

Introduction

This document describes the changes that have been made in preparation for the 2017/18 payroll year. Please note that this is an update which **MUST** be installed immediately after your last payroll run, and before any year ends are processed.

Content

1. National Insurance and Other Parameters

This was formerly labelled 'National Insurance & SSP Parameters'. Beyond the National Insurance Parameters, this option has had more than just SSP parameters for quite some time and these have been extended further.

The new items are:

Apprenticeship Levy Percentage Rate
Annual Apprenticeship Levy Allowance

2. Monthly Returns (Reports -> Payroll Reports)

This was formerly labelled 'Tax and NI Returns and has been re-engineered to present summarised data according to Payroll Months. A Payroll Month runs from the 6th of one month to the 5th of the next. Thus, Payroll Month 1 contains all payments made from 6th April to 5th May inclusive, Payroll Month 2 is 6th May to 5th June and so on.

Start Week will always be 1, for weekly payrolls, 2 for fortnightly or 4 for 4 weekly.

End Week can be any week on or after the Start Week, up to the latest week processed. However, users should choose a last week that is the last week of Payroll Month to get proper values in the last Payroll Month listed.

The first time this option is selected in a pay year, the Apprenticeship Levy Allowance defaults to the value from the parameters (see 1, above). The user must overwrite this with the value to be used for the payroll being processed. This will be necessary if multiple payrolls exist for the same company or if a company is part of a group of connected companies.

The resulting report now contains 6 additional columns relating to the Apprenticeship Levy calculation.

- a. Pay Bill - total of all payments subject to NI to Employees in the period.
- b. Cumulative Pay Bill - Year to Date total of column 1.
- c. Cumulative Calculation - Column 2 multiplied by the Apprenticeship Levy percentage rate.
- d. Cumulative Allowance - The Annual Allowance declared in this section divided by 12, multiplied by the Payroll Month number.
- e. Cumulative Levy Due - Column 3 minus Column 4 (if Column 3 exceeds Column 4, otherwise zero).

f. Levy to be Paid - Column 5 minus Column 5 from the previous month.

The value in Column 5, Cumulative Levy Due, is what the user needs to report in the EPS submission for the month in question, along with their Annual Levy Allowance.

The Total column on the report equals:

Tax + Total NICs + Total SLRs - (all recoverable amounts) + Levy to be Paid.

Users may 'test' their Apprenticeship Levy liability using the current pay year data. You will have to fill in the rate (0.5%) per section 1 above and declare an allowance £15,000 in this section (as the default will be zero).

3. Auto Enrolment / Pension Schemes

The minimum contributions required for Automatic Enrolment (AE) Pension Schemes will increase on 6 April 2018 and again on 6 April 2019 and possibly in the future.

Period	Employer Minimum Contribution	Total Minimum Contribution	Employee Contribution - ER at Minimum
To 5/4/18	1%	2%	1%
6/4/18 to 5/4/19	2%	5%	3%
From 6/4/19	3%	8%	5%

The Minimum Percentages have always been part of the Payroll Tables since AE was implemented in Paydata, over 3 years ago. The system is already configured to warn users if Pension Contributions do not meet the minimum requirements.

In order to make things easier for users with AE Pension Schemes that only use the minimum percentages, we have introduced a new setting in the Pension Scheme definition:

Use AE Minimum Percentages

The setting is only available when a Pension Scheme is set to use Percentage based Employee Contributions using the AE Thresholds for the Pensionable Pay. When set at Yes, the minimum percentages in effect at the Pay Reference period being processed will be used (obtained from the tables). When set at No, the percentages to be used are declared in the Pension Scheme definition (which is how the system has been up to now).

The installation of this update inspects all Pension Scheme definitions in all payrolls. The new flag will be set to Yes for a scheme if:

The Scheme is set to use AE Thresholds AND
The Employee Contribution is set to 1% AND
The Employer Contribution is set to 1%

Without the new flag, users would have to adjust the percentages in all schemes in all payrolls at the point the minimums change.

Users not operating the current minimums will need to adjust the percentages in scheme definitions in the future if the rates in use are overtaken by the statutory minimums.

4. SRIT (Scottish Rate of Income Tax)

From 6th April 2017, the Scottish Rate of Income Tax varies from that of the rest of the UK and it is therefore vital that any employees with an S as a prefix in their tax code are set as such.

You can set this in the Employee's Record, Payment Tab. Tick the SRIT Indicator. The Tax Code below will now be printed and reported as S1150L.

No	Rate
1	10.200
2	0.000
3	0.000

Installation

1. Ensure that you have an up-to-date backup of Paydata.
2. From within Paydata choose 'Help' -> 'Download Latest Update'.
3. Press 'Next' to proceed and 'Start to bring down and install the Update'.
4. On entry to the software you will be prompted to run a conversion program.
5. After installation, you should check that you are running Version 11.000 ('Help' -> 'About Paydata' will confirm).
6. Process Complete.

DISCLAIMER

Farmdata Limited assume no responsibility or liability for:

The results of any errors occurring during the update, not notified immediately to ourselves. Users failure to implement previous updates or to incorporate any required NI/PAYE changes, whether notification was received from ourselves or not, and the results thereof. Users failure to keep adequate numbers of complete backup sets should, for whatever reason at whatever time, it prove necessary to resort to restoring a backup. Any work required on the part of Farmdata to 'rescue' data etc, is chargeable under these circumstance.