDPR will affect employers, visit the IRIS GDPR hub [here](#).

Additional Software and Services Available

IRIS AE Suite™

The IRIS AE Suite™ works seamlessly with all IRIS payrolls to easily manage auto enrolment. It will assess employees as part of your payroll run, deduct the necessary contributions, produce files in the right format for your pension provider* and generate the necessary employee communications.

IRIS OpenPayslips

Instantly publish electronic payslips to a secure portal which employees can access from their mobile phone, tablet or PC. IRIS OpenPayslips cuts payslip distribution time to zero and is included as standard with the IRIS AE Suite™.

IRIS Auto Enrolment Training Seminars

Choose from a range of IRIS training seminars to ensure you understand both auto enrolment legislation and how to implement it within your IRIS software.

Useful numbers

HMRC online service helpdesk	HMRC employer helpline
Tel: 0300 200 3600	Tel: 0300 200 3200
Fax: 0844 366 7828	Tel: 0300 200 3211 (new business)
Email: helpdesk@ir-efile.gov.uk	

Contact Sales (including stationery sales)

For IRIS Payrolls	For Earnie Payrolls
Tel: 0844 815 5700	Tel: 0844 815 5677
Email: sales@iris.co.uk	Email: earniesales@iris.co.uk

Contact support

Your Product	Phone	E-mail
IRIS PAYE-Master	0844 815 5661	payroll@iris.co.uk
IRIS Payroll Business	0844 815 5661	ipsupport@iris.co.uk
IRIS Bureau Payroll	0844 815 5661	ipsupport@iris.co.uk
IRIS Payroll Professional	0844 815 5671	payrollpro@iris.co.uk
IRIS GP Payroll	0844 815 5681	gpsupport@iris.co.uk
IRIS GP Accounts	0844 815 5681	gpaccsupport@iris.co.uk
Earnie or Earnie IQ	0844 815 5671	earniesupport@iris.co.uk