

Accentra Payroll v20.0

April 2016 EOY Release Notes v1.5



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I PREPARING FOR EOY

I.1 UPGRADE TO VERSION 20.X

Update your Accentra Payroll installation with the April 2016 EOY Release version 20.0 or later as soon as possible, but **definitely before you process EOY** explained in section 2. There is no need to wait to close the last period of the current tax year.

I.2 WHAT HAPPENS AFTER UPGRADING TO 20.X?

The program will work as usual for the remaining part of the tax year 2015-16.

The legislative changes for the new tax year will become effective only after you complete the “Year End” process. If you are running multiple payrolls, you can perform the Year-End for each company (or payroll) separately at your convenience. New Year changes will become effective for each company (or payroll) separately.

If you create a new payroll after the update, you will have the option to choose either the Tax Year 2015-16 or the new Tax Year 2016-17.

I.3 WHEN TO COMPLETE YEAR END?

As soon as you have finished with the last period of the year, you can end the year and proceed with the payroll processing for the New Year without having to print P60s. These can be printed from the program at any time before the deadline.

Upgrade Check List

The Payroll program should be closed, before installing the upgrade.

After the upgrade is completed, make sure you check the version number shown at the bottom of the Payroll main screen.

If you have installed the Payroll on a network, make sure the Server and all connected computers are upgraded to the new version.

2 PROCESSING EOY

2.1 BEFORE EOY CHECK LIST

Ensure that the version number of your payroll reads 20.0 or later

- Complete Payroll Processing for the last period of the year 2015-16
- Complete the Final FPS (refer to section 4.1 for further information)
- Closed the period
- If you run more than one payroll frequency, make sure the above steps are completed for all the frequencies
- Make at least two sets of backup of your data on reliable media, one on the hard disk.

2.2 ENDING THE YEAR

- Close all the screens within the Payroll application
- On the Main Menu, click **[Activities]** and then select the option **[End Year]**
- Then click the button **[End Now]**
- The program will perform the year end and a message will appear within a few seconds to confirm that the year-end procedure is completed successfully.
- The programs will then automatically close the company and take you to the company list. If this doesn't happen, please close the company manually and re-open it before performing the check list as per section 2.3 below.

2.3 AFTER EOY CHECK LIST

After the year end is complete, **it is very important** that you check and ensure that the following screens have been updated correctly on your payroll data.

- Payroll Options Screen – The tax year shown in the Main tab should read 2016-17.
- Tax Bands screen should display the bandwidths described in section 3.2
- NI Bands Screen should display the bandwidths described in section 3.5
- SSP Rates Screen should show the new value as described in section 3.7
- SMP/SPP/SAP Parameters should show the new values as described in section 3.8, 3.9 and 3.10
- Uplift the tax codes as explained in section 3.1

Important:

If for some reason, any of the above changes have not come in to effect, we recommend that you contact us immediately by emailing to support@accentra.co.uk.

2.4 POST EOY RESPONSIBILITIES

- Complete Final Employment Payment Summary submission. Refer to section 4.2 for further information.
- Issue P60 Tax Certificate to your employees. Refer to section 4.3 for further information.

Final EPS

You do not have to submit your final EPS before the year end as this can be done after commencing the New Year in the same way that the P60s are printed.

Tax Code Uplift

If you use Accentra Umbrella Enterprise Edition or Green Pelican Pay & Bill software, the uplift should be done on the Web Application. This will be done by Accentra Technical Team.

3 APRIL 2016 STATUTORY CHANGES

3.1 TAX CODE CHANGE

The income tax personal allowance will rise to £11,000. The emergency tax code will rise to 1100L. As a general rule, unless an amended code notification is received on form P9(T), all tax codes with a suffix 'L' will be increased by 40 (example: 1060L will be changed to 1100L).

To apply the change globally, click the **Activities** menu and then select the option [**Change Tax Code**] and input the following values and click **Update** to action

P9 Notification

P9 Tax code change notifications must be recorded directly by amending the employee record. If you receive a Tax Code Change notification (Form P9) for an employee, you must first run the Global Tax Code change before amending the relevant employee's tax code.

For Umbrella Users with a Portal, this update will be carried out by Accentra staff as part of your Year End close.

3.2 NEW TAX BANDS

After the EOY, the tax band screen should read as below. (**Govt. > Tax Bands**)

	Bandwidth	From	To	Rate %	Basic Rate?
1	32000.00	0.00	32000.00	20.00	<input checked="" type="checkbox"/>
2	150000.00	32000.01	150000.00	40.00	<input type="checkbox"/>
3	99999999.00	150000.01	99999999.00	45.00	<input type="checkbox"/>
4					<input type="checkbox"/>
5					<input type="checkbox"/>

Upper (Regulatory) Limit %	50.00
Scottish Variable Rate	0.00
Tax Free Allowance (Annual)	0.00

3.3 50% TAX LIMIT

From April 2015 HMRC introduced new limits to the amount of debt collectible through a tax code. To ensure employees have no more than 50% of their pay deducted, they extended the 50% overriding limit (applicable to K codes only) to all tax codes from 6 April 2015. This statutory safeguard will support the checks already within HMRC systems which mitigate the risk using incorrect tax codes.

The change applies to all suffix codes, prefix codes and letter only codes and the employer will be responsible for operating the 50% overriding limit. Non K codes that hit 50% limit should be changed to a week1/month1 basis – unlike with K codes there is no requirement for an employer to account for or to attempt to collect any shortfall of tax.

RTI only needs details of the tax deducted each pay period along with the YTD figure.

3.4 SCOTTISH RATE OF INCOME TAX (SRIT)

The Scottish Rate of Income Tax (SRIT) is the amount of income tax Scottish taxpayers will have to pay and will come in to force from 6 April 2016.

3.4.1 SCOTTISH TAXPAYER STATUS

A Scottish taxpayer is someone who is resident in the United Kingdom (UK) for tax purposes and who has their sole or main place of residence in Scotland for more of the tax year than in another part of the UK. The location of an employer, trustee etc. is not of any relevance, it is the location of the individual’s main place of residence that is the key factor in deciding Scottish taxpayer status. HMRC will identify those individuals who will be Scottish taxpayers – you, as an employer, will not have to make any assessments on taxpayer status. For the majority of individuals, identifying their main place of residence will be very simple. For those with more complex living arrangements, guidance will be published on GOV.UK later this year. Although there is currently no legislation in place that states customers need to keep HMRC informed of a change in address, it would in their best interest to tell us about any changes in personal circumstances, including changes in address, as soon as possible, as this could potentially amend their taxpayer status and tax code. We will be letting individuals know about the importance of notifying HMRC if they change their address but would be grateful if you could also reinforce this message with your employees.

3.4.2 TAX CODES

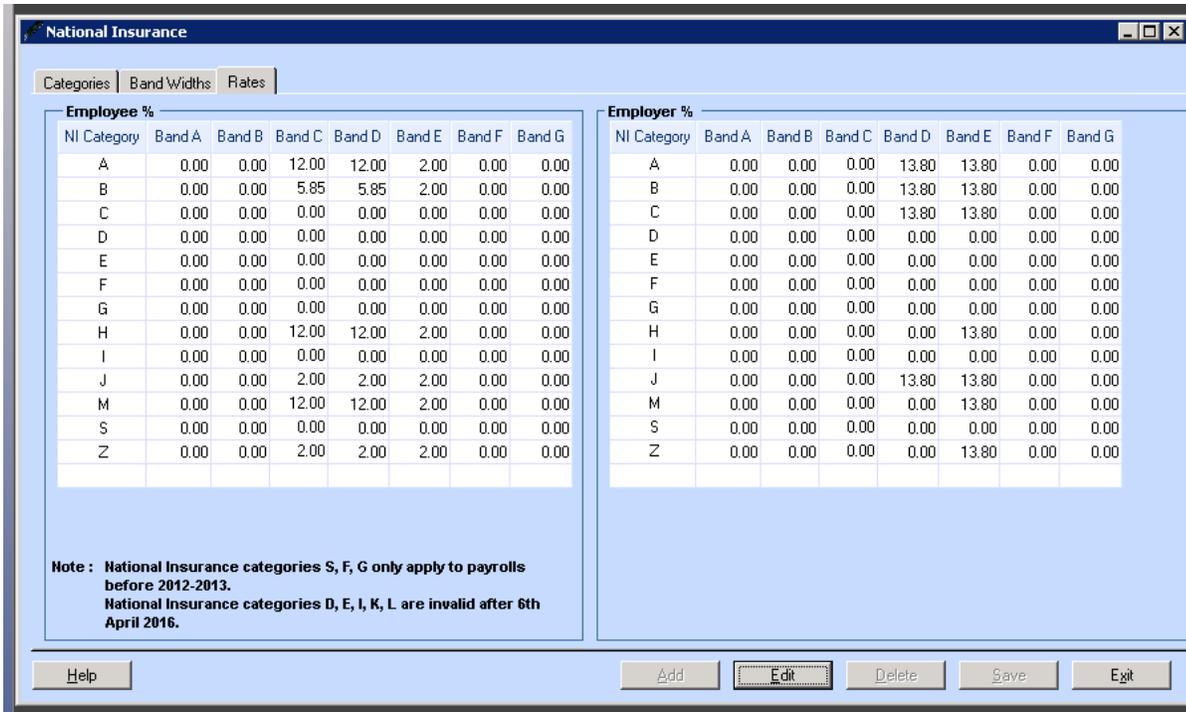
Scottish taxpayers will have their tax codes prefixed with the letter ‘S’. You should not use a tax code prefixed with the letter ‘S’ unless advised to do so by HMRC. For new starters, the Scottish Rate solution will look to assess and assign the appropriate Tax Code after the first Full Payment Submission (FPS) is received, using the information we hold at that time. We will then let you know the correct tax code to use. You should continue to operate the tax code provided by HMRC, even if there is a change to your employees’ circumstances. In-year notifications will be issued where the customer notifies us of their change of address and this changes their taxpayer status and tax code.

3.5 NEW NATIONAL INSURANCE BANDS

After the year end, the annual NI Bands should read as below: **(Govt. > NI Bands > Bandwidths**

Categories	Band Widths	Rates		
	Band Description	Weekly	Monthly	Annual
1	Lower Earnings Limit	£112.00	£486.00	£5824.00
2	Primary Threshold	£155.00	£672.00	£8060.00
3	Secondary Threshold	£156.00	£676.00	£8112.00
4	Upper Accruals Point	£827.00	£3584.00	£43000.00
5	Upper Secondary Threshold	£827.00	£3583.00	£43000.00
6	Upper Earnings Limit	£827.00	£3583.00	£43000.00
7				
8				

3.6 NATIONAL INSURANCE RATES



From April 2016 all Contracted Out categories will be discontinued due to the introduction of Auto Enrolment.

- All Employees using category D must be changed to category A
- All Employees using category E must be changed to category B
- All Employees using category I must be changed to category M
- All Employees using category K must be changed to category Z
- All Employees using category L must be changed to category J

These changes must be done BEFORE processing any payroll for 2016. In addition the Government have introduced a two new categories for Employees under the age of 25 that are employed as apprentices. This new category will be:

- H Standard rate contributions for apprentices under 25
- G Mariners standard rate contributions for apprentices under 25 (Accentra does not support Maritime NI Categories)

These will operate in the same way as the existing **Under 21** categories.

3.7 SSP RATE

The weekly SSP Rate remains at £88.45 but you will see a new entry for tax year 2016-2017 as below.

	Tax Year	Date Effective	Threshold	From	To	SSP Rate
1	2016-2017	06/04/2016	112.00	112.00	0.00	88.45
2	2015-2016	06/04/2015	112.00	112.00	0.00	88.45
3	2014-2015	06/04/2014	111.00	111.00	0.00	87.55
4	2013-2014	06/04/2013	109.00	109.00	0.00	86.70
5	2012-2013	06/04/2012	107.00	107.00	0.00	85.85
6	2011-2012	06/04/2011	102.00	102.00	0.00	81.60
7	2010-2011	06/04/2010	97.00	97.00	0.00	79.45

SSP Days & Limits			
No. of Waiting Days	3	Max. Weeks SSP Payable	28
Linkage Period (days)	56	Week of 'Transfer Form'	23
		Max. Age for SSP	65

3.8 MATERNITY PAY & RECOVERY RATES (SMP)

Standard SMP Rate will remain at £139.58

Standard Rate	
Rate Payable (Pounds)	139.58
Max. Weeks Payable	33
Max. Weeks Payable before 1st April	0

Earnings Related Rate	
Rate Payable (%)	90.00
Max. Weeks Payable	6

Others	
Amount Recoverable by the Non-SER Employer %	92.00
Amount Recoverable by SER Employer %	103.00
NIC Compensation Rate For SER Employer %	3.00
Maximum KIT Days Allowed	10

Buttons: Help, Edit, Save, Cancel, Exit

3.9 PATERNITY PAY & RECOVERY RATES (SPP)

Standard Paternity Rate will remain at £139.58

Standard Rate		Earnings Related Rate	
Rate Payable (Pounds)	139.58	Rate Payable (%)	90.00
Max. Weeks Payable	2		

Others	
Amount Recoverable by the Non-SER Employer %	92.00
Amount Recoverable by SER Employer %	103.00
NIC Compensation Rate For SER Employer %	3.00
Maximum KIT Days Allowed	10

3.10 ADOPTION PAY & RECOVERY RATES (SAP)

Standard Adoption Pay Rate will remain at £139.58.

Standard Rate		Earnings Related Rate	
Rate Payable (Pounds)	139.58	Rate Payable (%)	90.00
Max. Weeks Payable	39		

Recovery	
Amount Recoverable by the Non-SER Employer %	92.00
Amount Recoverable by SER Employer %	103.00
NIC Compensation Rate For SER Employer %	3.00

3.11 SHARED PARENTAL LEAVE (SPL) AND SHARED PARENTAL PAY (SHPP)

From April 2015 Additional Standard Paternity Pay was replaced by Shared Parental Leave (SPL) and Shared Parental Pay.

Eligible employees in working couples who share the care of the child will be able to share any maternity leave and pay (i.e. SMP or MA) remaining when M ends her maternity leave and/or her maternity pay period or maternity allowance period early. The same applies to an adopter who is entitled to adoption leave and/or Statutory Adoption Pay. This is called ‘curtailing’ her maternity leave (or adoption leave) and curtailing the Maternity Pay Period during which she would be eligible to be paid SMP when absent from work; or the Maternity Allowance Period, during which she would have been entitled to receive MA when absent from work; or the Adoption Pay Period, during which the adopter would have been entitled to receive SAP when absent from work.

3.12 EMPLOYMENT ALLOWANCE

The Employment Allowance will increase from 6 April 201. If you are **eligible** you can reduce your employer Class 1 NICs by up to £3,000 each tax year. You can claim the Employment Allowance if you are a business or charity (including Community Amateur Sports Clubs) that pays employer Class 1 NICs on your employees’ or directors’ earnings.

Not all businesses can claim the Employment Allowance it is the responsibility of the Employer to establish if they are eligible for the allowance. If you run multiple payrolls or operate through multiple PAYE references, you can claim the allowance only through one payroll.

To claim the allowance, simply select the option “Claim Employment Allowance” available under Payroll Settings->Company tab. Once this is enabled, program will notify HMRC via RTI that you wish to claim the allowance. The EPS screen will track how much is claimed for the year.

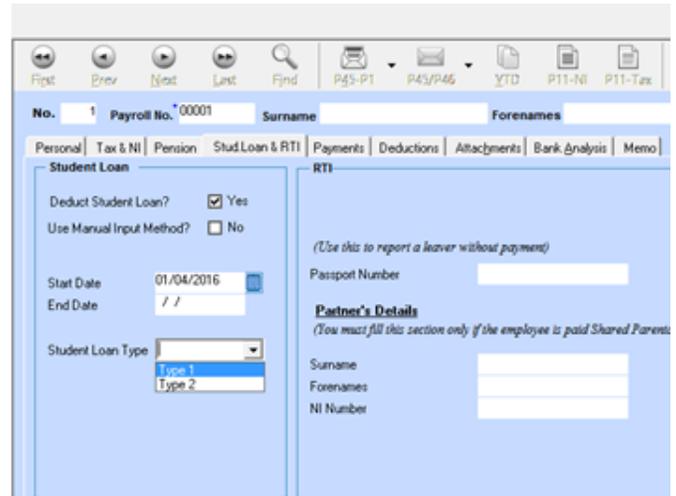
There is a change to who is eligible for employment allowance this year. Businesses with a sole employee who is also a director are not eligible for employment allowance. If you're unsure whether or not you're eligible for employment allowance in the 2016/2017 tax year, you must speak to HMRC.

3.13 STUDENT LOAN

From 6 April 2016 a new threshold will be introduced for a new type of student loan deduction named Plan Type 2. This new Plan Type 2 threshold is in addition to the existing threshold which will be named Plan Type 1. Employers will only ever be asked to operate either Plan Type 1 or Plan Type 2 deductions at one time. If a new employee is repaying a student loan the employer will need to ask which plan type the employee is repaying under. From 6 April the starter declaration checklist will prompt employers to ask new employees about their student loan plan type. Form P45 will only indicate whether a new employee is already repaying a student loan. It will not indicate a plan type.

Plan type 1 deductions are the default option where it is not clear which type of deductions to operate. For example, if a new starter advised that student loan deductions were necessary but did not initially know the plan type. The employee should contact the Student Loans Company to get this information and ensure the correct deductions are applied at the earliest payroll date. However, an SLI start notice confirming the plan type will always be issued by HMRC when a new employment occurs.

Employers will only ever have to deduct either Plan Type 1 or Plan Type 2 deductions at one time. It is possible for employees to have both types of loan, but only one will be in operation for deduction at one time. Any plan type change will be advised via a new start notification stating the new plan type to operate. Allocation of the 2 loan types will be done by the Student Loans Company. Therefore this allocation process is not visible to the employer or HMRC. The employer simply applies the plan type deduction as informed by the start notification or the starter checklist.



The new thresholds for Student Loan Deductions are as follow:

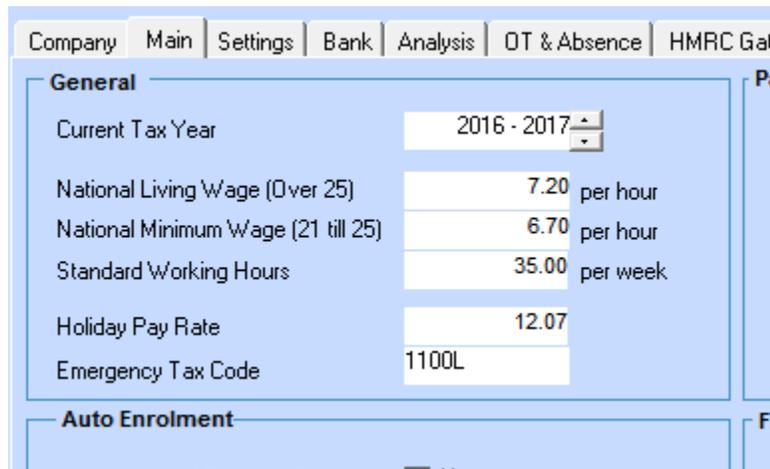
Plan Type 1 - £17,495

Plan Type 2 - £21,000

3.14 NATIONAL LIVING WAGE

From April 2016, all workers aged 25 and over are legally entitled to at least £7.20 per hour. Check you know who is eligible in your organization. Find out on GOV.UK’s employment status page. Accentra will use the new setting when calculating the Gross pay for Tax for the period as has been done with the existing National Minimum Wage. There will now be three levels of National Minimum wage and the National Living Wage will be used in addition to these.

You can find out everything you need to know about the new National Living Wage, including the new rates of pay, www.gov.uk/national-minimum-wage/employers-and-the-minimum-wage



4 FINAL RTI SUBMISSIONS & P60

4.1 FINAL FULL PAYMENT SUBMISSION

Employers should notify HMRC when the last payroll has been completed for the tax year by submitting the “Final Full Payment Submission”. This is done by selecting the option “Final Submission for this Tax Year” that is available on the FPS screen.

Full Payment Submission

Full Payment Submission (FPS) must be made each time your employees are paid in a tax period. Each submission will report the YTD values of the Tax & NI related figures and the difference in the net pay between the last and new submissions. Leavers & starters will be reported automatically via FPS.

Pay Frequency: Weekly

Total Number of Employees Listed: []

Final Submission for this Tax Year?

Payroll ID	Name	Frequency	Net Pay	FPS Amount	Start Date	Starter?	Leaving Date	Leaver?
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When you do the FPS for the last period of the year, the program will automatically select this option. When the submission is done, program will again ask the user to confirm if this is the final FPS. If an extra period is required for Week 53, Week 54 or Week 56, just click No and the program will clear the box.

After the submission of the final FPS the last period can be closed and the user can move on to the new year by running the End of Year procedure

4.2 FINAL EMPLOYER PAYMENT SUMMARY

In addition to the Final FPS, employers must submit a final EPS before 19th April to notify HMRC that you have completed all required adjustments/amendments for the tax year that just ended. The final EPS is same as the usual EPS you submit but with two differences:

- The option “Final Submission for this Tax Year?” must be selected
- You will be required to complete a declaration form similar to the now obsolete P35 declarations.

There are two ways of doing this and both can be found on the RTI Menu.

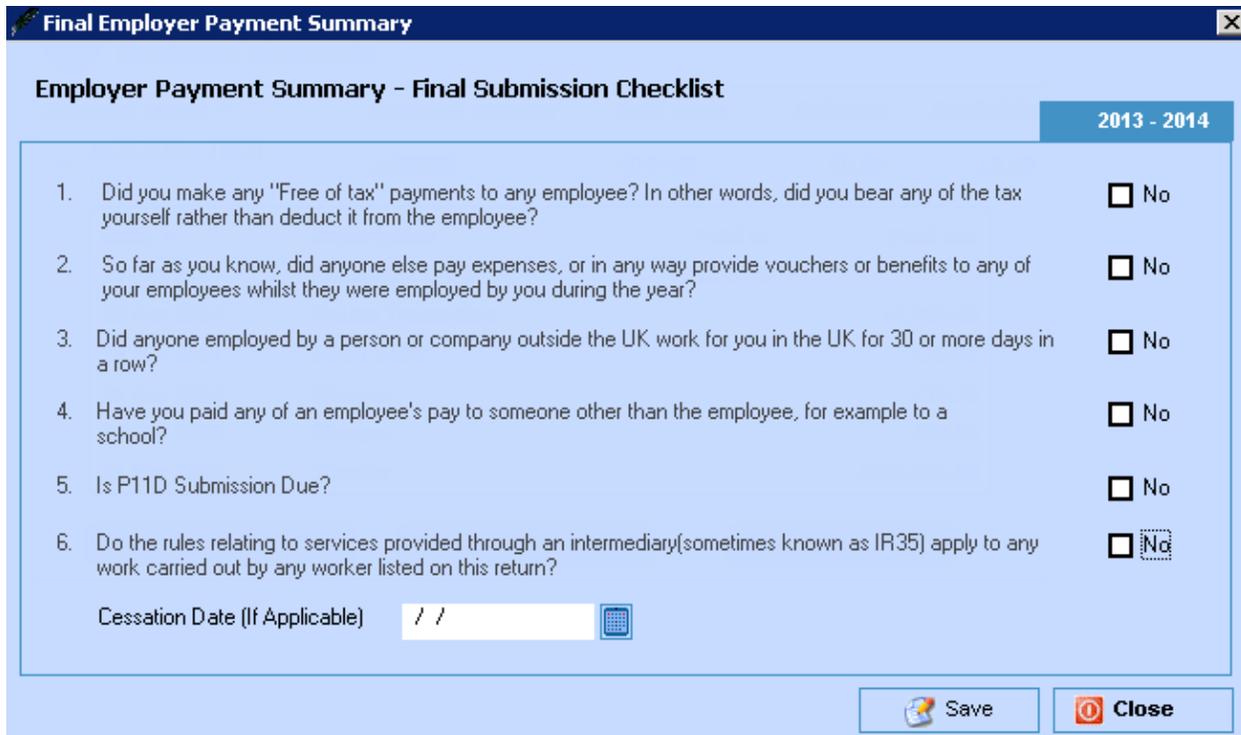
(a) Open the EPS form as usual and tick the option “Final Submission for this Tax Year”

(b) Select “Final Employer Payment Summary” under RTI menu

Program will open the declaration form with a list of declarations you have to make. This is the year end declaration that is mentioned in the HMRC notes that used to be part of the P35 submission. Tick any boxes that need to be checked and then click **Save**.

Amendment after final FPS/EPS

If there is a change to the payroll data after you have already completed the final FPS/EPS, It is possible to submit another “final” submission by simply by sending a further FPS/EPS submission with the “Final Submission for this Year” option ticked



The program will then show the usual EPS screen but with the Final Submission box automatically checked. Complete the submission as you normally would.

4.3 ISSUING P60 CERTIFICATES

When it is required to issue the P60s to the employees, this can be done by opening the previous year. Open the Reports Menu select "Year End Reports" and then "P60 Single Sheet".

The screen that follows will you can select the following:

- Tax Year
- Pay Frequency
- Range of Employees

You will be able to Print or Email the P60s directly to the employees. When you choose to print, you can choose the option "Print Only non-Email Employees" to avoid printing for those who have chosen email as the communication method.

