



Webb & Company

ACCOUNTANTS AND BUSINESS ADVISERS

PAYROLL UPDATE

With the 2021/22 tax year coming to an end please find below details of important submission dates, together with a summary of some information that you may require moving forward into the 2022/23 tax year.

2021/22 PAYROLL YEAR END

The key dates for the submission of the 2022 End of Year PAYE Returns are as follows:-

19th April	Deadline for the submission of final RTI submissions for the 2021/22 tax year to HMRC
31st May	Deadline for the payment of any PAYE due for the year ended 5 April 2022
6th July	Deadline for employers to provide 2022 forms P60 to all employees
19th July	Deadline for employers to provide 2022 P11D information with regard to benefits and expenses to HMRC and relevant employees
19th July	Deadline for payment of Class 1A NIC

Failure to meet these deadlines will result in the imposition of interest and penalties.

2022/23 NOMINAL SALARY

For those of you taking a nominal salary the total gross salary before incurring employer National Insurance for the tax year ending 5 April 2022 was £8,840 per annum.

The nominal salary level for the tax year to 5 April 2023 will be £758 per month, £9,100 pa with effect from 6 April 2022. The employee starting rate for National Insurance is £823 per month increasing to £1,048 per month from July 2022.

BASIC PAYE TOOLS

For those of you using the HMRC Basic PAYE Tools, the 2022-23 version of Basic PAYE Tools will be provided as an update to the existing version rather than a separate download. This means that you will not need to transfer your database as you have done in previous years. This new version will allow users to prepare P60s for 2021-22 and start the 2022-23 year by entering tax codes from the P9X and/or P9(T). If your computer is connected to the internet when you open the Tools, you will be automatically advised when an update is available. Please look out for this notification on the Home page of the tools.

STATUTORY SICK PAY

Business with fewer than 250 employees on 30 November 2021 can reclaim Statutory Sick Pay (SSP) for Coronavirus related sickness absences. Up to 2 weeks can be reclaimed at the weekly rate for 2021-22 of £96.35 for any eligible periods of Coronavirus related sickness from 21 December 2021, this is a new claims period, it is not necessary to have claimed for the employee under the previous scheme. The weekly rate of SSP from 6 April 2022 is £99.35

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Webb & Co Ltd trading as Webb & Company Accountants and Business Advisers

Registered in England and Wales number 05255596 Registered Office: One New Street, Wells, Somerset, BA5 2LA

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STATUTORY PARENTAL BEREAVEMENT PAY

From 6 April 2020 parents who suffer the devastating loss of a child under 18 will be entitled to 2 weeks' statutory leave. Parents will be able to take the leave as either a single block of 2 weeks, or as 2 separate blocks of one week each taken at different times across the first year after their child's death. Employees with 26 weeks' continuous service will be entitled to two weeks of paid leave at the statutory rate and other employees will be entitled to unpaid leave.

EMPLOYMENT ALLOWANCE

The Employment Allowance is now restricted to employers with NICs liabilities of under £100,000 in the previous tax year. Employment allowance claims will need to be submitted each tax year, claims will not automatically roll over from the previous tax year so it will be necessary to re-submit an employer payment summary (EPS). Please note that limited companies where the director is the only employee paid earnings above the Secondary Threshold for Class 1 National Insurance contributions are unable to claim Employment Allowance.

COMPANY CAR ADVISORY FUEL RATES

For those of you reimbursing employees for business miles travelled in their Company Cars or asking employees to pay for private mileage in Company Cars the advisory fuel rates have been amended with effect from 1 March 2022 as follows:-

Engine size	Petrol	LPG
Up to and inc 1400 cc	13p	8p
1401cc to 2000cc	15p	10p
Over 2000 cc	22p	15p

Engine size	Diesel
Up to and inc 1600 cc	11p
1601cc to 2000cc	13p
Over 2000 cc	16p

Hybrid cars are treated as either petrol or diesel cars for this purpose

Electricity rate for fully electric cars 5p

Please note that HMRC are now reviewing these rates on a quarterly basis. Please ensure that you visit <https://www.gov.uk/government/publications/advisory-fuel-rates> for details of the correct advisory fuel rates.

FUEL BENEFIT CHARGE

From 6 April 2022, the fuel benefit charge multiplier used to calculate the tax payable on the benefit of free fuel for company cars will increase from £24,600 to £25,300

If you would like us to review if it remains tax efficient for your employees to receive free fuel for their company car paid for by the company, please contact the office.

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VAN AND VAN FUEL BENEFIT

From 6 April 2022, the van benefit charge is increased from £3,500 to £3,600 for 2022-23. The van fuel benefit charge will increase from £669 to £688 for 2022-23. A van benefit will not apply where there is insignificant private use.

BUSINESS TAX DASHBOARD

This service allows you to view the payments that you have made to HMRC, if you do not already have this service you can apply to have it added to your existing HMRC online services or for employers who have not already registered for HMRC online services you can register using the HMRC website.

REAL TIME INFORMATION (RTI) IN-YEAR PENALTIES

In year penalties for the late submission of RTI reports have now been in place for several years. HMRC are continuing to issue penalties where they can.

Please note that in year filing penalties may be issued if one of the following arise:-

- The Full Payment Submission (FPS) is late. You should submit the FPS on or before your employee's payday.
- The expected number of FPS's have not been submitted.
- An Employer Payment Summary (EPS) nil return is not submitted, you should submit an EPS when there are no paid employees in a tax month.

The penalty charge issued by HM Revenue and Customs is calculated based on the number of employees you have:-

Number of employees	Monthly Penalty
1 to 9	£100
10 to 49	£200
50 to 249	£300
250 or more	£400

Please also note that if the Real Time Information (RTI) submissions are made over 3 months late the Revenue may charge an additional penalty of 5% of the tax and national insurance you should have reported.

The above penalty regime does apply to employers filing submissions late and you will also be charged interest on any penalties that are paid late.

SCOTTISH & WELSH TAX CODES

You will pay Welsh Income Tax rates if you live in Wales, HMRC will add a 'C' to the start of the tax code, and in you live in Scotland for Scottish tax codes it is a 'S' at the start of the code.

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AUTO ENROLMENT

For those of you who are not already operating auto enrolment this will apply to new PAYE schemes, this is a scheme established by the Government, where all employers are required to offer their employees a pension scheme. Each employer will be sent a letter from the Pensions Regulator informing them of their staging date and if you would like to check your staging date prior to receiving your letter you can check this on the Pensions Regulator website <http://www.thepensionsregulator.gov.uk/en/employers>.

Please note that you should allow at least 6 months to set up a pension scheme for all of your employees including those employees who are obliged to join the scheme and those who are eligible to opt in. If you would like further details regarding local IFA's rather than registering with NEST or the People's Pension please contact the office and we will be happy to supply you with this information.

There are some criteria where auto enrolment does not apply for example you may no longer employ any staff, you have ceased trading or if you are the director of a company with no other employees. If this is the case and you do not wish to opt into auto enrolment you will need to notify the Pensions Regulator online using the following website <https://automation.thepensionsregulator.gov.uk/notanemployer>.

RE -ENROLMENT AUTO ENROLEMENT

On every three year anniversary of your staging date you must put certain staff back into a pension scheme, this is called re-enrolment. Staff must be assessed to work out if you need to put them back into a pension scheme for example if they previously opted out. A re-declaration of compliance will need to be reported to The Pension's Regulator within 5 months of the third anniversary of the staging date.

NATIONAL MINIMUM WAGE AND NATIONAL LIVING WAGE

The national minimum wage and national living wage will increase with effect from 1 April 2022 as follows:-

- National Living Wage (payable to workers aged 25+) will increase from £8.91 to £9.50 per hour
The National Minimum Wage
- For workers aged 21-24, the rate will increase from £8.36 to £9.18 per hour
- For workers aged 18-20, the rate will increase from £6.56 to £6.583 per hour
- For workers over compulsory school age but not yet 18, the rate will increase from £4.62 to £4.81
- The apprentice rate (for apprentice under the age of 19 or 19 and over but in the first year of apprenticeship), will increase from £4.30 to £4.81 per hour.

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CHANGES TO CLAIMING SUB-CONTRACTOR CONSTRUCTION INDUSTRY CIS DEDUCTIONS

Limited companies operating within the construction industry can claim CIS suffered as a sub-contractor on their Employer Payment Summary (EPS). From April 2022 HMRC is introducing an additional field on the EPS. The additional field is the company's Corporation Tax Unique Reference (CT UTR), any EPS submissions which include a claim for CIS deductions, but do not include the CT UTR will be rejected.

SALARY SACRIFICE

From April 2017 the tax and employer National Insurance advantages of salary sacrifice schemes were removed, Employees will pay the same tax for benefits gained by sacrificing salary.

Tax benefits in relation to salary sacrifice continue in relation to Pensions, Childcare vouchers, Cycle to Work schemes and Ultra-low emissions cars.

CHILDCARE VOUCHERS

The Childcare Vouchers Schemes are now closed to new applicants and you will be unable to obtain vouchers if you had not joined a scheme before the 4 October 2018. You may be able to get Tax-Free Childcare instead. Please check using the following website <https://www.gov.uk/help-with-childcare-costs/tax-free-childcare>

Should you have any questions or queries regarding the contents of this flyer, please contact us.

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April 2022

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