

Square 1 Accounting

Keeping Your Accounts all Square from Day One

Your payroll solution

Payroll changed in 2013

... it became a big headache.

In April 2013 HM Revenue and Customs introduced the new Real Time Information (RTI) reporting requirements for employers.

So what is RTI?

In a nutshell, it's a new way of reporting for employers that replaced the year-end P35 and P14 forms. Instead of reporting changes and figures at the end of the tax year, you are required to report *on or before every single payday*. You must make sure your payroll systems and software are approved by HM Revenue and Customs and fully RTI-compliant. Here's a quick checklist of things you need to ensure:

- Do you use RTI-compliant software?
- Is your agent (accountant) signed up as your agent so they can report RTI on your behalf?
- Is your broadband capability of sufficient strength and speed to handle the additional submissions due on the same date?
- Do you have an RTI expert you can talk to – someone fully conversant with the legislation and who can help with any queries?
- Does your provider have sufficient Professional Indemnity (PI) insurance cover to protect both your business and theirs from potential claims?

Payroll is so much hassle since RTI was introduced in 2013. And automatic enrolment makes it even worse.

Key benefits

1. **Leaving us to deal with your payroll takes away all the headaches** and frees up your time to focus on running your business
2. **You can sleep at night** knowing you are complying with the RTI legislation
3. **You will know your payroll is submitted on time.** And that means you don't need to worry about the severe penalties of up to £400 per month
4. **Professional payroll advice** is just a phone call away
5. **Less stress** as we take care of the complicated bits
6. **Maximum 48-hour turn around,** within an agreed payroll timetable and subject to provision of full payroll information
7. **Improved record retention** for PAYE inspection purposes
8. **No internal payroll software** and reduced IT costs
9. **Real time information** to support business decisions
10. **Enhanced** data confidentiality

The penalties for incorrect reporting are severe

For example, the late filing penalties typically range from £100 to £400 (depending on the number of employees). That's every month. So over a year penalties for late filing could amount to *as much as* £4,800. Additionally there is a penalty of 5% of tax and NIC that should have been reported if you are more than 3 months late. But don't worry... we can take away this hassle and ensure you avoid penalties.

How much will it cost?

Prices are based on the number of employees and frequency of pay.


We have three packages which means you can choose the option which best meets your needs. And if you choose, we can easily add on an option to deal with your automatic enrolment.

Automatic enrolment – if you haven't yet staged

Since April 2012, all UK employers are legally obliged to automatically enrol all eligible workers into a qualifying pension scheme by a specific deadline ('staging date'). Where this applies you *must by law* create and maintain detailed records of correspondence with workers, workforce assessments, joiners and leavers and pension payments.

This is one of the most onerous challenges to face businesses in recent years and the financial penalties for breach can be severe.

Please see our separate brochure on how we can help you here. Once again we have a range of fixed price options you can choose from.



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Your options at a glance

Whatever your size, you will find one of our payroll options to suit your needs. The table below summarises what is included within each of our payroll service levels. To help identify the best option for you here is a quick overview:

Premium Payroll – This is the best option for larger businesses or businesses with more complex requirements who want the very best service.

Full Payroll – This is our most popular option because you get unlimited payroll support, reporting of benefits in kind (e.g. company cars) and bespoke reports. And most important, we deal with your automatic enrolment compliance.

Essential Payroll – This option is best for those business owners who are on a tight budget and want the peace of mind of knowing they are doing things right with their payroll, and are happy to deal with automatic enrolment separately.



Your payroll options at a glance

	Premium Payroll	Full Payroll	Essential Payroll
Collate your payroll data	●	●	●
Provision of our <i>New Starter</i> checklist	●	●	●
Process the payroll	●	●	●
Process leavers	●	●	●
Record and calculate Student Loan and Salary Sacrifice deductions	●	●	●
Ensure compliance with the latest payroll legislation	●	●	●
Provision of detailed electronic payslips	●	●	●
Calculate payments due to HM Revenue and Customs	●	●	●
NIC eligibility analysis	●	●	●
Submit Real Time information to HM Revenue and Customs	●	●	●
Complete and submit the final end of year RTI declaration	●	●	●
Provide year-end P60s for each employee	●	●	●
Provide payroll summary reports by email	●	●	○
Supply you with forms to record essential personnel information	●	●	○
Departmental analysis and reporting	●	●	○

Your payroll options at a glance

	Premium Payroll	Full Payroll	Essential Payroll
Company car notification of change through a P46 car form	●	●	○
Provide details for you to complete payment to other bodies	●	●	○
Bespoke data input sheets	●	●	○
Produce net pay files for import into your bank	●	●	○
Produce tax payment files for import into your bank	●	●	○
Completion of forms P11D and P11D(b) and calculating the Class 1A.	●	●	○
Planning and compliance review of benefits and expenses	●	●	○
Non-variable deduction company pension schemes	●	●	○
Unlimited support for payroll matters	●	●	○
Maintain records of holiday entitlement and holidays taken	●	○	○
Provide Excel payroll summary reports	●	○	○
Create full journal entries for easy input into your accounting system	●	○	○
Create bespoke payroll analysis reports.	●	○	○
Advice on company car versus cash remuneration options	●	○	○
Variable deduction company pension schemes	●	○	○
Pension and protection advice for all employees	●	○	○

Your auto enrolment on going support options

	Premium Payroll	Full Payroll	Essential Payroll
Assess the workforce every pay period and monitoring changes	●	●	○
Process opt-outs and opt-ins	●	●	○
On going employee and statutory communications	●	●	○
Reporting to The Pensions Regulator and answering queries	●	●	○
Assessment of new starters and dealing with leavers	●	●	○
Calculate contributions for each pay period	●	●	○
On going postponement planning	●	●	○
Send enrolment and contributions to pension provider	●	●	○
Maintain records	●	●	○
Re-enrol eligible workers	●	○	○

- Included within the bundle
- Not included within the bundle

Note: *The price of this service is fully deductible for tax purposes, which means, in effect, HM Revenue and Customs will refund you a portion of the cost (subject to the rate of tax you pay).*



How you benefit from our *payroll service*

Collate your payroll data

Every pay period (weekly, bi-weekly, four weekly or monthly) our reminder system will request the data we need to process the payroll for you, which means you can focus on running your business without having to remember when you need to get the information together to pay your employees.

Provision of our *New Starter checklist*

This will make it much easier to ensure you collect everything you need when you employ

a new person and ensure employee details are registered correctly with HM Revenue and Customs for PAYE & NIC purposes.

Process the payroll

Our payroll system will carry out all of the calculations based upon the information you supply to us which means you can be sure you are paying the correct amounts to your employees and HM Revenue and Customs. This will include the calculation of SSP and SMP payments and other voluntary deductions (except pensions and automatic enrolment,

which is covered below). We will also keep detailed records for PAYE inspection purposes.

Process leavers

We will process any employees who leave to ensure the accuracy of the final payments and deductions (e.g. pro-rated salary, holiday pay, childcare vouchers) and produce forms P45 and P46 for these employees.

Record and calculate Student Loan and Salary Sacrifice deductions

We will deal with all these additional calculations to ensure your payroll is correctly processed and your employees receive the correct net pay.

Ensure compliance with the latest payroll legislation

Tax and payroll legislation is constantly changing but you can leave those worries to us and focus on building your business.

Provision of detailed electronic payslips

If you prefer you can opt for password protection or hard copy payslips. We will also keep detailed records for PAYE inspection purposes.

Calculate payments due to HM Revenue and Customs

These calculations will include PAYE, National Insurance, Student Loan, Employer allowance and Statutory Maternity Pay recovered. This will ensure you pay across the correct amount to HM Revenue and Customs every month and avoid any penalties and interest.

NIC eligibility analysis

We will assess your eligibility to claim the Employer NIC Allowance at the earliest opportunity up to a maximum of £2,000 per year.

Submit Real Time information to HM Revenue and Customs

For each pay period we will carry out a Full Payment Submission and Employer Payment Summary.

Complete and submit the final end of year RTI declaration

At the end of each tax year you must submit certain information to HM Revenue and Customs, but we will do this for you.

Provide year-end P60s for each employee

As well as payslips, you must provide every employee with a P60 at the end of the tax year, and once again we will do this for you.

The following benefits are part of our *Full Payroll package*:

Provide payroll summary reports by email – These reports will help you with your monthly bookkeeping.

Supply you with forms to record essential personnel information – By law you must maintain records of employees. We will make your life easier with our template forms.

Departmental analysis and reporting – You can allocate employees into departments or cost codes. We will then provide summary reports grouping employees into these options that will help you with management accounting analysis.

Company car notification of change through a P46 car form – If you have company cars you must report changes online, which we can do for you.

Provide details for you to complete payment to other bodies – This may include childcare vouchers, Unions, Council tax and attachment of earnings.

Bespoke data input sheets – Design your own individual input sheets for you to record details of hours worked, holiday, sickness and maternity leave to be paid.

Produce net pay files for import into your bank – These will contain employee names, bank details and net pay and can be directly imported into your bank. This makes it easier to pay your employees.

Produce tax payment files for import into your bank – This makes it easier for you to pay over the tax deductions to HM Revenue and Customs.

Completion of forms P11D and P11D(b) and calculating the Class 1A – Completion of P11D form for employees with expenses/benefits and cash equivalent expenses/benefits. Completion of the P11D(b) form totalling all expenses/benefits provided and the Class 1A due.

Planning and compliance review of benefits and expenses – Review of benefits and expenses to ensure they are being used in the most tax efficient way and to ensure correct inclusion in form P11D.

Non-variable deduction company pension schemes – Pension scheme deductions are complex; we will deal with these for you where they are non-variable. If you have more complex pension arrangements we can deal with the complexity as part of our premium payroll service.

Unlimited support for payroll matters

– There will be times when you have a question about your payroll. As part of our full payroll service you get unlimited email and telephone support on all payroll matters. This means you can call on us at any time knowing that you will never be charged for our time or advice. So we hope you will feel free to speak to us whenever you need to, without ever having to worry about the cost. Of course, if the issues raised at any of these unlimited free consultations (or anywhere else) require research or analysis beyond this consultation and outside the scope of our payroll service we will give you a fixed price quotation for that extra work before any additional work is started. This means you will NEVER get an unexpected bill.

Your automatic enrolment on going support

Assess the workforce every pay period

– It is important to keep track of your workforce to ensure compliance with automatic enrolment duties. Workers must be assessed regularly as their contracts, hours, pay and conditions may change. Workers reaching 21, 22, pensionable age or 74 will also need to be re-categorised. Each and every pay period we will assess your work force for workers who are eligible to automatically enrol. There are a number of categories (eligible, non-eligible and entitled). We will enrol your entitled workers into the pension scheme. This will avoid your risk of non-compliance.

Process opt-outs and opt-ins – We will opt out any eligible worker who has been automatically enrolled but who provides instructions to opt-out. We will also process any workers who opt-in.

On going employee and statutory communications

– We will produce the necessary letter/email communication for your employees detailing the contributions made, the scheme details and their ability to opt-out. We will produce the letter/email communications for the relevant employees who opt out.

Reporting to The Pensions Regulator

– We will account to The Pensions Regulator for everyone who worked for you on your staging date. Included in this report will be how many people were automatically enrolled, how many were already in an existing pension scheme, and what other actions were taken for anyone else in your employment. Your Declaration of Compliance is compulsory even if no employees were automatically enrolled.

Assessment of new starters and

dealing with leavers – This will include implementing the postponement policy for new starters where applicable.

On going postponement planning

– The rules of postponement open opportunities for planning which will save you money and time.

Calculate contributions for each pay period

– We will calculate the contributions for you and then process them through your payroll.

Send enrolment and contributions to pension provider

– Once you have calculated the contributions from your employees' salaries and pay you need to pay these over to the pension scheme on time and accurately. Once again you risk being fined if this is not done correctly. And there are specific records and payment information you must keep. We will keep you advised so you avoid fines and penalties.

Maintain records – You have a statutory obligation to maintain detailed records including details of employees auto enrolled, contributions deducted, contributions paid over to the pension scheme with dates, any opt-in or opt-out notices received and pension scheme reference/registry number.



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The rules of postponement open opportunities for planning which will save you money and time.

The following benefits are part of our *Premium Payroll package*:

Maintain records of holiday entitlement and holidays taken

– Set up employee holiday allowances and keep a record of holiday entitlement and holidays taken. This will include the supply of payslips that state holiday entitlement and holidays taken.

Provide Excel payroll summary reports

– This will enable you to carry out your own data analysis for management information and decision making purposes. And if you want us to help you further with your management reporting we will...

Create bespoke payroll analysis reports

Create full journal entries for easy input into your accounting system –

This can be grouped by department or cost code which will help you with your management reporting and decision making.

Advice on company car versus cash remuneration options

– Company cars can be expensive and sometimes there are alternative arrangements that will save you tax. We will carry out some preliminary analysis and advise you on the different options.

Variable deduction company pension schemes – we will make variable deductions and send you a detailed payment analysis.

Pension and protection advice for all employees – In conjunction with our recommended IFA we will look at all the options for managing risk and looking at retirement options.

Re-enrol eligible workers – Every third anniversary of opting out we will automatically re-enrol the eligible worker into the pension scheme.

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Company cars can be expensive and sometimes there are alternative arrangements that will save you tax.

Popular *add ons*:

Automatic enrolment set up

All UK employers are legally obliged to automatically enrol all eligible workers into a qualifying pension scheme. If you haven't yet reached your staging date or not yet auto enrolled, we can sort that out with our automatic enrolment set up service.

Re-enrolment

Every third anniversary of opting out we will automatically re-enrol the eligible worker into the pension scheme. We will offer this option every third year.

Setting up your pension scheme

There is a dizzying range of different pension schemes. We will: obtain an application form and send you a welcome pack; assist you with the completion of the application form; submit your application form; arrange for the Deeds of Participation to be signed by you; where we are carrying out your payroll we will prepare the first

employee assessment and send to the administrators; and assist you in registering the pension scheme with The Pensions Regulator.

Salary exchange

A salary exchange can generate sizeable tax savings for both the company and the employees. Your employees can opt to reduce their salaries by the amount that they contribute to their pension scheme saving both income tax and NIC (and the company also saves NIC). These savings can then be either reinvested into their pension scheme or taken in their net pay. Further enhancements can be realised with a flexible benefit scheme. As part of this service we will:

- Provide information for the employees in the form of suggested text for newsletters, key facts documents and an introduction letter.
- Carry out an annual review.

- Provide information that will give a fair estimate of the savings, which can be made by operating a salary exchange scheme for your employees' pension contributions.
- Provide a salary exchange application form.
- Provide employment contract variation letters.
- Apply for clearance from HM Revenue and Customs of the correct tax and NIC treatment following introduction of the scheme.
- Provide a system to follow to help the smooth introduction of the process.
- Review the benefits of a flexible benefit scheme.



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