



# **IRIS PAYE-MASTER**

Release Notes & Patch v5.26

Tax Year 2021/2022

IRIS. Look forward

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## April 2021 Patch Version 5.26.0.21

### Furlough Extension

The software/spreadsheet has been updated to incorporate the extension of the CJRS until 30<sup>th</sup> September 2021.

Please see the **COVID-19 – Furlough Job Retention Scheme Changes and Important Dates Guide** for further information.

### Default Student Loan

Previously, when a new employee had more than one student loan selected in the Starter Checklist, the software assigned the lowest number by plan type. We have updated the software and it will now assign the number based on the lowest annual threshold of the selected loans.

### Previous Re-Enrolment Date

An issue occurring during the Year-end | Clear Totals process where if a company had a Staging Date and a Previous Re-Enrolment Date for Automatic Enrolment, the Previous Re-enrolment Date was removed, has been resolved.

## April 2021 Version 5.26

### PAYE Legislation

### Student Loan Thresholds

The annual thresholds have been updated in line with legislation for 2021/2022.

- Plan Type 1 increased from £19,390 to £19,895
- Plan Type 2 increased from £26,575 to £27,295
- Plan Type 4 is new for April 2021 and has a threshold of £25,000
- Postgraduate Student Loans remains at £21,000

### Tax, NI, SSP, SMP, SAP, SPP & ShPP

The rates for tax, NI and statutory payments have been updated in line with legislation for 2021/2022.

### Minimum Wage

Minimum wages rates have been updated in line with legislation for 2021/2022.

## AE Parameters

The AE Parameters have been updated in line with legislation for 2021/2022.

## Starter Checklist

### Starter/Leaver Tab

In light of changes made by HMRC to the Starter Checklist, on **Employee | Starter/Leaver | Starter**, we have added a **Student Loans & Postgraduate Loan** label with **Plan Type 1**, **Plan Type 2** and **Plan Type 4** tick boxes, thus replacing the current **Student Loans** section. This allows you to select one or multiple Student Loan plans for employees.

Following the updates to the Starter Process, we have renamed the following:

- **Employee Statement** frame is now **Starter Checklist**
- **Student Loans** is now **Student Loans & Postgraduate Loan**
- **Postgraduate Loan Indicator** is now **Postgraduate Loan**
- **Student Loan Indicator** is now **Plan Type 1**
- **Employee Statement not completed** is now **Starter Checklist not completed by this employee**
- **Existing employee (This is not a new employee)** is now **This employee is not a new starter to the PAYE Scheme**

Statements **A**, **B** and **C** have been changed to:

- **Statement A:** Do not choose this statement if you're in receipt of a State, Works or Private Pension. Choose this statement if the following applies. This is my first job since 6 April and since 6 April I've not received payments from any of the following: Jobseeker's Allowance, Employment and Support Allowance or Incapacity Benefit
- **Statement B:** Do not choose this statement if you're in receipt of a State, Works or Private Pension. Choose this statement if the following applies. Since 6 April I have had another job but I do not have a P45. And/or since the 6 April I have received payments from any of the following: Jobseeker's Allowance, Employment and Support Allowance or Incapacity Benefit
- **Statement C:** Choose this statement if: you have another job and/or you're in receipt of a State, Works or Private Pension

## Expat Screen

Under **Employee | Starter/Leaver | Expat**, we have updated the **Student Loans & Postgraduate Loan** label with the following fields:

- **UK Plan 1**
- **UK Plan 2**
- **UK Plan 4**
- **UK Postgraduate Loan**

The labels have also been renamed as follows:

- **Student Loans** is now **Student Loans & Postgraduate Loan**
- **UK Postgraduate Loan Deduction** is now **UK Postgraduate Loan**
- **UK Student Loan Deduction** is now **UK Plan 1**

On the **Attachment of Earnings** screen, if you select more than one **UK Plan Type**, the system will save the plan with the lowest figure in the **Student Loan** section.

## Sundry Screen

On the **Employee | Starter/Leaver | Sundry** tab, we have changed the **Previous Employee Code** label to **Previous Employee Code / RTI Pay ID**.

## Starter Checklist Reports

We have changed the **Starter Checklist** reports to match the layout provided by HMRC.

## Student Loans - Scotland

### Attachment of Earnings | Employee Details

Following the introduction of **Student Loan Plan Type 04 Scotland**, which has a threshold of £25,000 and a 9% deduction rate for tax year 2021/2022 onwards, on the **Att'ments | Employee Details | Type, Student Loan | Plan Type** drop-down, we have added the number 4.

**Note:** You will be informed by the current SL1 notification process if any of your employees should move to **Student Loan Type 4** from **Plan Type 1**.

### Student Loan Rates

Under **Govt | Sundry**, we have added a new **Plan Type 4** frame which includes **Annual Threshold** and **Rate** fields. Above **Termination & Sporting Testimonial**, we have created a **Student Loans** frame.

### Payroll Calculation

Although the threshold differs when calculating **Student Loan Plan Type 4**, there is no change to the rate or method when calculating student loan deduction.

## Example

### Plan Type 4 (using 2021/2022 monthly thresholds)

Student Loan Plan Type	4
NIable Pay	2,500
Annual Threshold	25,000
Monthly Threshold	2083.33
Deduction Rate	9%
Student Loan Deduction	$2,500 - 2,083.33 * 9\% = \text{£}37$ (rounded down to nearest £)

## Government/Pension Parameters

In the **SUNDRY STATUTORY RATES** section, we have added the **Annual Threshold** and associated **Rate** for **Plan Type 4**.

## RTI Validation

RTI submissions have been updated to include all **Student Loan Plan** types. The **FPS Student Loan Year to-date** value will be a combination of **Plan Type 01, 02** and **04** deductions where all, or either, have existed in the current year.

## Conversion

Conversion has been updated to include the new student loan plan type.

## IR35 - Off-Payroll Working

Following the last-minute announcement by the Government, in light of the COVID-19 outbreak, the legislation for implementation of the Off-Payroll Working (IR35) in the private sector was delayed until April 2021

Off-payroll working rules are more commonly known as IR35. This legislation allows 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.

All public sector clients and medium or large private sector clients are now responsible for deciding a worker's employment status. This includes some charities and third section organisations.

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 NICs

Here are some useful links with further HMRC guidance on 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

## Off-payroll Worker tick box

On **Employee Details | Sundry**, we have added a new frame and field labelled **Off-payroll Worker** which will be enabled and unticked by default. A new tick box has also been added next to the **Off-payroll Worker** field.

**Note:** To successfully set the **Off-payroll Worker** indicator, the software may send you a warning to remove or change fields. If you proceed to untick the field after receiving the warning, any changes made to the other fields will not revert to their original state.

## Report Off-Payroll Worker with FPS

We have added an **Off-payroll Worker** flag in the FPS.



## Employee Record

Under **Reports | Report Selector | Employee Record | Sundry** section, we have added an **Off-payroll Worker** field.

## Conversion

Conversion has been updated to include the **Off-payroll Worker** indicator.

## RTI

### Earlier Year FPS

It is now possible to send a Full Payment Submission (FPS) for a previous tax year and after 19th April in the current tax year. From 2020/2021 onwards, you can no longer send an Earlier Year Update (EYU) to correct any mistakes made in the previous tax year. To enable you to submit an Earlier Year FPS, on the **RTI Online Services** tab, we have replaced the **Send Earlier Year Update** option with a **Send Earlier Year FPS** menu item.

**Note:** The **Send Earlier Year FPS** menu item will only be visible in the software from the 2020/2021 tax year and can only be used from 2021/2022 and subsequent tax years to correct data from the previous year.

### Earlier Year Update

We have removed the EYU menu item from the tax year 2020/2021 onwards. You can only send an EYU for submissions up to Tax Year 2019/2020.

### Earlier Year FPS – Select Employee

When navigating to **RTI Online Services | Send Earlier Year FPS**, an **Earlier Year FPS – Select Employee** screen will display, allowing you to choose an employee from the list. The screen has a **Select Employee** frame as well as a **Submission** frame and drop-down. The purpose of this function is to allow you to send an Earlier Year FPS where a company is new to IRIS PAYE-Master and has no knowledge of employees that left whilst on another payroll.

## Sending an Earlier Year FPS for a New Starter:

1. Go to **RTI Online Services | Send Earlier Year FPS | Earlier Year FPS – Select Employee**
2. Select the **New Employee** button
3. An **Earlier Year FPS – Employee Details** screen will display. From this screen, you can enter the required FPS details for an employee who was not on the system and therefore, has no information for the tax year selected for the Earlier Year FPS. The screen has the following fields:
  - **FPS Pay ID** – you must enter the Pay ID used previously for this employee, if it is not known, enter a new, exclusive one and tick the **Pay ID Changed** box
  - **Pay ID Changed**
  - **Surname**
  - **Forename**
  - **Middle Name(s)**
  - **Address**
  - **Postcode**
  - **Country**
  - **Gender**
  - **Date of Birth**
  - **NI Number**
  - **Leave Date**
  - **Pay Frequency**
  - **Pay Date**
4. Select **Next** to open the **Earlier Year FPS - Data Entry** screen. Enter and amend the data fields required for inclusion in the Earlier Year FPS
5. On the screen, we have included a **Tax Details** frame with the following fields:
  - **Tax Code**
  - **Week/Month 1**
  - **Gr Taxable Pay**
  - **Tax**
  - **Student Loan**
  - **Postgraduate Loan**

The **Sundry** frame includes the fields:

- **Gross Pension Deductions**
- **Net Pension Deductions**
- **Annual Pension Amount**

The **NI Details** frame has the fields:

- **NI Table Letter**
- **NI Pay**
- **Employee Total NIC**
- **Employer Total NIC**
- **Earnings to LEL**
- **LEL to PT**
- **PT to UEL**

The **Statutory Details** screen includes the fields:

- **SMP**
- **SPP**
- **ShPP**
- **SAP**
- **SPBP**

**Note:** The **Statutory Parental Bereavement Pay** field will not be visible unless the Earlier Year FPS is for the tax year 2020/2021 or onwards.

6. If required, from the **Earlier Year FPS - Data Entry** screen, select the **Multiple NICs** button and the **Earlier Year FPS – Multiple NI Rates** screen will display. Make the necessary amendments to the following fields:

- **NI Table Letter**
- **Employee NIC**
- **Employer NIC**
- **Earnings to LEL**
- **LEL to PT**
- **PT to UEL**
- **NI Pay**
- **Current Letter**
- **Previous Letter**
- **Previous Letter 2**
- **Oldest Letter**

7. Click **Print** from the **Earlier Year FPS – Data Entry** screen if you require a hard copy of the information
8. Then select **Next**
9. The **Earlier Year FPS Confirmation Screen** allows you to see your Earlier Year FPS before submitting it to HMRC. **Note:** The National Insurance section will show up to four sets of data. If only one NI rate has been used in the year, only one set of data will display

10. Again, click **Print** if you require a hard copy of the data
11. Choose **Send** to submit to HMRC

## Sending an Earlier Year FPS for an Existing Employee

1. Go to **RTI Online Services | Send Earlier Year FPS | Earlier Year FPS – Select Employee**
2. Click **Next**
3. An **Earlier Year FPS – Data Entry screen** will open. Enter and amend the data fields required for inclusion in the Earlier Year FPS
4. If required, from the **Earlier Year FPS - Data Entry** screen, select the **Multiple NICs** button and the **Earlier Year FPS – Multiple NI Rates** screen will display. Make the necessary amendments to the fields
5. Click **Print** if you require a hard copy of the information
6. Then select **Next**
7. The **Earlier Year FPS Confirmation Screen** allows you to see your Earlier Year FPS before submitting it to HMRC. **Note:** The National Insurance section will show up to four sets of data. If only one NI rate has been used in the year, only one set of data will display
8. Again, click **Print** if you require a hard copy of the data
9. Choose **Send** to submit to HMRC

## Pending

When selecting **RTI Online Services | Send Earlier Year FPS**, the software will prompt you to complete any outstanding FPS submissions (either Normal or Earlier Year) before proceeding with sending a new one.

Also, the **Earlier Year FPS - Data Entry** screen has a **Pending** button which will be disabled if there are no outstanding Full Payment Submissions.

## FPS Changes for 2021/2022

The **FPS** schema has been updated for tax year 2021/2022 in line with government legislation.

## EPS Changes for 2021/2022

We have updated the **EPS** schema for submissions relating to tax year 2021/2022.

On the **Pay | Employment Allowance | State Aid, De Minimis State Aid** screen, we have renamed the **Industrial** field to **Industrial/Other**. This change has also been made to the **Employment Allowance** screen in the **Year-end Restart**.

## Other Improvements

### HMRC Audit File

We have removed the HMRC Audit file from the Help Files.

### Password Length for Online Filing Credentials

On **Company Details** | **Online Services** | **Password**, we have increased the limit to 128 characters.

### P60s

We have updated the P60s for year-end 2020/2021 and to include **Statutory Parental Bereavement Pay** (SPBP).

### Scottish Widows Contributions File Changes

The Scottish Widows Contributions file has been updated in line with their specification. The following fields have been added:

- Employee pensionable salary for pay period
- Employee net regular contribution percentage
- Employer regular contribution percentage

## 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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