

Topics

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REAL TIME INFORMATION (RTI)

Although the actual filing of the information doesn't start until April 2013 it is very important that you revise your payroll procedures and make any necessary changes now.

Firstly looking at your employees, you need to ensure that all new employees provide the following information, as if they don't you can't file them and therefore can't pay them.

Full Name

Full Address including Postcode

Gender

Date of Birth

NI Number (if they don't have one it will be accepted provided you have all of the above)

Once you have all the above information the employee can be entered onto your payroll for processing.

Before April 2013 we will be asked by HMRC to file an employee information file this will provide them with all the staff's details ready for the commencement of the RTI Filing.

The next thing you need to look at is the current order of proceedings for the processing of the payroll. If you currently pay the staff and then notify us of the information you will need to change the way you do your wages.

HMRC states that the order should be:

1. **Process the Wages**
2. **File the RTI File with the Revenue**
3. **Make payment to the staff**

Please bear in mind HMRC haven't yet decided what penalties they will be imposing, so it could be, if you pay the staff before filing the information you may be fined.

If there are any changes to the payroll after filing then an amended file needs to be sent.

This brings us finally to the **PAYE and NIC** payable to the Revenue. In the past we have filed one return at the end of the year (P35) giving HMRC the total due for the year. From 2013 the RTI files which are the same type of files will need to be filed every pay period. Also if there have been any statutory payments during the tax month we will have to send an additional monthly file to include this. Therefore, **HMRC will have the exact figure of the PAYE and NIC payable each month** and so will be able to spot missing payments or incorrect payments immediately, and of course they will impose instant £100 fines for late payments.

We are doing everything we can to ensure the transition to RTI runs as smoothly as possible but if you have any concerns please contact Rico or Sherree on 0191 5147009

P38(s) STUDENT DECLARATIONS

HMRC have announced the withdrawal of special PAYE arrangements applying to student workers who work during their holiday periods. The form P38(s) will cease at the end of the current tax year. From 6th April 2013, the normal rules and the use of both the P45 and P46 procedures will apply.

It would be advisable for employers to review their procedures for engaging student workers, and to remove any reference to the P38(s) forms from any literature given to such workers. To avoid confusion, any unused forms should be disposed of. Checks must be carried out before the employment commences, and workers are also entitled to paid holidays and the appropriate rate of the National Minimum Wage, according to their age.

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.