

IRIS GP Payroll

Release Notes & Patches

April & September 2020

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Release Notes

Welcome to your software updates for April/September 2020. This update of the software includes some new features and enhancements, together with any necessary legislative changes. These notes provide information on all the improvements to the software; for detailed information on legislative changes, click [here](#). If you encounter any difficulties, please visit: www.iris.co.uk/contactus

The minimum system requirements are on our website:

- **GP Payroll**

GP Payroll September 2020 Release v2020.2.

Maximum Employee Limit

We have increased the employee limit in the software from 120 to 999.

The link to GP Accounts is currently limited to 250. We are planning on increasing this limit in the near future.

GP Payroll April 2020 Patch Release v2020.1.12

Coronavirus Job Retention Scheme & Furlough Payment Reclaim

HMRC have made further changes to the Coronavirus Job Retention Scheme. We have added further functionality to the software to assist you with the changes. The changes include up and coming reductions to the reclaim values.

For further information with regards to the changes and the new functionality, please see the guide [here](#).

GP Payroll April 2020 Patch Release v2020.1.11

Coronavirus Job Retention Scheme & Furlough Payment Reclaim

Following the introduction of the Coronavirus Job Retention Scheme, we have added functionality to the payroll software to assist you when making a claim.

For further information with regards to using the new functionality and making a Furlough reclaim, please see the guide [here](#).

RTI Bacs Sun No Layout

A new BACS layout has been added to the software, RTI BACS with Service User Number (SUN). The Service User Number is a 6-digit field and is stored in **Setup/ Options | 7 - Direct Banking | Bank Reference 1**.

GP Payroll April 2020 Patch Release v2020.1.10

PAYE Legislation

IR35 Off-Payroll Working

Off-payroll working rules are more commonly known as IR35. This is legislation allowing HMRC to collect additional payments, where a worker provides their services through an intermediary to another person or entity. The intermediary in this case is another individual, a partnership, an unincorporated association, or a company. Off-payroll working rules are changing from 6th April 2020.

From 6th April 2020, all public sector clients and medium or large private sector clients will be responsible for deciding a worker's employment status. The private sector includes third sector organisations, such as some charities.

If the off-payroll working rules apply, the fee payer (the public authority, agency or other third party who is responsible for paying the worker's intermediary) must:

- Calculate a deemed direct payment to account for employment taxes associated with the contract
- Deduct those taxes from the payment to the worker's intermediary
- Report taxes deducted to HMRC through RTI, Full Payment Submission (FPS)
- Pay the relevant employer's NICs

Here are some useful links with further HMRC guidance with regards to Off-payroll working:

- [**Understanding-off-payroll-working-ir35**](#)
- [**Fee-payer-responsibilities-under-the-off-payroll-working-rules**](#)
- [**Private sector off-payroll working for intermediaries**](#)
- [**Public sector off-payroll working for clients**](#)
- [**Preparing-for-changes-to-the-off-payroll-working-rules-ir35**](#)

Deemed Direct Payment

The deemed direct payment is the amount paid to the worker that should be treated as earnings for the purposes of the off-payroll rules.

To calculate the deemed direct payment, you must:

1. Work out the value of the payment to the worker's intermediary, having deducted any VAT due
2. Deduct the direct costs of materials that have, or will be used in providing their services
3. Deduct expenses met by the intermediary, that would have been deductible from taxable earnings if the worker was employed
4. The result is the deemed direct payment. If this is nil or negative, there is no deemed direct payment

Employee Details

We have added a tick box on the **Employee Details** screen; **Off-payroll Worker**. This is to cater for the Off-payroll Worker changes and enables you to identify an individual as an Off-payroll Worker.

With **Off-payroll Worker** selected, the individual needs to be set to **Exclude from Auto Enrolment**. If there are automatic enrolment details, they will need to be removed for the individual. If the employee has values in Student Loan/Postgraduate Loan fields, these also must be cleared prior to saving, along with any Statutory Payment details. If any of this information is present in the employee record, a warning message will be displayed accordingly. Off-payroll Workers are not your employees and as such, they do not need to be auto enrolled and any entitlement to statutory payments come from their primary employment. Student Loans are also not processed through your payroll.

Payroll Run Changes

During the payroll run, a number of fields have been disabled for off-payroll workers:

- Statutory Payments column
- SSP column
- Net to gross payments

Selecting these buttons will display a message similar to this:

"You cannot assign a Net to Gross Payment to an employee configured as an Off-payroll Worker"

Employment Allowance

Off-payroll Workers' NI Liability cannot be offset against employment allowance. For instance:

- Company has 10 workers who are all off-payroll workers. The NI liability is £3,500. Employment Allowance claimed would be zero
- Company has 10 workers where 5 are off-payroll workers and 5 are employees. The NI liability is £3,500 - £2,000 from off-payroll workers and £1,500 from employees. The Employment Allowance in this instance would be £1,500

HMRC Messages

HMRC messages relating to Student or Postgraduate loans for off-payroll workers will be provided for information only and will not be actionable.

Updated Income Tax Bands – Scotland Only

The Scottish Government have introduced new tax bands which will take effect from May 11th 2020.

Rate Type	Taxable Earnings Banding (£)	Percentage Rate
Starter Rate	1-2,085	19
Basic Rate	2,086 – 12,658	20
Intermediate rate	12,659 – 30,930	21
Higher rate	30,931 – 150,000	41
Top rate	150,001 >	46

GP Payroll April 2020 Release v2020.1.8

PAYE Legislation

Statutory Parental Bereavement Pay

Following the introduction of the Parental Bereavement (Leave and Pay) Act 2019, employees will be entitled to two weeks' leave following the death of a child, which subject to meeting the relevant criteria, will be paid at the statutory rate. This new act comes into effect from April 6th, 2020 (Tax Year 2020/2021).

Bereaved parents will be entitled to at least two weeks' leave following the death of a child under the age of 18, or if they suffer a stillbirth from 24 weeks of pregnancy. The leave must be taken within 56 weeks and whereas statutory sick pay has qualifying days, these do not apply to statutory parental bereavement leave.

Points

- 26 weeks continuous service required
- Rate is the same as statutory paternity and shared parental pay £151.20 per week
- Leave can be taken in one block or in two separate blocks of one week
- Leave must be taken within a 56-week window following the child's death – this allows the parent to use the statutory leave for things such as anniversaries. Notice requirements will be flexible in order that leave can be taken without prior notice
- A copy of the death certificate is not required by employers as evidence

Cumulative Figures

To cater for **Statutory Parental Bereavement Pay**, on the **Employee Details | Cumulative Figures – Statutory Payments** screen, we have added a new **Total SPBP** field.

Payroll Calculations – Wizard for Statutory Payments

On the **Payroll Calculations | Statutory Pay | Wizard for Statutory Payments** screen, the header has been renamed **Select Statutory Payment Type** and a new option, **Allocate Statutory Bereavement Type (SPBP)** has been added.

Step 1 – Setup new or edit existing SPBP

Select the radio button **Allocate Statutory Bereavement Pay** and click **Next** to open the new **Step 1 – Setup new or edit existing SPBP** record screen. From this screen you can setup or edit/view an existing SPBP record.

When an employee has existing SPBP records, the grid at the bottom of the screen will be populated. The screen displays information as follows:

- **Date** – this column displays the **Date of Child's Death**
- **Status**
 - **Not Started** – nothing has been paid/processed
 - **One Week Processed** – only one week has been paid/processed
 - **Complete** – 2 weeks have been paid/processed

Delete Record

Click **Delete Record** to delete the highlighted entry. **Please Note:** you are required to keep SPBP records for at least 3 years. If the **Date** field is 3 years ago or older a prompt will be displayed asking you to confirm you want to delete the record, click **Yes** to proceed.

Step 2 – Average Salary for SPBP

To establish the employee's average monthly salary, enter **Date of Child's Death** and click **Calculate Average Earnings**. Click **Next** to proceed.

If the software cannot detect earnings in the relevant period, perhaps because you were not using IRIS GP Payroll in the months required for the calculation of Average Earnings, you can manually calculate the value and enter it into the **Average Monthly Earnings** field.

Step 3 – SPBP Calculations

This screen will display the number of SPBP weeks due to be paid in the month, along with the calculated amount of SPBP. SPBP is paid for 2 weeks and this can be taken in one block or in two separate blocks of one week. However, the leave must be taken within 56 weeks from the child's death.

From this screen, if applicable, you can select **Examine weeks SPBP allocated in previous months**. This will display the number of weeks SPBP paid for the selected record in previous months.

Step 4 – SPBP Calculations Actual Payment in Month

From the **Adjustments to Pay** section on this screen, you can adjust the payment of normal salary whilst receiving SPBP, choose from:

- Pay only SPBP this month
- Pay FULL salary this month (including SPBP)
- Pay half salary PLUS SPBP
- Pay some other amount this month (including SPBP)
- Add a payment for the non-SPBP period in the month

The **Actual Payment in Month** section displays the **Payment this month (including SPBP)**.

Click **Next** to open **Step 5 – SPBP Calculations Pension Settings**

Step 5 – SPBP Calculations Pension Settings

From the **SPBP Calculations Pension Settings** screen, you can view and/or amend the pensionable pay whilst receiving SPBP.

The **Employee Pensionable Pay** field will be populated with the payment this month value. The **Employer Pensionable Pay** field will be populated with the employee’s basic pay value.

Click **Next** to close the **Wizard for Statutory Parental Bereavement Pay** and return to the **Temporary Adjustments** screen.

The SPBP value will appear in the **Temporary Adjustments** fields as with other statutory payments.

Employer’s Payment Record (P32)

New columns have been added to the **Print Output | Monthly Summary and P32 | Employer’s payment summary (P32)** and **View Output | Employer’s Payment Record (P32)** to include SPBP Recovery and SPBP Compensation.

The new columns are as follows:

Employer’s payment summary (P32)

- **SPBP recovered**
- **NIC compen. On SPBP**

Employer’s Payment Record (P32)

- **SPBP recov’d**
- **NIC compen on SPBP**

Reports

Statutory Parental Bereavement Pay has been added to all relevant reports, including:

- Payslips
- Summary of Payroll Calculations
- Year to Date Summary
- Payroll Variance Report
- P11
- Annual Budget Summary
- Monthly Budget Summary
- Analysis of Staff Costs

Any references to **SMP/SAP/SPP/ShPP** have been changed to **SMP/SAP/SPP/ShPP/SPBP**.

Import/Export Data

Included in the **Import/Export Data | Import Data | Data Import Fields** and **Import/Export Data | Export Data | Data Export fields** is **Total SPBP to date**.

Payroll History

The **View Output | Payroll History | Payments / Deductions** drop-down list includes a new option of **Statutory Parental Bereavement Pay**.

Termination Payments

At Budget 2016, the government announced that from April 2020, it would tighten the scope of the termination payment exemption, to prevent manipulation and align the rules. Employer NICs are now due on those payments above £30,000, which are already subject to Income Tax:

- Employers are now required to pay NI on any part of a termination payment exceeding the £30,000 threshold, to be reported via the Full Payment Submission
- Payments in lieu of notice (PILONs) are taxable and subject to Class 1 NICs

To cater for the tax and NI liability (Class 1A) for termination payments, on the **Payroll Calculation | Temporary Adjustments | Extra Payments** screen, we have added a new button **Termination Payment**. Clicking this button opens the new **Termination Payment for <Forename><Surname>** screen, where you can:

- Enter the amount of Termination Payment to be paid to the employee. This will calculate Tax and Class 1A National Insurance over £30,000
- Enter the text you want to appear on the payslip
- Tick if this addition is to be included in Pension calculations
- Tick if this addition is to be included in Qualifying Earnings

This new termination temporary adjustment should be used for any redundancy or termination payments to ensure that the correct tax and Class 1A NI parameters are applied automatically.

Class 1A

To record the cumulative Class 1A on Termination Payments, on the **Change Employee Details | Cumulative Figures | View/change the cumulative figures for tax, NIC, SSP, SMP in any month | Amend Cumulative Figures Wizard | Cumulative figures for NIC**, we have added a new column **Class 1A NIC**. This field can be edited, if required.

Total Termination Payments

On the **Change Employee Details | Cumulative Figures | View/change the cumulative figures for tax, NIC, SSP, SMP in any month | Amend Cumulative Figures Wizard | Other Cumulative Figures**, we have added a new **Total Termination Payments** field. This figure includes any redundancy payment the employee has received; it could include payments made in a previous tax year.

This field has also been added to **Change Employee Details | Cumulative Figures | Re-enter the wizard to collect cumulative figures for a NEW employee**.

Government Rates and Parameters summary Report

The **Setup/ Options | 12 - Tax/NI Parameters | Print a Summary, Government Rates and Parameters Summary Report** will include the termination threshold.

Employee type 7 - Partner is unable to use the Termination payments.

Examples

Termination Payment	Taxable Pay Increase	Additional Class 1A calculated on
£29,500	£0.00	£0.00
£31,000	£1,000	£1,000
£31,000 first payment £4,000 second payment (in same year)	£1,000 (first payment) £4,000 (second payment)	£1,000 (first payment) £4,000 (second payment)
£29,000 and £5,000	£0.00 (first payment) £4,000 (second payment)	£0.00 (first payment) £4,000 (second payment)

Monthly Summary

We have added a new column to the Monthly Summary to report **Class A1 NIC**. Termination Payments will be included in the **Extra Additions** column of the report.

Tax Code Changes

In line with legislative changes, moving into the new tax year (2020/2021) will automatically uplift tax codes as required.

Minimum Wage

Minimum wages rates have been updated in line with legislation for 2020/2021.

Student Loan Thresholds

The annual thresholds have been updated in line with legislation for 2020/2021.

- Plan Type 1 increased from £18,935 to £19,390
- Plan Type 2 increased from £25,725 to £26,575
- Postgraduate Student Loans remains at £21,000

Employment Allowance

Following Employment Allowance reforms, from 2020/2021 it will be limited to businesses and charities with an Employer National Insurance Contributions bill below £100,000 in the previous tax year.

There are some restrictions, regardless of the size of the practice. You cannot claim Employment Allowance if:

- You are the director and the only employee paid above the Secondary Threshold (ST)
- You employ someone for personal, household or domestic work, unless they are a care or support worker
- You are a public body or business doing more than half your work in the public sector, unless you are a charity
- You are a service company working under 'IR35 rules' and your only income is the earnings of the intermediary (such as your personal service company, limited company or partnership)

From tax year 2020/2021, if a practice is already claiming Employment Allowance (**Setup/Options | 12 – Tax/NI Parameters | Employment Allowance** set to **Yes**), during the end of year transfer process you are required to confirm if you are continuing to claim Employment Allowance.

Please Note: From 2020/2021, an EPS **must** be sent in month 1 to notify HMRC you are claiming employment allowance or that your status has changed

End of Year Transfer

When you select **End of Year | Transfer employee details into the next tax year**, and you have Employment Allowance selected, follow these steps:

5. An information screen will be displayed (when moving from 2019/2020 to 2020/2021 only) detailing the changes to Employment Allowance, click **Next**
6. From the **End of Year Transfer | 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 (if you do not know what your Employer's NI bill is for 2019/2020, you can pick either option now and amend it later in **Setup/ Options | 12 – Tax/NI Parameters | Employment Allowance**

- **Do not claim Employment Allowance**

Stop claiming Employment Allowance

7. If you have selected 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

If de minimis state aid rules apply to your practice, you must make sure that receipt of the full £4,000 allowance in the claim year (when added to any other de minimis state aid already received or allocated in the claim tax year and the previous 2 years) would not result in you exceeding the de minimis state aid threshold for your trade sector(s). You do not need to enter a value of de minimis state aid in the system as you are not required to report the value to HMRC in RTI submissions

8. Click **Next**
9. The **End of Year Transfer** process will continue (**Cancel** will stop the process and close the screen)

State Aid

Under **Setup/ Options | 12 – Tax/NI Parameters**, a new **State Aid** button has been added. This button will be enabled if **Employment Allowance** is set to **Yes**. Click **State Aid** to open the screen where you can select the relevant **de minimis State aid** option from:

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

Pensions

AE Parameters

The AE Parameters have been updated in line with legislation for 2020/2021.

NHS Pension Rates

The Pension Tiers for NHS England/Wales and NHS Northern Ireland are up to date with legislation for 2020/2021.

RTI

Employer Payment Summary (EPS)

We have updated the EPS schema for submissions relating to tax year 2020/2021.

On the **RTI Submissions | Employer Payment Summary | Employer Payment Summary Monthly Values** screen and the **Employer Payment Summary Final Confirmation** screen, we have added the following new fields:

- **SPBP Recovered**
- **SPBP Compensation**

As with SMP Compensation, if **Setup/ Options | 1 – Program Options | This practice IS eligible for Small Employer's Relief** is not selected, the **RTI Submissions | Employer Payment Summary | Employer Payment Summary Monthly Values | SPBP Compensation** field will be disabled.

EPS Reports

EPS reports have been updated to include SPBP Recovered and SPBP Compensation.

Employment Allowance – EPS

From 2020/2021, if **Setup/ Options | 12 – Tax/NI Parameters | Employment Allowance** is set to **Yes**, you are required to send the first EPS of the tax year. This will also include the Employment Allowance indicator if the status has been changed from **Yes** to **No**. The de minimis state aid field selection will also be included in the EPS submission.

Full Payment Submission (FPS)

We have updated the FPS schema for submissions relating to tax year 2020/2021.

Earlier Year Update (EYU)

We have updated the EYU schema for submissions relating to tax year 2019/2020. Postgraduate Loans and Welsh Tax Codes can now be included in an EYU.

Other Changes

P60 Details

We have updated the P60 reports for the year-end 2019/2020 to include **Postgraduate Loan deductions**.

Previous Employee Code

On the **New Employee Details** or **Change Employee Details | Starter Details Wizard**, we have added an **Employee Status section**. This section contains the **Employee Status** drop-down menu (moved from the **Employee Details** main screen), together with a **Previous Employee Code** field.

The **Previous Employee Code** field will be enabled when **Employee Status** is set to **Not a new employee**.

Import Data/Export Data

The **Import/Export Data | Import Data** or **Export Data | Data Import Fields** or **Data Export Fields | Field Name** list now includes **Previous Employee Code**, **Total Class 1A NIC** and **Total Termination Payments**.

Standard Life WPH Payments File

We have updated the Standard Life WPH Payments File in line with their requirements. Included in this update is the format of the value field which has changed from whole numbers to 2 decimal places.

Apprenticeship Start Date

To allow the system to check that an individual is on the correct NI rate and rate of pay, based on their age/apprenticeship status, under **New Employee Details** and **Change Employee Details** we have added a new field:

- **Apprenticeship Start Date**

Examples of validation:

Example 1

- NI code is A
- Employee is < 25
- Apprenticeship Start Date populated
- Apprenticeship End Data blank

Based on the data above, a message will be displayed asking if you want to change the NI Code to H.

Example 2

- NI code is H
- Employee is > 25
- Apprenticeship Start Date populated
- Apprenticeship End Data blank

Based on the data above, a message will be displayed stating that HMRC do not permit employees aged 25 or over to have an NI Code of H, unless you intend to make a payment that was due to the employee before their 25th birthday. The software will prompt you to change the NI Code or the Date of Birth accordingly.

Unsocial Hours Rate

From the April 2020 update, under **Employee Details | Pay Details** you can enter or amend the Unsocial Hours % Rate, based on your region's valid rates. For **Saturdays and Weekdays (after 8pm and before 6am) | Unsocial Hours % Rate** and **Sundays and Public Holidays | Unsocial Hours % Rate**, the drop-down lists have been changed to numeric fields. If you already have unsocial hours configured, these will be unaffected but can be edited.

This change has been made as England, Scotland/Northern Ireland and Wales may all have different rates. The rate to use depends on the employee's pay band and the NHS region, please refer to your NHS Terms and Conditions of Service Handbook to check the current rates.

From the **Payroll Calculations | Temporary Adjustments | Basic Special Salary | Add Unsocial Hours** screen, you can enter any **Unsocial Hours** worked in the month at the % rate as per the employee's pay band. As in **Employee Details | Pay Details**, the **Unsocial Hours % Rate** columns are now editable numeric fields.

The current Unsocial Hours % rates are:

Saturdays and Weekdays (after 8pm and before 6am)	Sundays and Public Holidays
30%	60%
35%	70%
37%	74%
42%	84%
44%	88%
48%	95%
50%	100%

End of Year Transfer

After the **End of Year Transfer**, we would advise that you check if the **Unsocial Hours % Rates** need to be changed for the new tax year. These are not automatically updated. The current rates will be detailed in the NHS Terms and Conditions of Service Handbook.

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

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