

Topics

1. Year End
2. Rate Changes in April 2012

YEAR END

We are now nearing the end of the tax year and will soon need to file your P35 Employer's Annual Return with the Revenue. As always we will be forwarding copies of the P35 to all our clients before we file to confirm the details. You will need to check that you have paid the total amount due to the Revenue so it might be an idea to take some time and look this information up as soon as you have sent your Month 12 Payment due 19th April.

P60s will be posted out to all our clients for the current staff. We do not produce P60's for any employee's who have left during the year as they received a P45 instead which gives the same information.

RATE CHANGES IN APRIL 2012

Just a quick reminder of the major changes coming into effect in April 2012.

TAX - New Standard Tax Code 810L

Employees will start paying tax when they earn £156 per week, £675 per month.

Tax Bands: Basic Rate 20% £1 to £34,370 p.a.

Higher Rate 40% £34,371 to £150,000 p.a.

Additional Rate 50% over £150,000 p.a.

NIC - Rates remain at Employee's 12% Employers 13.8%

Employee's threshold £146 per week £634 per month up to £817 weekly, £3540 monthly then plus 2% .

Employer's threshold £144 per week £624 per month then 13.8% on all earnings above this.

Statutory Payments

The lower earnings threshold for an employee to be entitled to Statutory payments is £107 per week

SSP Rate £85.85 per week

Recovery of SSP remains at - Amounts in excess of 13 per cent of your total employee and employer Class 1 NICs liability for the month in question

SMP/SAP/OSPP/ASPP Rate £135.45 per week

SMP payments remain at 6 weeks at 90% of average weekly wage then 33 weeks at standard rate or 90% whichever is the lower amount. Then 13 weeks unpaid Maternity leave and an additional 4 weeks unpaid parental leave if the employee requests it. Recovery of SMP/SAP/OSPP/ASPP remains at 103% for small employers and 92% for large employers (NIC over £45,000 per year)

Student Loan Deductions

The new thresholds for the Student loan are:

£15795.00 per annum

£1316.25 per month

£303.75 per week

The deduction remains at 9%

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"I have a degree in philosophy and I can't get a job. Can I deduct my tuition as an investment loss?"

Enquiries: If there are any areas you would like to discuss further or have any queries, you can contact Rico Liverani, Managing Director or Sherree Patterson, Office Manager on 0191 5147009 we look forward to hearing from you, DCS Payroll.