



Earnie™ IQ

Release Notes

Version: 22.30

IRIS. Look forward

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Dear Customer

Welcome to your software update for 2022/2023. This update includes some new features and enhancements, together with any necessary legislative changes. You will find information on all software improvements in this document. For information on the legislation behind the changes made in the April release, read the **PAYE Legislation Guide**.

If you encounter any difficulties, please visit: www.iris.co.uk/contactus

The minimum system requirements are on our website [here](#).

Earnie IQ 2022 Release Version 22.30

NI Primary Thresholds

From 6 July 2022, new primary thresholds will be introduced for National Insurance, which means during the 2022/2023 tax year, there will be two sets of NI parameters. The first set applies to pay periods from 6 April 2022 to 5 July 2022, and the second for pay periods from 6 July 2022 to 5 April 2023.

Note: The two sets of National Insurance parameters only relate to the 2022/2023 tax year

Director NI Thresholds

The annual Primary Threshold for Directors is £11,908 and differs from the standard threshold of £12,570. This threshold is effective for the duration of the 2022/2023 tax year. Directors using the annual method will use the new pro-rata annual Primary Threshold of £11,908 for pay periods with a pay date from 6 July 2022 to 5 April 2023.

Directors using the alternative method will use the new period Primary Threshold for pay periods with a pay date from 6 July 2022 onwards. The Primary Threshold of £9,880 will apply for pay periods with a pay date from 6 April 2022 to 5 July 2022 for Directors, as permitted by HMRC.

Examples

Director – Annual Method

The table below shows annual Director NI calculations from the beginning of the 2022/2023 tax year.

Month	Pay Date	Gross	EE's Period	EE's YTD	ER's Period	ER's YTD
1	25/04/2022	10000.00	15.90	15.90	135.45	135.45
2	25/05/2022	10000.00	1325.00	1340.90	1505.00	1640.45
3	25/06/2022	10000.00	1325.00	2665.90	1505.00	3145.45
4	25/07/2022	10000.00	1056.29	3722.19	1505.00	4650.45
5	25/08/2022	10000.00	1325.00	5047.19	1505.00	6155.45

Note: The reduced employee NI in month 4 is because the higher primary threshold of £11,908 is applied.

Weekly Paid Employee

The table below shows weekly National Insurance calculations before 5 July 2022 and from 6 July 2022 for an employee with their NI rate set to A. The table also shows the NI calculations for an employer.

	To 05 July 2022	From 06 July 2022	Whole Year
Gross Niable Pay	Employee NI	Employee NI	Employer NI
190.04	0.00	0.00	2.26
190.05	0.01	0.00	2.26
242.04	6.89	0.00	10.09
242.05	6.90	0.01	10.09
242.06	6.90	0.01	10.09
242.07	6.90	0.01	10.09
242.13	6.91	0.02	10.10
967.00	102.95	96.06	119.20
1000.00	104.02	97.13	124.17

Print Tax / NI / Pension Rates

On **HMRC | Tax/NI/Pensions Rates**, we have included two sets of NI thresholds for the 2022/2023 tax year in the report, as well as

- A new title below **Tax Year 2022/2023 National Insurance Rates** labelled **Thresholds in use 06 April 2022 to 05 July 2022**
- A new title and table containing the new threshold labelled, **Thresholds in use for 06 July 2022 to 05 April 2023**
- A new **Director's Annual Threshold £11,908** bullet point

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AEO Council Tax Wales

Attachment of Earnings Order

Moving into the 2022/2023 tax year, the Welsh Government has uprated the earning thresholds for Attachment of Earnings Orders (AEOs) to maintain fairness in the system and reflect changes in the cost of living.

Following this, on the **Company | Alter Payments / Deductions | Add New (no wizard) | Category** drop-down, under **Council Tax (England/Wales)**, we have added a new **Council Tax (Wales)** payment/deduction.

Note: The Wizard does not currently include the new **Council Tax (Wales)** option.

Company Payments and Deductions Report

The updated **Company Payments and Deductions** report now caters for **Council Tax (Wales)**.

Employee Details

The updated **Employee | Employee Details | Pay/Deds** tab includes **Council Tax (Wales)**. Clicking on this option assigns it to an employee.

Audit

We have modified the audit report to include the Council Tax (Wales) AEO.

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Employment Allowance

Employment Allowance will increase to £5000 for the 2022/2023 tax year.

If you have completed year-end and moved into the new tax year, the system will automatically increase your Employment Allowance from £4000 to £5000.

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PAYE Legislation

National Insurance

NI Holidays for Veterans NIC Relief

In April 2021, HMRC introduced legislation that allowed employers to claim reduced Employer National Insurance contributions for veterans in their first year of civilian employment after leaving the regular armed forces. From the 2022/2023 tax year onwards, you can process this relief in real-time through RTI.

To allow employers to claim the NI reduction from the 2022/2023 tax year, HMRC has introduced a new NI category letter V and the Veteran's Secondary Threshold (VUST).

If claiming this relief for veterans from April 2021 to March 2022, HMRC requires you to pay the Employer National Insurance contributions as usual and then claim them back retrospectively from April 2022 onwards.

Freeport Employer's NIC Relief

From April 2022, employees in their first three years of freeport employment will qualify for reduced Employer National Insurance contributions. Following this, HMRC has introduced NI category letters F, I, S and L and the Freeport Upper Secondary Threshold (FUST) for the 2022/2023 tax year onwards.

Employees cannot have worked for their employer in the previous 24 months to qualify for the reduction.

NI Rates

The system now includes the following rates:

- V – (standard category for Veterans)
- F – (standard category for employees working in a Freeport)
- I – (Married women and widows entitled to pay reduced NICs working in a Freeport)
- S – (Employees over state pension age working in a Freeport)
- L – (Employees entitled to deter paying full NI rate working in a Freeport)

Employee Details

On **Employee | Add New Employee | Employee Details**, we have added the following to the **Tax/NI** tab:

- On the **NI Rate** field, we have added NI Letters, **V, F, I, S** and **L**

Within the **National Insurance** frame, we have included the fields:

- **Date of veteran's first civilian employment** and
- **Working in a freeport**

The screenshot shows the 'Tax/NI' tab of the 'Employee Details' form. The 'National Insurance' section is highlighted with a red box. It contains the following fields:

- NI Number: [Empty]
- NI Rate: V - Veteran
- Director?:
- Normal NI?:
- Date of Veteran's first civilian employment: 06/04/2022
- Working in a freeport:
- Apprenticeship: Start [/ /] End [/ /]

Other sections visible include:

- Tax: Tax Code 1257L, Week1 / Month 1?
- Period: Pay Period Monthly, Next Tax Pay Period 1, On Hold?
- Employment Status: Normal, Irregular Payment , Worker Pays ER's NI , Off-payroll Worker
- Passport No. [Empty]

Buttons at the bottom: Starter Details, Student Loan, History, Previous, Next, OK, Save, Cancel.

Note: The **Working in a freeport** field automatically selects when setting the NI rate to F, I, S or L and cannot be unticked.

Import/Export

File | Import/Export Data | Edit/Add New | Field List, Fields Available for

Import/Export now includes two additional options. Below the **Date of Birth** option, we have added a **Date of veteran's first civilian employment** field, and below **Worker Status**, we have added a **Working in a freeport** field.

P11 Report

We have made the following changes to the P11 report:

- Earnings 1a is now Earnings to LEL
- Earnings 1b is now LEL to PT
- Earnings 1c is now PT to UEL

Employee Record

On **Reports | Print Employee Reports | Employee Record, Preview**, we have added two additional options, **Civilian Employment** (abbreviated for **Date of veteran's first civilian employment**) and **Working in a freeport**.

Audit

The audit now includes NI letters V, F, I, S and L as well as the new fields for **Date of veteran's first civilian employment** and **Working in a freeport**.

Payroll Preview

From **Payroll | Do/Redo Payroll | Payroll Preview** screen, under **Apprentice Threshold**, we have included two additional options, **Veterans Threshold** and **Freeport Threshold**.

Quick Report Writer

Selecting **Reports | Quick Report Writer** displays two additional options in the field list, **Date of veteran's first civilian employment** and **Working in a freeport**.

Filter

The **Filter** function now has the fields, **Date of veteran's first civilian employment** and **Working in a freeport**.

Health & Social Care Levy

Payslip Options

On 7 September 2021, the Government announced plans to introduce a 1.25% Health & Social Care levy. Following this, during the 2022/2023 tax year, National Insurance Contributions (NICs) will increase by 1.25% for working-age employees, the self-employed and employers. From April 2023, the Health & Social Care levy will be effective and will include the groups listed above and anyone working above State Pension age. National Insurance Contribution rates will return to 2021/2022 levels in April 2023.

For the 2022/2023 tax year, HMRC recommends including the following note on payslips, where possible:

- **1.25% uplift in NICs funds NHS, health and social care**

Following this, on **Reports | Report Options | Payslip Options**, below **Message**, we have added a **Keep Message Text** indicator to allow you to repeat the message on future payslips. Similarly, unticking this indicator will remove any existing comments on payslips. You can amend or remove text displayed on **Reports | Print Payslips, Payslip Message** field at any time.

Repeat Payslips Messages

To add and retain a message on payslips, follow the steps below:

1. Select **Report | Report Options**
2. Choose the **Payslip Option** tab
3. Tick the **Message** and **Keep Message Text** indicators
4. Print a payslip as usual from **Reports | Print Payslips**
5. On the **Payslip Reports** screen, enter the text you want to display on the payslip into the **Payslip Message** field, for example, 1.25% uplift in NICs funds NHS, health & social care then click **Print**

Note: To enable the **Payslip Message** field, go to **Reports | Report Options | Payslip Options** and tick the **Message** indicator

6. The payslip will now print with the message displayed
7. When printing a payslip in the next pay period, the **Payslip Reports | Payslip Message** field should display the message you added previously. Amend the text as required and click **Print**

8. Again, the payslip will print and display the message
9. You can remove the message at any time by unticking the **Keep Message Text** indicator and removing the text from the **Payslip Message** field

Student/Postgraduate Loan

In line with legislation for 2022/2023, we have updated the annual thresholds for student and postgraduate loans. The revised rates are:

- Plan Type 1 is increasing from £19,895 to £20,195
- Plan Type 2 is remaining at £27,295
- Plan Type 4 is increasing from £25,000 to £25,375
- Postgraduate Student Loans is remaining at £21,000

Tax Code Changes

Due to all personal allowances remaining at 2021/2022 levels, there is no increase in tax codes for the 2022/2023 tax year.

Tax, NI and Statutory Payment Rates

System updates include amended tax, NI, and statutory payment rates for the 2022/2023 tax year.

National Minimum / National Living Wage

Updated national minimum and living wage rates for the 2022/2023 tax year are now available in the system.

AE Parameters

In line with legislation for 2022/2023, we have updated the AE Parameters.

RTI

FPS – 2022/2023

In line with government legislation, we have updated the FPS schema for the 2022/2023 tax year.

EPS – 2022/2023

We have amended the EPS schema for submissions relating to the 2022/2023 tax year.

Early Year FPS Changes for 2021/2022

We have updated the EYFPS schema for the 2021/2022 tax year, allowing you to claim a refund from HMRC for the Employer National Insurance contributions paid in the tax year for qualifying veterans. To claim a refund, you need to complete an EYFPS. To do this, go to **Online Services | Send Earlier Year FPS** and on the **NI Rate** drop-down, select NI letter **V**.

Other Improvements

BACS Standard 18 – Modurl

Under **Reports | Library Selection | Bank Reports/BACS**, we have added a new **BACS Standard 18 – Modurl** option.

P60

A new P60 layout for year-end 2021/2022 is now available.

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 Support

Your Product	Phone	E-mail
IRIS PAYE-Master	0344 815 5555	payroll@iris.co.uk
IRIS Payroll Business	0344 815 5555	ipsupport@iris.co.uk
IRIS Bureau Payroll	0344 815 5555	ipsupport@iris.co.uk
IRIS GP Payroll	0344 815 5555	gpsupport@iris.co.uk
IRIS GP Accounts	0344 815 5555	gpaccsupport@iris.co.uk
Earnie or Earnie IQ	0344 815 5555	earniesupport@iris.co.uk
IRIS Payroll Professional (formerly Star)	0344 815 5555	payroll-support@iris.co.uk