



Earnie™ IQ

Year-end Guide

April 2020

IRIS. Look forward

Contents

Dear Customer	3
Year-end preparation	4
Order Year-end forms	4
Year-end Overview.....	5
Final Submission of the tax year	6
How to copy a company.....	6
Final Submission of the tax year	7
Step 1	7
Step 2.....	7
Step 3.....	7
Step 4.....	7
Step 5.....	8
If no EPS needs to be sent for March – send final FPS for the tax year.....	8
Step 6.....	8
Send FPS followed by a final EPS for the tax year.....	8
Step 7.....	9
Print or Publish P60 year-end forms.....	9
Step 8.....	9
Year-end Restart.....	9
Step 9.....	10
Small Employer Relief.....	10
Step 10.....	11
Reports.....	11
Step 11.....	11
Update Notes.....	11
Checklist – Complete year end and start 2020/2021 tax year	12

Dear Customer

Welcome to your guide to completing payroll year-end procedures for tax year 2019/2020.

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 your companies into the new tax year
- **Company checklist** - 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

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.

Remember to install version 1.32.0 of Earnie IQ first.

Year-end preparation

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

Order Year-end forms

If you use the IRIS OpenPayslips element of the IRIS AE Suite™ you can publish P60s to the cloud and omit the need for stationery altogether. Contact us on 0344 8155677 for further details.

If you publish your P60s using IRIS OpenPayslips, you will need to select the E-P60 from the library:

- From the **Reports** menu, go to **Library Selection**, then **Year End**. Select **E-P60 Plain Paper Laser** from the list

You need to print P60s for your current employees; you do not need forms for employees who have left.

IRIS has produced forms specifically designed for your software. Please contact us for details on 0344 815 5676 or go to <http://www.iris.co.uk/store/stationery/> to order your stationery online. You can also email us at stationery@iris.co.uk

For IRIS stationery:

- Go to **Reports | Library Selection | Year End** and select **IRIS P60 Laser Single Sheet**

Alternatively, print the P60s on plain A4 paper using the Plain Paper Laser P60 report:

- Go to **Reports | Library Selection | Year End** and select **Plain Paper Laser P60**

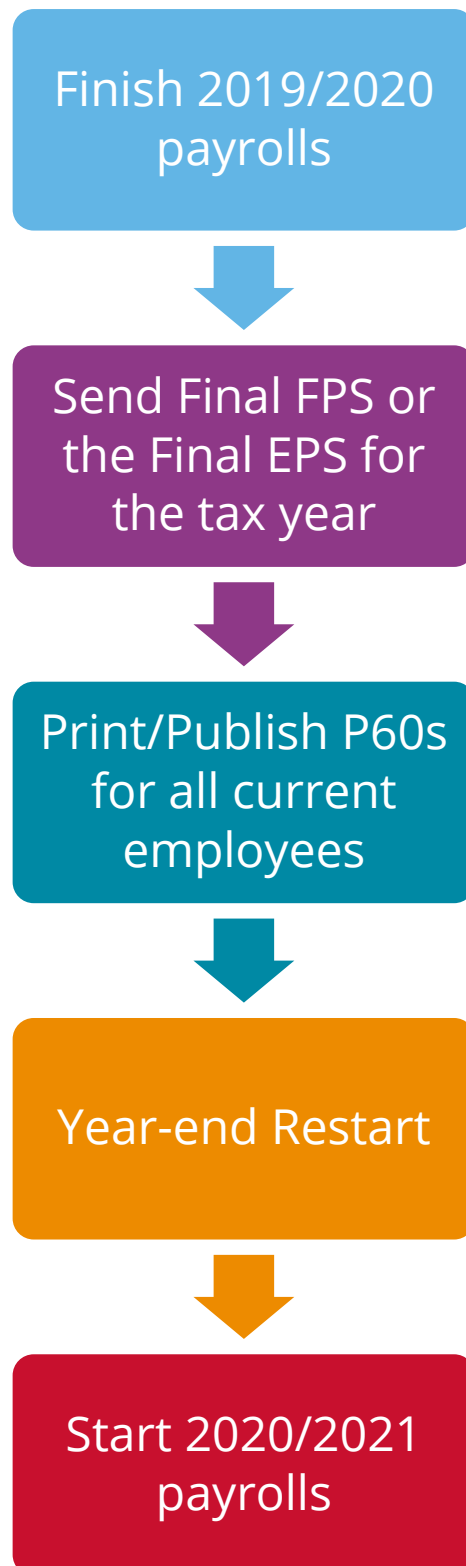
You can also order P60 forms from HMRC - order P60 Single Sheet forms for 2019/2020. For HMRC stationery:

- Go to **Reports | Library Selection | Year End** and select **HMRC P60 Laser Single Sheet**

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

- Make sure you know your back up procedure
- Go to **Help | About Earnie** and check the version number; it should read 1.32.0
- Read the Year-end Guide and familiarise yourself with the year-end process before you start

Year-end Overview



Final Submission of the tax year

How to copy a company

If you do not have time to complete all your year-end steps before starting the 2020/2021 tax year, you can make a copy of your company. To do this:

1. From the **Company** menu, select **Copy Current Company**
2. Choose the company you wish to copy and select **Exact Copy**
3. Check that the copied company details are correct

You can now run a **Year-end Restart** on your original company to begin payrolls for 2020/2021 and use your copied company to complete year-end procedures.

Remember:

- The company you copied will now have the name **Copy (1) of...** You must change this to the correct company name
- You must ensure the following year-end steps are carried out on the copied company - which steps required will depend on at which stage in the process you created the copy
- A copy can also be made in **Admin** via **File | Companies**

Final Submission of the tax year

Carry out steps 1 to 9 for each company you have in Earnie IQ.

Before you start, make sure you have installed the April 2020 update of Earnie IQ, version 1.32.0

Step 1

Complete payroll runs up to the end of the 2019/2020 tax year.

Do I need to run a week 53/54/56?

- Weekly payroll with a pay date of 4th or 5th April should be week 53
- 2-weekly payroll with a pay date of 4th or 5th April should be week 54
- 4-weekly payroll with a pay date of 4th or 5th April should be week 56

For week 53, 54 and 56 payrolls Earnie IQ will automatically apply the week 1 tax basis as outlined by HMRC. You do **NOT** have to make any changes.

Step 2

Issue P45s for employees you do not intend to pay in the 2020/2021 tax year.

Step 3

If you started using Earnie IQ part way through the 2019/2020 tax year AND imported your data from another payroll system, check year-to-date NI calculations for any Directors.

Follow the procedures in HMRC article [CA44 National Insurance for company directors](#) or use the Director's National Insurance contributions calculator listed on their website [here](#).

Step 4

Back up 2019/2020 data. Go to **File | Backup & Restore** or follow your standard back-up routine.

Step 5

If no EPS needs to be sent for March – send final FPS for the tax year

If you need to send an **Employer Payment Summary** for March to indicate adjustments due to Statutory Payments, no employees have been paid, or App Levy has been paid, go to **Step 6** now

1. Go to **Online Services | Send Full Payment Submission**, select **Final Submission for Year** and click **Next**
2. 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
3. Click **Send** to submit the **Full Payment Submission**. Go to **Step 7**

Step 6

Send FPS followed by a final EPS for the tax year

Complete this step if you need to send a **Final Employer Payment Summary for year** to indicate adjustments due to Statutory Payments reclaimed/recovered in the final pay period, if no employees have been paid in this month, or if **Apprenticeship Levy** is or has ever been due during the tax year:

1. Following your normal procedures, send an FPS for your final pay period without ticking **Final Submission for year**
2. Go to **Online Services | Send Employer Payment Summary** and on the selection screen tick **Final Employer Payment Summary for Tax Year** then click **Next**
3. Check the figures on the **Employer Payment Summary Values** screen and amend them if necessary
 - For example, if you pay some employees via Earnie IQ and some via another payroll system, and the company has the same PAYE tax reference in each, or if you have multiple companies in Earnie IQ with the same PAYE Reference, **the EPS values must be combined before submitting**
4. Click **Next**
5. Check the values on the **Employer Payment Summary – Year to Date Values** section. Click **Print** if you require an **EPS Confirmation Report**
6. Click **Send** to submit to HMRC

Step 7

Print or Publish P60 year-end forms

If you are using pre-printed P60 forms, make sure your printer is loaded with forms designed for the **current tax year**, and then from the **Year-end** menu select **Print Year-end Reports**.

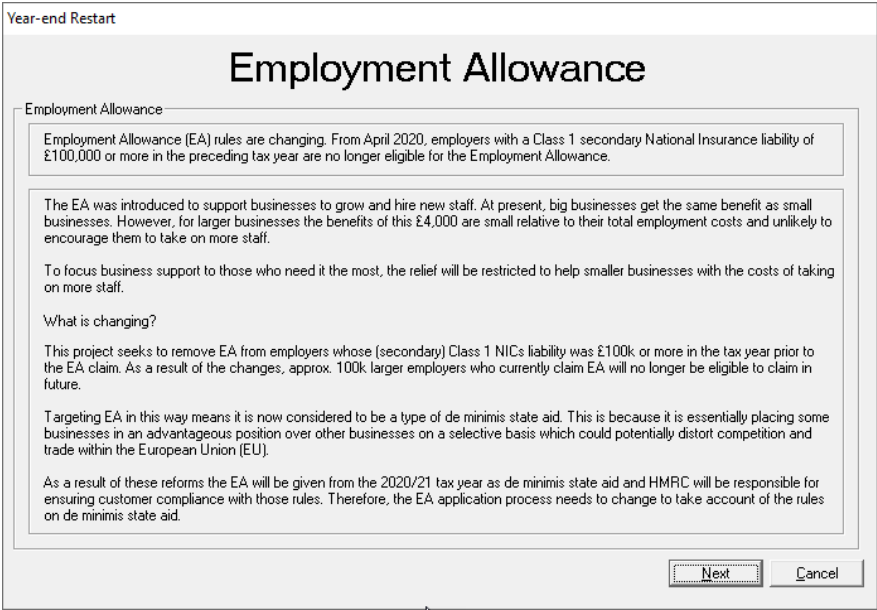
If you experience difficulties aligning your forms, try using the HP LaserJet 2100 printer driver with your printer.

Step 8

Year-end Restart

The **Year-end Restart** process clears all **To-Date** information for the 2019/2020 tax year

1. Go to **Year-end | Year-end Restart**
2. On the **Company | Alter Company Options | Company** tab, if you have **Employment Allowance** ticked, the following screen will be displayed:



The screenshot shows a dialog box titled "Year-end Restart" with a sub-header "Employment Allowance". The main text area contains the following information:

Employment Allowance

Employment Allowance (EA) rules are changing. From April 2020, employers with a Class 1 secondary National Insurance liability of £100,000 or more in the preceding tax year are no longer eligible for the Employment Allowance.

The EA was introduced to support businesses to grow and hire new staff. At present, big businesses get the same benefit as small businesses. However, for larger businesses the benefits of this £4,000 are small relative to their total employment costs and unlikely to encourage them to take on more staff.

To focus business support to those who need it the most, the relief will be restricted to help smaller businesses with the costs of taking on more staff.

What is changing?

This project seeks to remove EA from employers whose (secondary) Class 1 NICs liability was £100k or more in the tax year prior to the EA claim. As a result of the changes, approx. 100k larger employers who currently claim EA will no longer be eligible to claim in future.

Targeting EA in this way means it is now considered to be a type of de minimis state aid. This is because it is essentially placing some businesses in an advantageous position over other businesses on a selective basis which could potentially distort competition and trade within the European Union (EU).

As a result of these reforms the EA will be given from the 2020/21 tax year as de minimis state aid and HMRC will be responsible for ensuring customer compliance with those rules. Therefore, the EA application process needs to change to take account of the rules on de minimis state aid.

At the bottom right of the dialog box are two buttons: "Next" and "Cancel".

This screen will only appear if you are currently claiming Employment Allowance

3. Click **Next**

4. From the **Employment Allowance** screen select from the options:

■ **Claim Employment Allowance**

Continue to claim Employment Allowance. My Employer's NI bill for 2019/2020 was below £100,000

■ **Do not claim Employment Allowance**

Stop claiming Employment Allowance

5. If you select to continue to claim Employment Allowance, select the relevant **De minimis State Aid** option from:

- De minimis State Aid does not apply
- Agriculture
- Fisheries and Aquaculture
- Road Transport
- Industrial

6. Click **OK**

7. On the next screen, select the totals you wish to clear down. You are only clearing the running totals not the items themselves

8. If you wish to clear any History, Diary or Costing records for previous tax years, alter the years to clear the figures or leave them set to **None**, and then click **OK**

9. Confirm the new tax year is **2020/2021**. Employee tax codes will be updated automatically if necessary

Step 9

Small Employer Relief

To indicate whether a company is a small employer, from the **Company** menu select **Alter Company Options** and on the **Company** tab tick or un-tick the **Small Employer Relief** box.

The definition of a small employer for tax year 2020/2021 is one who paid, or was liable to pay, a total of £45,000 or less gross Class 1 National Insurance contributions during 2019/2020 tax year.

- For companies that qualify as a small employer for the 2020/2021 tax year, tick the box
- Un-tick the box for those companies who no longer qualify as a small employer

Step 10

Reports

When you have completed your **Year-end Restart** and are ready to begin payrolls in the new tax year, reselect any reports you use from the Report Library to ensure you have the latest versions.

Do not do this if you have bespoke reports as you will overwrite them; you may need to have these rewritten; please contact your Account Manager if this is the case.

Step 11

Update Notes

Read **Help | Updates** to learn about changes to the software.

Checklist – Complete year end and start 2020/2021 tax year

Use this checklist if you plan to send your final submissions before you start running payrolls in the 2020/2021 tax year.

Company name:	
Company number:	
Completed by:	
Date:	

Before you start make sure you have downloaded and installed version **1.32.0** of Earnie IQ

- Step 1** Do payrolls up to the end of 2019/2020
- Step 2** Issue any outstanding P45s for 2019/2020
- Step 3** Check year-to-date NI for Directors if you started using Earnie IQ part way through the tax year
- Step 4** Back up your 2019/2020 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 **FPS**. If an **EPS** is NOT required for March, tick **Final Submission for Year**
- Step 6** Submit your **Final Employer Payment Summary for Year**, if required, to HMRC (Tick **Final Employer Payment Summary for Tax Year**)
- Step 7** Publish or print **P60** forms and give to your employees by 31 May 2020
- Step 8** From the **Year-end** menu run the **Year-end Restart**
- Step 9** If the company qualifies as a small employer, tick the **Small Employer Relief** box

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	For IRIS Payroll Professional
Tel: 0344 815 5656	Tel: 0344 815 5676	Tel: 0345 057 3708
Email: sales@iris.co.uk	Email: earniesales@iris.co.uk	Email: payrollsales@iris.co.uk

Contact Support

Your Product	Phone	E-mail
IRIS PAYE-Master	0344 815 5661	payroll@iris.co.uk
IRIS Payroll Business	0344 815 5661	ipsupport@iris.co.uk
IRIS Bureau Payroll	0344 815 5661	ipsupport@iris.co.uk
IRIS GP Payroll	0344 815 5681	gpsupport@iris.co.uk
IRIS GP Accounts	0344 815 5681	gpaccsupport@iris.co.uk
Earnie or Earnie IQ	0344 815 5671	earniesupport@iris.co.uk
IRIS Payroll Professional (formerly Star)	01273 715300	payroll-support@iris.co.uk

IRIS is a trademark.

© IRIS Software Group Ltd 11/2019.

All rights reserved.