Payroll Year End

Hello.

Please read these instructions before attempting year end.

Software Update

Keytime Payroll 2020-21 Year End

Getting Help

You can get help with your year end in one of three ways:

Online at support.keytime.co.uk
Email us at support@keytime.co.uk **Call us** on 0344 815 5560

Personal allowances

Personal allowances have been uplifted this year, so you will need to update the personal allowances for codes L, M and N before processing your first pay period of 2021/22.

You can find instructions on making these changes for each payroll company you process later in this guide.

Changes for 2021-22

Earlier Years Update

You can no longer send an Earlier Years Update to update a previous tax year; instead, it is now possible to send a full payment submission (FPS) for previous tax years. Note that the FPS for previous years is only available from the 2020-21 tax year onwards.

Student Loan Plan 4 Scotland

A new student loan plan has been introduced, which has a threshold of £25,000 and deduction rate of 9%. This applies to new borrowers as well as borrowers that have been in repayment before 6 April 2021 under plan type 1. Where there is a need to move employees from plan type 1 to plan 4, employers will be notified via the SL1 notification process.

Starter Checklist

The starter checklist has been updated to incorporate a new format issued by HMRC, which includes student loan plans 1 and 4

Company Cars and RDE2 Regulations for Diesel Engines

To ensure the Cash Equivalent employee car values are calculated correctly, when creating or amending a company car, setting the Euro

Standard field to '6d' automatically ensures 'Diesel Meets RDE2 Regulation' is set in the software.

Install the update

The year-end update installs two versions of the software onto your PC.

Keytime Payroll 20 (for 2020-21 and year end processing) **Keytime Payroll** (for processing 2021-22 payrolls)

Step by step install instructions

1. Ensure that no Keytime programs are running - if they are, close them.
2. Download the update from here: http://www.keytimeonline.co.uk/registrations/Docs/Payrollupdate.exe
3. Follow the on-screen prompts and allow the update to install.
4. The system will tell you when it has finished.

Finish processing

You should complete every period for 2020-21 payroll before processing the year end. Payroll will not allow you to process year end whilst a pay period is open.

Week 53

A week 53 payment will only be required in 2020-21 if the actual day on which you pay your staff is Monday 5th April.

If your payment date is correctly set in the system as Monday, week 53 will run automatically.

In line with legislation, Keytime Payroll calculates the extra period on a week 1/month 1 basis. Please bear in mind that this could cause staff to be underpaid for the year ended 5th April 2021.

Filing a Final FPS or EPS

The final FPS must be filed on or before the date you pay employees.

If you have statutory payments to recover, or you need to tell HMRC that you haven't paid anyone in the final tax month, you must file an EPS. Under these circumstances the EPS *must* be filed by **19th April 2021** to ensure HMRC allocate recovery amounts to the correct period and tax year.

Final FPS

Open your 2020-21 payroll, to submit a final FPS click **submit** on the main toolbar in the employee library, click Full Payment Submission.

Select the FPS to be submitted, click Submit. In the FPS wizard, tick (click) the box 'final submission for the year', click next.

Once the pre-filing validations have been completed click Submit to send the FPS; you can send as many final FPSs as necessary.

Final EPS

If you need to send an EPS, for example to recover statutory payments, you can send a final EPS instead of a final FPS (you must still send an FPS for the last period). Click submit on the main toolbar in the employee library, click Employer Payment Submission.

Select the EPS to be submitted, click submit. In the EPS wizard, tick (click) the box 'final submission for the year'. Continue with the EPS as normal. It is important to note that if you are recovering statutory payments you *must* submit the EPS by 19th April 2021 to avoid HMRC allocating the recovery amount to the incorrect tax period and year.

Run the year end

1   Install the Payroll Year End update if you haven't already done so.

2   Complete any outstanding processing for 2020-21 and close the last period as usual – **you must ensure you have a backup before closing the final period**. If you normally use an icon on your desktop to start the payroll software use the new Keytime Payroll icon instead.

3   Take a backup of your data, label the backup as your Year End backup, and keep it safely away from your regular backup set.

4   Using the Keytime Payroll 2020-21 icon go back into your 2020-21 payroll and print off your P60s. To do this, make sure you are in the Employees screen *(the employees button in the top-left hand corner will be disabled)*. Reports > Year end > P60s

5   Print the reports you need before year end. It is possible to print P60s after closing down the year. To do this simply log into the 2020-21 payroll using the Payroll 2020-21 icon.

You can now run the year end. This will create your data in the 2021-22 version of the software.

In the 2020/21 version of Payroll click Payroll > End of year > Process end of year

6   Close Payroll 2020/21 and re-open it using the other icon, which will be labelled simply Keytime Payroll. The tax year (bottom right) should now read 2021-22 and the pay periods will have reset to 1.

P60 print alignment

All the boxes on the P60 are in fixed positions which should be correct for all printers.

Please note that the system uses Portrait Laser P60 single sheet forms only.

Occasionally, you may need to adjust the prints to fit the forms. You can manoeuvre the entire print horizontally and/or vertically to ensure that it prints within the boxes on the form.

Setup > Configure system. Click the settings tab. You can then adjust the margins to align the P60s.

If you do make a change, we recommend making a note of the original settings, in case your payslip alignment is affected. You only need to make this change in a single company - other companies will use the same settings.

Tax code changes

For every company:

1. Open the company in Keytime Payroll *(for 2021/22)*

2. Go to payroll > End of year

3. Select change tax code

4. Type **L** to change the **L** code

5. Enter **7** for the amount to change

6. Type **M** to change the M code

7. Enter **8** for the amount to change

8. Type **N** to change the N code

9. Enter **6** for the amount to change

Emergency tax code is 1257L

NB these changes are the same for Scottish tax codes.

Student Loan thresholds

If you have ticked the box for a Student loan the annual earnings above which collection will start are as follows:

Threshold for Plan 1   £19,895

Threshold for Plan 2   £27,295

A new Plan 4 Scotland has been introduced for April 2021, which has a threshold of £25,000 and a 9% deduction

Threshold for postgraduate loans £21,000