

RTI Year End on Superpay 4

Overview

The year end procedures have changed under RTI but you must still send a final submission to HMRC.

There is no equivalent to the P35. Instead, after you have sent all other normal FPS's and EPS's, you must send a set of year end declarations to HMRC. This informs them that you have finished your payroll for the year.

The deadline for the year end declarations is 19th April, not 19th May.

These declarations are similar to the P35 declarations but the totals that were on the P35 have been sent to HMRC throughout the year on your FPS's and EPS's. The process and deadline for P60's has not changed from previous years.

You must be on Superpay 4 version 4.5.72 or later to follow these instructions. If you are on an earlier version, you can download the latest update from www.superpay.co.uk.

If you are printing P60's or processing year end returns on or after 6th April 2014, you will need to have a System date (i.e. the date on the Main Menu screen) prior to 6th April. Only then will you have access to the previous year's data.

You can begin RTI submissions for 2014/15 before you have sent your year end declarations for 2013/14.

There is a section at the end of these instructions detailing a few changes introduced by HMRC next year.

Week 53

If you run payrolls on Saturday 5th April, Superpay automatically follows the special PAYE rules for Week 53 payrolls. If you do not normally pay out on a Saturday, you should not have a Week 53 payroll. (Two and Four Weekly payrolls run on 5th April will show Week 54 and Week 56 respectively.)

You cannot advance the tax week on an employee's payslip screen into Week 53 for holidays. If, in Week 52, an employee has a normal week's pay plus a week's holiday and your payday is Wednesday or Thursday, then you need to do two payslips for that employee – one for Week 52 and one for Week 53. There are special rules for Week 53 and you cannot combine Week 53 pay with Week 52 pay on the same payslip.

Completing the year end declarations

From the main menu, select 6. RTI then 6. Year end. You can view the company's declarations by selecting 1. Year end declarations:

Edit end of year declarations		
1. Are completed forms P11D and P11D(b) due?		N
2. Did you make any 'free of tax' payments to an employee? In other words, did you bear any of the tax yourself rather than deduct it from the employee?		N
3. Did anyone else pay expenses, or in any other way provide vouchers or benefits to any of your employees while they were employed by you during the year?		N
4. Did anyone employed by a person or company outside the UK work for you in the UK for 30 or more days in a row?		N
5. Have you paid any of an employee's pay to someone other than the employee, for example to a school?		N
6. Are you a service company that has operated IR35?		N
7. If the company or PAYE scheme ceased trading this year, enter the cessation date (leave blank if not applicable)	/	/

F2
Actions

These are very similar to the questions that were previously on the P35. You should check that each question is correctly answered for your company.

Service companies should note that the final question is related solely to companies that operate the IR35 legislation. If you are a service company that has not operated IR35, you do not need to indicate this to HMRC. Due to a communications error by HMRC during the early RTI stages, you may find that this has defaulted to the wrong answer for service companies not operating IR35.

Once you have completed the declarations, press F2 and store them.

They can be printed from the F2 menu. You are not required to print the declarations but you may want to for your own records.

Filing a single company

From the main menu, select 6. RTI, 6. Year end, then 4. Send declarations:

The screenshot shows the 'Superpay' application window. At the top, there is a header bar with 'Superpay 4 (4.5)', 'Submit declarations', and '5/04/2014 (13-14)'. Below this, a red bar displays 'Company 1: ABC Ltd'. A green box labeled 'Live filing' is centered on the screen. Below it, a yellow bar reads 'File end of year EPS'. A table lists seven questions with 'N' in the right column:

1. Are completed forms P11D and P11D(b) due?	N
2. Did you make any 'free of tax' payments to an employee? In other words, did you bear any of the tax yourself rather than deduct it from the employee?	N
3. Did anyone else pay expenses, or in any other way provide vouchers or benefits to any of your employees while they were employed by you during the year?	N
4. Did anyone employed by a person or company outside the UK work for you in the UK for 30 or more days in a row?	N
5. Have you paid any of an employee's pay to someone other than the employee, for example to a school?	N
6. Are you a service company that has operated IR35?	N
7. If the company or PAYE scheme ceased trading this year, enter the cessation date (leave blank if not applicable)	/ /

Below the table, a yellow bar says 'Press F2 to file or Escape to cancel'. At the bottom left, a red bar contains 'F2 Actions'.

You will be prompted with the current values and can change them if needed. If the answers are correct, press F2 and choose File to send the declarations.

Once they've been sent, a confirmation message will be displayed. Press Escape and choose 5. History to check that it was successful. If an error is encountered, select the error line and press Enter to view HMRC's message.

If the filing history shows the submission was successful, you have now completed the filing year end process for this company.

Making changes after filing

The year end declarations must be the last submission sent for a company by 19th April, but they can be sent more than once.

If you need to send an additional FPS or EPS after your declarations have been sent, follow the normal process for the additional submission and then send the declarations again. Similarly, if the declarations have been sent with incorrect values, change them and submit again to correct the error.

Reporting

The year end reports are in the Year end menu, under 6. RTI. You cannot print a P35 for an RTI year as the form only applies to pre-RTI years.

The monthly summary is the same as the normal monthly summary and lists all employer liabilities for the company. It contains the totals that were previously on the P35 with a breakdown by tax month.

The Year end wages summary is similar to the normal wages book or wages summary. It contains the same columns as the normal report but includes all employees for the company, regardless of pay interval. It is similar to the P35 continuation sheet that was previously produced.

P60 form types

Available P60 form types

1. Plain paper forms (colour or black and white) in a format accepted by HMRC. These are printed on blank A4 paper and do not require the HMRC stationary.
2. Free HMRC pre-printed forms – laser or continuous.
3. Security P60's supplied by Computastore.
4. eP60's to send to your employees electronically. These eP60's are accepted by HMRC.

Order your HMRC forms

If you want HMRC forms, order them on-line from <http://www.hmrc.gov.uk/payerti/forms-updates/forms-publications/onlineorder.htm> or by telephoning 0300 123 1074. You should order a few extra forms to allow for samples needed for alignment. You should check the forms when they arrive;

i.e. do not wait until you are about to print your P60's to check that they have not been damaged in transit. If you need to print some P60's before the HMRC forms arrive, you can change your P60 style (see below) and print plain paper P60's.

Set up your P60 style

Default style. Go to Utilities, option 6, *System settings*. If the *Default P60 style* field shows the type of form you intend to use, press ESC. If your form type (e.g. Plain Paper) is not displayed, go to the *P60* field and press F7. Then select the form you want (B&W = Black and White) and press F9 to store your selection. The Utilities menu is then redisplayed. This default style will be used for all your companies unless you enter a different style on an individual company record.

Different styles for different companies. If you want to over-ride the default style for one or more companies – e.g. you want plain paper P60's for certain companies and pre-printed for others - go back to the Main Menu and go to each Company Record that will use a different style. Then enter the P60 style in the P60's Options field; i.e. go to the field, press F7, choose the required style and press F9 to store the revised record. This style can be removed later if required. (Go to the field, press F7, choose *Remove* and then press F9.) This will override the default style from System settings for this company only.

Printing P60's

Plain paper P60's

If you chose Plain paper P60's, select Print P60's (Year End, option 6), select all employees and SP4 will then produce a P60 form for all your current employees.

Pre-printed forms

Select *Print P60's (Year End, option 6)*. To check the alignment of your forms, enter one employee's number in both fields so that SP4 will print just one form.

If your P60 printout does not line up on your pre-printed HMRC forms you can use the *P60 offsets* to move the print around the page. Go to *User Settings (Utilities, option 5)*. The offsets are measured in millimetres. Getting the alignment exactly right usually involves trial and error.

- **Vertical offset** - A positive number moves the print down the page and a negative number moves the print up the page. For example, a vertical offset of 2.5 moves the print 2.5mm down the page while a negative offset of -2 moves the print 2mm up the page. (A line is about 5mm.)
- **Horizontal offset** - A positive number moves the print to the right across the page and a negative number moves the print left across the page. For example, a horizontal offset of 2.5 moves the print 2.5mm to the right across the page while a negative offset of -2 moves the print 2mm left across the page. (A character is about 2mm.)

Only when the alignment is OK should you print the remaining P60's; i.e. select *Print P60's* again, press Enter twice for all employees and then choose a print option from the menu.

eP60's

SP4 outputs eP60's as either as single document containing many eP60's or as individual documents where each document contains one eP60. You can choose the option you require from the yellow report destination box when producing the forms.

SP4 does not email these P60's directly from the program; you will need to email them yourself. Files are created in your normal pdf/spreadsheet report folder.

Move into next year

Enter Licence Number

If you have already entered your new Licence, skip this step.

On the opening logo screen enter a date before 6th April 2014, enter any company and go to the Main Menu. Press F2, choose *Enter a licence number*, type in your 2014/15 Licence and press ENTER. (The number is printed on your Superpay Maintenance Tax Invoice.) Then press ENTER on your company name. SP4 closes down and you can then go back into Superpay with a date either in this year or next year.

Your licence for the new year will continue to allow access to previous years. You do not have to wait until 6th April to enter your licence.

If Superpay does not accept the licence number you are entering, check that you are on a recent version. Earlier versions for 2013/14 do not accept the licences for 2014/15.

Download notifications

HMRC can issue many tax code changes at year end can be made much easier if you use Superpay's automatic *Download notifications* option rather than updating tax codes manually. These will be applied automatically during an employee's first payroll in the new year.

If you have not downloaded notifications through Superpay and receive notices electronically, call the support line on 0161 832 4761 for instructions on how to do this. Notices received on paper cannot be downloaded through Superpay.

Entering the new year

To move into the new year, you only need to change the Superpay system date (i.e. the date on the Main Menu) to a date on or after 6th April.

Employees are only reset when you first run them in the new year. Until you run a payroll, you will not see any automatic changes to the employee like the tax code or year to date figures. Employees are brought forward on an individual basis, i.e. you can run one employee in next year and continue to run other employees in the previous year.

Note: you need to change the SP4 *System date* to move into next year. You cannot enter a post 6th April date on the *Run payroll* screen if your SP4 *System date* is pre-6th April.

Tax code changes

Uplifting standard tax codes

Superpay will automatically uplift an L code when an employee is run for the first time. The only time Superpay will not change the code automatically are when:

you have downloaded a P9 through SP4's notifications option that overrides the default uplift

you have entered a new tax code manually on the employee's record; i.e. SP4 does not uplift any code that you enter manually.

In addition, SP4 changes all Week1/Month 1 (X) codes to cumulative.

If you want to run the same L code as last year or keep a week 1 code, you can choose this option from the F2 menu while running the first payroll. This may be necessary if you are changing the codes manually and an employee is keeping the same L code as last year, e.g. staying on 944L for 2014/15.

P9 tax code changes

If you use SP4's *Download notifications* option, you can view the tax codes that will be applied in the *Notification history* screen (option 2 on the *PAYE notices online* menu in the *Agents menu*).

You will only be able to view notices for 2014/15 while using a Superpay system date in 2014/15.

Payslip screen

When SP4 automatically changes an employee's tax code, a message is displayed at the bottom of the employee's payslip screen to let you know what code has been applied, and the reason for the change.

Manual tax code changes

If you do not use SP4's *Download notifications* option (e.g. because you are not yet registered as the client's Agent) you will need to enter P9 tax code changes manually before running the first payroll. If you run both weekly and monthly payrolls for a company, do not apply the monthly code changes until you have either produced the P60's or are about to run the April monthly payroll.

Example: On 6th April you manually enter **all** the P9 tax code notifications for a company.

There are both weekly and monthly employee code changes. On 20th April you print the P60's but you have not yet run their April monthly payroll. The weekly employees' P60's will show the correct tax code (i.e. the previous years' codes) but the monthly employees' P60's would show any manually updated tax codes because the employees have not yet been run in the new year.

Changing 2013/14 after running 2014/15

Once an employee has been run in 2014/15, you cannot change their 2013/14 payslips without first undoing the 2014/15 payslips. This is only applied on an individual basis, e.g. if one employee is run for week 1 and a second is not, the second employee can still have their week 52 payslip changed normally.

You will need to be in 2014/15 to undo the payslips in that year. You cannot undo payslips for 2014/15 while in the 2013/14 tax year in Superpay. If you access an employee in the previous year after running the new year, you will not see any options to undo or restore the employee to a previous period.

Split companies

The declarations only need to be sent once for an entire PAYE scheme. You do not need to send them for each split company within a scheme. You can produce year end reports and P60s from each split company.

If you run an internal split company, the declarations must be sent from the master company.

If you run an external split company, you must decide which part will send the declarations. You can file them through Superpay's master company if required or they can be filed by another part of the payroll. If multiple parts file the declarations, the last filed values will be used.

Agents

Agents are able to file multiple clients at once and produce reports to show which clients have been filed and which still need to be filed. These options are all available in the agent year end menu, under 9. Agents from the Main menu:

1. Send year end declarations
Send the declarations in bulk for a range of clients.
2. Filing history
Filing history for year end declaration filing.
3. Outstanding items for current agent
List all companies that require a declarations submission for the current agent only.
4. Filed status for current agent
List the date and time that each company has been filed and any outstanding companies for the current agent only.
5. Year end declaration values
The current answers to the declarations for each client.
6. Outstanding items for all companies
List all companies that require a declarations submission. This will include companies with no agent and companies for other agents.
7. Filed status for all companies
List the date and time that each company has been filed and any outstanding companies.
This will include companies with no agent and companies for other agents.

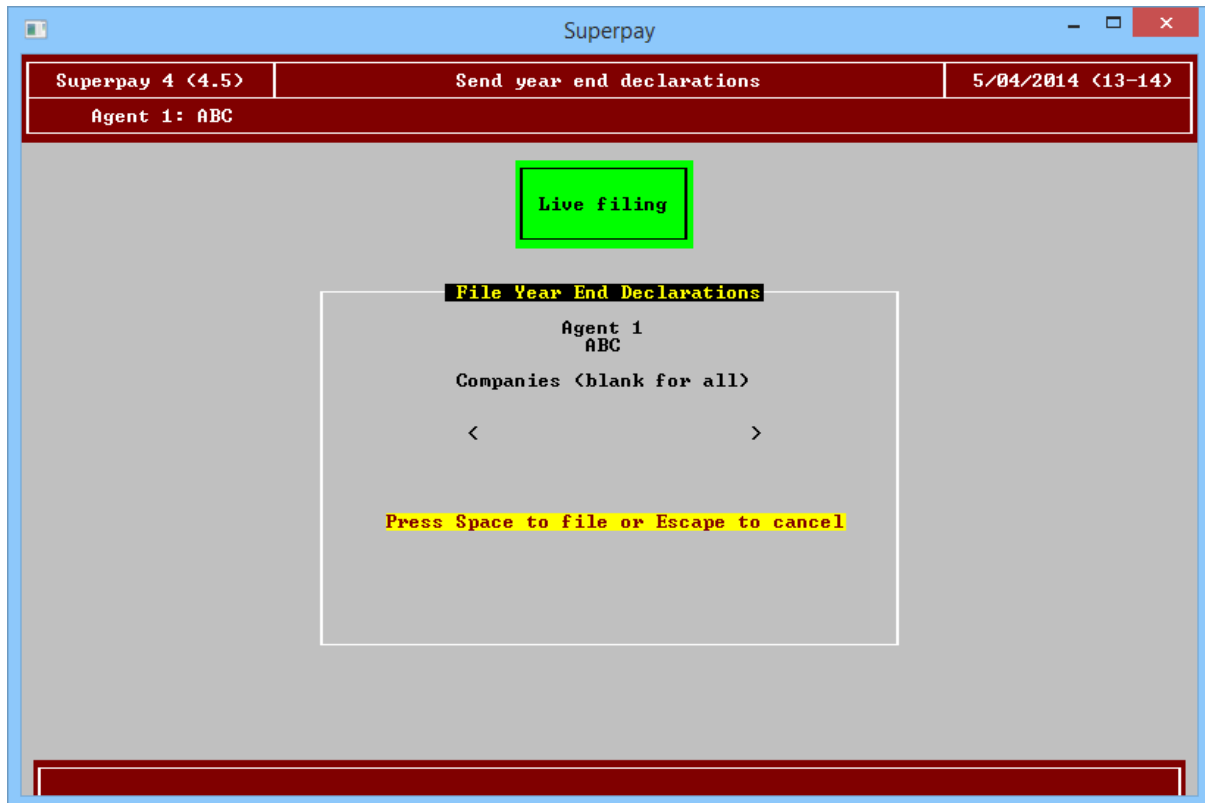
If you only have a single agent and no non-agent companies, the current agent and all companies reports will give the same results.

An agent can use the single company filing options if they choose to, though we recommend you use the bulk filing to save time. The declarations for each client must be completed individually from the single company year end menu.

You do not need to individually mark each client as ready to file before you send the declarations in bulk. This was previously required when filing a P35 but has been removed for RTI.

Filing

Choose 1. Send year end declarations to file your clients in bulk:



The company range can be filled in if you only want to send some of your clients:

1-100 : companies 1 to 100 will be included

1,5,17 : companies 1, 5 and 17 will be included

1-250, 500-749 : companies 1 to 250 and 500 to 749 will be included

If you leave it blank, Superpay will include all companies for this agent. Press enter on the range, then Space to file.

When a company is included, Superpay will automatically check if that company needs to send the year end declarations. If it does, it is included in the submission. If it doesn't, it will be skipped and nothing will be filed. This means that it is often better to file most or all of your clients at once. The results are equivalent to producing the outstanding report and then filing each company on that list individually.

Superpay will display a confirmation message when the companies have been sent. You must check the filing history afterwards and make sure that all submissions have been sent successfully.

Outstanding report

Each company that requires a year end declarations submission will be listed, along with the reason why a submission is needed. The possible reasons are:

Not submitted

The company has not submitted any declarations yet.

Declarations have changed and need to be submitted again

The declarations were submitted but are now different and must be submitted again.

Declarations must be submitted again due to another, later RTI submission

An FPS or EPS has been sent after the declarations were filed

This report should contain no companies by 19th April in most circumstances.

If a company number is listed with a * next to the number, that company has submissions that are still acknowledged. Superpay cannot accurately check the status of a company with acknowledged submissions as they could succeed or fail. You must check the history to receive any HMRC responses then produce the report again for an accurate report.

Filed status report

All companies that have successfully filed are listed with the date and time that the declarations were sent. Any outstanding companies are listed below the completed companies, with an outstanding reason as above.

Additionally, any companies that Superpay will not automatically file are listed at the bottom. These are companies that are either split companies or that you have flagged as inactive and are not to be filed. If you see a company listed here that should be filed, you must change its status or file it individually.

Year end declaration values

All companies are listed with the current declaration values to each question. To make the report more practical, all no responses are listed as – instead of N. Any yes responses are listed as Y. This can be used to quickly check that the correct values have been completed for all your clients, or to list the filed values after you have filed everything.

Changes in 2014/15

Employment allowance

From 2014/15, most employers will not have to pay the first £2,000 of employer's class 1 NI contributions each year. Full details of this are available on the government's website:

<https://www.gov.uk/employment-allowance>

Eligibility is not determined based on size but on the type of employer. The common cases for employers who don't qualify are:

- Employers with domestic employees (e.g. personal carer)
- Public services, including NHS and GP services

Additionally, connected companies and companies operating IR35 may be restricted in how much they can claim. Due to the nature of the eligibility check, Superpay cannot assess whether a company qualifies for the allowance. You must determine whether a company qualifies and choose the appropriate setting in Superpay. If you are unsure, contact HMRC's employer helpline for additional information.

Once set, Superpay will calculate the allowance each month as part of the monthly summary report. You must file a recovery EPS once at the start of the year to inform HMRC that you are claiming the allowance. If you do not file the EPS and claim the allowance, HMRC will treat it as a normal underpayment. Note that you do not need to file a recovery EPS each month to tell HMRC how much is being claimed each month; they will calculate the £2,000 automatically based on your FPS totals through the year.

Superpay defaults to not claiming the allowance. If you don't claim it when you should, the claim can be applied from the start of the year and any change in liability accounted for in the next tax month. Reminders will start to appear in June on entering Superpay if you have not chosen a specific option by then.

Individual companies can set their claim status in the company record while in 2014/15:

The screenshot shows the Superpay software interface for 'Company record' of 'ABC Ltd' for the year '6/04/2014 <14-15>'. The interface is divided into several sections:

- Identification:** Name ABC Ltd, Address 137 Hyde Road, Postcode A1 2BC, Phone, Email, Contact, Agent <2> 1. None, 2. Default, 3. Agent number < >
- HMRC details:** PAYE ref 123/A12312312, Gateway ID, Password, A/c Office ref 123PA12312312, ECON, UTR
- Passwords:** Company Monthly, Protect PDF's with a password? N, PDF password
- Form styles:** Payslips, P60's
- Notes:** (Empty)
- EPS recovery:** A table with columns 'CIS suffered' and 'Claim Employment Allowance?'. The 'Use agent' option is highlighted in yellow. Values for rows 1-12 are 0.00.
- For reports:** A table with columns 'Paid to HMRC', 'CIS deducted', 'HMRC funding', and 'Adjustment'. Values for rows 1-12 are 0.00, 0.00, and 0.00 respectively.

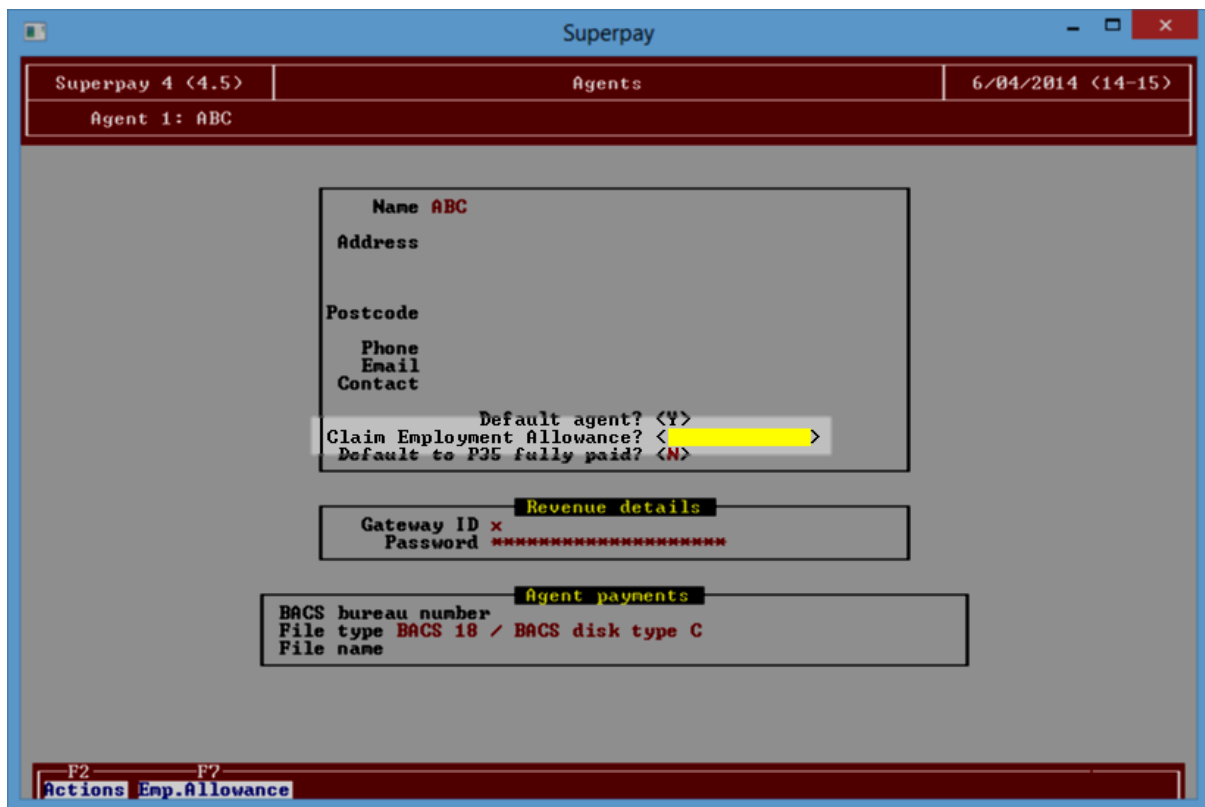
At the bottom, there are function keys: F2 Actions and F7 Emp.Allowance.

Select the field and press F7 to change the claim status.

If you are an individual company, you should change this to either Claim or Not claim. You should not leave it as Use agent.

If you are an agent, Use agent will use the setting from the agent record, and Claim and Not Claim will override the agent setting.

Agents can set the default claim status of their clients in the Agent record, which is in the Agents menu:



You should set the most common setting for your clients in the agent record and then override it in each company that is different.

SSP reclaim

The Percentage Threshold Scheme (PTS) is being removed from 6th April 2014. The PTS allows some companies to reclaim some of the SSP paid to their employees.

From 6th April, no companies will be able to reclaim any SSP paid. You must still pay SSP to employees exactly as before but you will no longer be able to claim any of that back, regardless of your NI totals each month or amount of SSP paid.

Superpay will not show the reclaim amount on any monthly summary produced after this date and the amount is no longer included in the recovery EPS.

HMRC will be introducing a new Health and Work Service to deal with sickness but this is outside of payroll and has not started yet. It is not an equivalent to the SSP reclaim rules and has a very different purpose. More information can be found here:

<https://www.gov.uk/government/policies/helping-people-to-find-and-stay-in-work/supporting-pages/co-ordinating-the-health-work-and-wellbeing-initiative>

NIC holiday

The NIC holiday rules are also ending from 6th April 2014. There were a limited number of companies covered by this and this may not affect your company at all. The relevant fields have been removed from the company record, the monthly summary and the recovery EPS.

Nil EPS's

You will be able to file nil EPS's for 2014/15 from the 6th of the current month instead of the 6th of the following month, e.g. an April nil EPS can be filed from 6th April to 19th May instead of only from 6th May to 19th May.

Superpay's nil and inactivity EPS screens have been combined into a single screen. HMRC still separate inactivity and no payments for period (nil) but Superpay will ask for a single range of tax months and submit the appropriate dates in both fields based on what you have entered.

The agent bulk filing will continue to not pick up nil EPS's as needed until the 6th of the following month. Changing the filing to send all companies during the month would send an unneeded nil EPS for many active companies with monthly payrolls since they won't run a payroll until the end of the month.

FPS late filing reason

Any FPS sent after the date of payment is treated as a late submission by HMRC. From 2014/15, you will be able to include a reason for the late submission. These are chosen from a list of reasons and are very important for avoiding automatic penalties when they are introduced later.

The possible reasons are currently:

- **A** Notional payment: Payment to Expat by third party or overseas employer
- **B** Notional payment: Employment related security
- **C** Notional payment: Other
- **D** Payment subject to Class 1 NICs but P11D/P9D for tax

- **E** Micro employer using temporary 'on or before' relaxation
- **F** No requirement to maintain a Deductions Working Sheet / Impractical to report work done on the day
- **G** Reasonable excuse
- **H** Correction to earlier submission

These reasons prevent automatic penalties but, if they are used too much, they may trigger an HMRC inspection. In cases where the reasons are misused to avoid penalties when not following the RTI on or before requirements, HMRC are more interested in an inspection to ensure compliance than the penalty that was avoided.

HMRC do not enumerate the possible excuses that they consider reasonable. They have some guidance on their site:

<http://www.hmrc.gov.uk/online/excuse-missed-deadline.htm>

As an example, forgetting to file is not considered a reasonable excuse, nor is a planned holiday that prevents submissions being made. If you are unsure, you must contact HMRC for further information.

There are two ways to enter a late filing reason in Superpay:

- **Running payroll**
If you are running a payroll dated in the past (based on today's real date), you can set a late filing reason in the F2 menu during the run.
- **Filing FPS's**
If you are submitting an FPS dated in the past (based on today's real date) and have not indicated a late filing reason for all late employees during the run, Superpay will prompt you for a late reason when submitting the FPS.

The reason set during filing will only be applied to employees who have not set an individual reason when the payslip was run. If each employee has a different reason (particularly for the notional payments) you will need to indicate that during the run. If all employees in the run have the same reason, you should set it during submission instead.

Superpay will automatically set a late filing reason of correction when you file outstanding leavers for employees who were last paid in the past. This follows HMRC's guidance on how to handle employees who leave after the last payment FPS has been sent.