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## PAYROLL/PAYE

### HMRC - REAL TIME INFORMATION

HMRC are now changing the way that employers report their employees pay tax details to HMRC.

Instead of completing a P35 End of Year Payroll Return at the end of a tax year, employers now have to tell HMRC about payment made to employees at the time they are made.

Under real time reporting, us as agents, will be sending information to HMRC about tax, National Insurance Contributions (NIC), student loans and other deductions each time you pay your employers. This will enable HMRC to keep more accurate records and, over time, more people will pay the correct tax.

HMRC will be writing to all employers to instruct you and what needs to be done to ensure that your company is ready to make your first 'Real Time' submission in **April 2013**.

**To ensure your company is ready to operate PAYE in 'Real Time':**

- *Ensure your payroll software is currently up to date and capable of sending information in 'Real Time'*
- *Ensure all employee information is completed and fully up to date for the following:*
  - *Full forenames & surnames as per legal documentation e.g passport.*
  - *NI Number*
  - *Date of Birth*
  - *Gender*
  - *Address & Postcode*

(If we process your payroll we will be sending all current employee information to you to review and amend if necessary to ensure it is fully up to date)

**The Payroll Process:**

#### New Starters

It is vital that the correct information is received as soon as the employee starts, without this information the payroll cannot be processed.

#### Processing

All information needs to be processed and submitted to HMRC **prior** to the day the employee receives the payment into their account.

#### Leavers

This will be submitted to HMRC as part of the monthly submission and the employee will then be submitted with a P45.

#### End of Year

Instead of a P35 End of Year Return, a declaration will be submitted to HMRC instead.

It should be noted that HMRC may be changing certain aspects of the above as more companies begin to submit in 'Real Time'. We will provide further information on this matter as the situation becomes clearer.

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