



Webb & Company

ACCOUNTANTS AND BUSINESS ADVISERS

PAYROLL FLYER

With the 2020/21 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 2021/22 tax year.

2020/21 PAYROLL YEAR END

The key dates for the submission of the 2021 End of Year PAYE Returns are as follows:-

19th April	Deadline for the submission of final RTI submissions for the 2020/21 tax year to the Inland Revenue
31st May	Deadline for the payment of all PAYE due for the year ended 5 April 2021
6th July	Deadline for employers to provide 2021 forms P60 to all employees
19th July	Deadline for employers to provide 2021 P11D information with regard to benefits and expenses to the Inland Revenue 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.

2020/21 NOMINAL SALARY

For those of you taking a nominal salary the total gross salary before incurring tax and National Insurance for the tax year ending 5 April 2021 is £8,788 per annum, if you have been processing a salary of £732 per month for the tax year to date please adjust the month 12 salary to £736.

The nominal salary for the 2021/22 tax year will be £736 per month, £8,840 pa with effect from 6 April 2021.

BASIC PAYE TOOLS

For those of you using the Inland Revenue Basic PAYE Tools, the 2021-22 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. We expect the update to be available at the end of March 2021. This new version will allow users to prepare P60s for 2020-21 and start the 2021-22 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

The Government has announced employees absence due to the Coronavirus for up to 14 days will be entitled to Statutory Sick Pay (SSP) from day one (to be eligible you must have earnings over the lower earning limit which for 2021/22 is £120 per week and be off work for at least 4 days in a row), for businesses with fewer than 250 employees they will be able to claim back SSP from their PAYE payment. The weekly rate of SSP from 6 April 2021 is £96.35

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

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STATUTORY PARENTAL BEREAVEMENT PAY

From the 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

From 6 April 2020 the employment allowance will be 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, you will have to re-submit an employer payment summary (EPS), Please note from 6 April 2016, limited companies where the director is the only employee paid earnings above the Secondary Threshold for Class 1 National Insurance contributions will no longer be able 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 2021 as follows:-

Engine size	Petrol	LPG
Up to and inc 1400 cc	10p	7p
1401cc to 2000cc	12p	8p
Over 2000 cc	18p	12p

Engine size	Diesel
Up to and inc 1600 cc	9p
1601cc to 2000cc	11p
Over 2000 cc	12p

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

Electricity rate for fully electric cars 4p

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 2021, the fuel benefit charge multiplier used to calculate the tax payable on the benefit of free fuel for company cars will increase from £24,500 to £24,600.

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 2021, the van benefit charge is increased from £3,490 to £3,500 for 2021-22. The van fuel benefit charge will increase from £666 to £669 for 2021-22.

BUSINESS TAX DASHBOARD

This service allows you to view the payments that you have made to the Collector of Taxes, 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 three 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

From April 2019 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 that is being phased in 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>.

NATIONAL MINIMUM WAGE AND NATIONAL LIVING WAGE

The national minimum wage and national living wage will increase with effect from 1 April 2021 as follows:-

- National Living Wage (payable to workers aged 25+) will increase from £8.72 to £8.91 per hour
The National Minimum Wage
- For workers aged 21-24, the rate will increase from £8.20 to £8.36 per hour
- For workers aged 18-20, the rate will increase from £6.45 to £6.56 per hour
- For workers over compulsory school age but not yet 18, the rate will increase from £4.55 to £4.62
- The apprentice rate (for apprentice under the age of 19 or 19 and over but in the first year of apprenticeship), the rate will increase from £4.15 to £4.30 per hour.

RE -ENROLMENT AUTO ENROLEMENT

Every three years from the 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.

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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.

These changes are being phased in, and arrangements already in place before April 2017 are protected until April 2018. Those employees already in such contracts at that date will become subject to the new rules in respect of those contracts at the earlier of an end, change, modification or renewal of the contract. Arrangements already in place for cars, accommodation and school fees will be protected until April 2021.

CHILDCARE VOUCHERS

The childcare vouchers schemes were extended to until 4th October 2018 and is now closed to new applicants, you will be able to keep getting vouchers if you have joined a scheme before the 4th 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>

JOB RETENTION SCHEME EXTENSION

The Coronavirus Job Retention Scheme has been extended until 30th September 2021 for the months of April to June, employers can claim 80% for July, 70% August and September 60% for the hours not worked and employer must pay 80% of their wages, please check following the link below:

<https://www.gov.uk/government/publications/changes-to-the-coronavirus-job-retention-scheme/changes-to-the-coronavirus-job-retention-scheme>

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

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March 2021

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