

# IRIS Payroll

## Guide to Real Time Information (RTI) for PAYE

01/09/2015



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## How to use this Guide

This guide will give you an overview of what Real Time Information (RTI) for PAYE is as well as how it works within the payroll software.

You can read it straight through or just jump to the section you are interested in using the links in the **Contents** page.

There is a **Glossary of Terms** towards the back and also an **FAQ** (Frequently Asked Questions) section.

If text within the guide looks like **this**, it is a link which will take you to more information on that topic.

We recommend you start with '**What is RTI and how will it affect me?**', and '**What do I need to do first?**'

## What is RTI and how will it affect me?

Real Time Information (RTI) is a system for reporting Pay, Tax, National Insurance and other details about your employees to HMRC.

It is thought that by collecting payroll data in real time, individuals' tax deductions will be more accurate throughout the year. Also this should make the PAYE system easier to operate thus releasing the burden on employers and providing better tax administration to HMRC.

As an employer you are responsible for all tax deductions and calculations. HMRC require you to return year to date figures at the same time as payment is made to your employees, be that weekly, fortnightly or monthly.

## What's involved?

- All employers must go through a one-off 'alignment' process in order to synchronise their data with HMRC. This is achieved by sending the first **Full Payment Submission**
- Employers and pension providers tell HMRC about Tax, National Insurance contributions and other deductions on or before pay day, be that weekly, monthly or any other period via a **Full Payment Submission**
- Any adjustments to the expected monthly payment that an employer is making to HMRC are reported via an **Employer Payment Summary**
- New starters and leavers are reported via the **Full Payment Submission**

## What do I send to HMRC and when?

### Full Payment Submission (FPS)

- Every pay period on or before pay day
- First FPS contains all current employees plus leavers paid this year

### Employer Payment Summary (EPS)

- Only sent in months where you reduce the payment to HMRC for things like SMP recovered or because no employees were paid

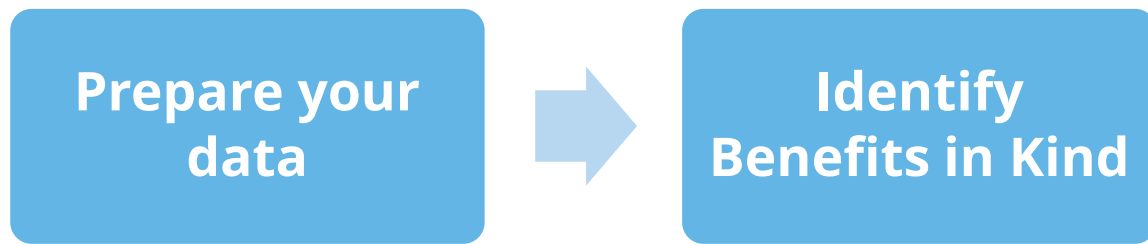
### NINO Verification Request (NVR)

- Only if you want to trace an NI number before you pay an employee
- Tracing process is automatic if you include an employee with a blank NI number on the FPS

### Earlier Year Update (EYU)

- Used for reporting amendments to an employee's year to date figures in the previous tax year, if the date in the current tax year is on or after 20th April

## What do I need to do first?



### Preparing your data

HMRC require accurate employee data for RTI. You need to make sure your **Employee Details** include these fields. A report is available, **RTI Missing Data**, which highlights any missing information. To print the report:

1. Select '**RTI Missing Data**' from **Reports | Report Manager | Employee**
2. Print '**RTI Missing Data**' via **Reports | Employee Reports | RTI Missing Data** to see if any employees need updating

Mandatory fields that the report checks include:

#### *Company data*

- **District No \***
- **PAYE Reference \***
- **PAYE Accounts Office Reference (Account No) \***

#### *Employee data*

- **Surname**
- **Forename**
- **Date of Birth**
- **Address** – first two lines and Postcode (this is required if the NI Number field is blank)
- **NI Number** - HMRC will be using **NI Number** as the main identifier for employees, so it's important to complete the field, however it will not stop an FPS from being accepted

**Please Note:** You need at least **Surname, Forename** and **Date of Birth** in all **Employee Details** or you will not be able to send a **Full Payment Submission**.

It is also important to make sure that:

- **Forename 1** field is completed with employees' given names, for example Catherine rather than Kate or Matthew rather than Matt
- Any nicknames should be entered into the **Known As** field
- Where known, include middle names in the **Forename 2** field. HMRC will be using these as a secondary identifier when NI number is not present
- An individual's correct date of birth should always be recorded, not a default or fictitious date

According to HMRC, over 80% of PAYE data quality issues are caused by incorrect information about an individual's name, date of birth or National Insurance number. It is important you ensure the information you receive from your employee is accurate and complete by checking the validity of this information using official documentation.

For further information on checking documentation, a guide '**Check a job applicant's right-to-work documents**' is provided on [www.gov.uk](http://www.gov.uk).

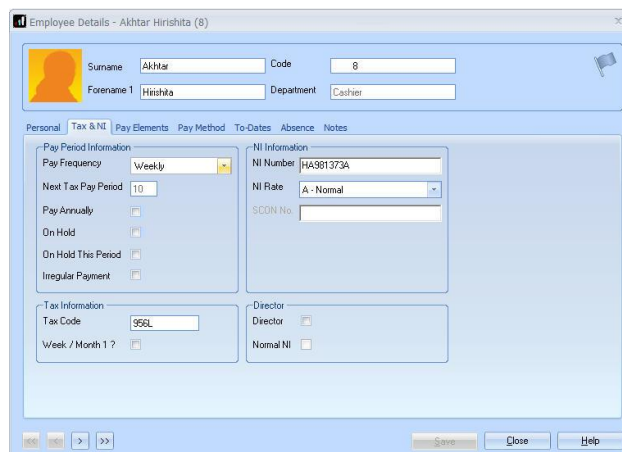
## Employee Data

You may need to add certain employee data to the payroll system; **Irregular Payment, Hours Worked Per Week, Passport Number, Receiving Occupational Pension, Trivial Commutation Payments, Country, On Strike, Employee Requested Zero Contracted Hours** and **Payment to a Non-Individual**.

### Irregular Payment

This field is important to complete for any casual or occasional workers you may have, particularly those who may not work for you for 13 weeks or more. It informs HMRC that the individual is still employed by your company.

If you have employees who have their **Employment Status** set to **Casual** or **Occasional**, the **Irregular Payment Indicator** field will be ticked and greyed out by default.

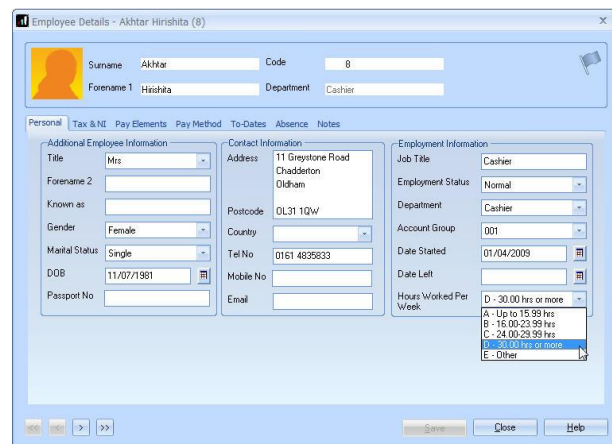


For further information on **Employment Status** options, please see **Help | Manual**.

## Hours Worked Per Week

This field should contain the normal hours worked in a week by an employee. Normal hours aren't always the same as contracted hours and need to be calculated.

An explanation of what counts as working hours can be found on the website [www.hmrc.gov.uk](http://www.hmrc.gov.uk). Click [here](#) for further details. It also provides an explanation of how to calculate average weekly hours. This field will be used by HMRC to calculate eligibility for tax credits, so it is important you complete it.

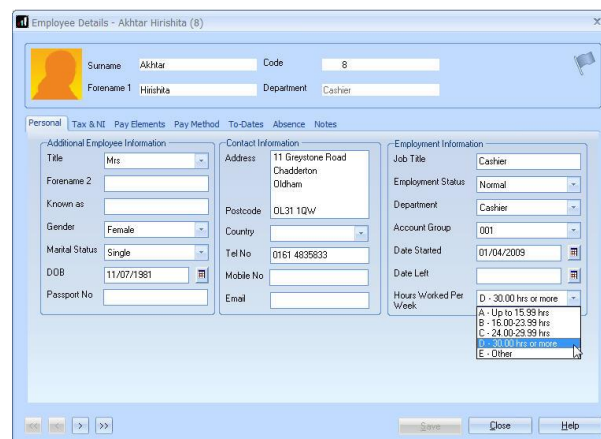


There are bands for **Hours Worked Per Week**. Therefore, if an employee's hours fall within the band width, it is not necessary to keep changing the band unless the hours fall into a different one. The bands available are:

- A - up to 15.99 hrs
- B - 16-23.99 hrs
- C - 24.00-29.99 hrs
- D - 30 hrs or more
- E - Other (for example pension payroll)

## Passport No

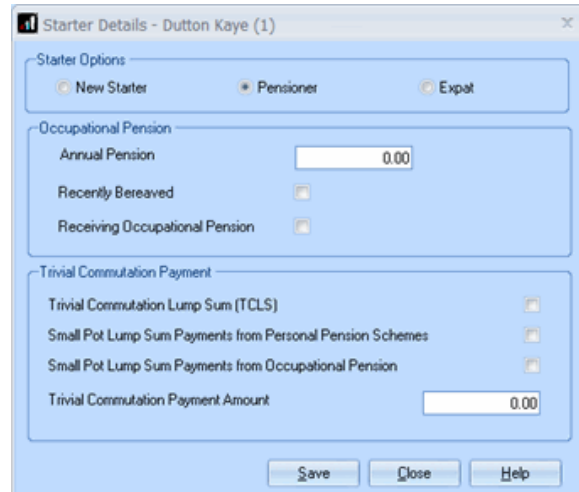
This only needs to be used for employees who are unable to provide you with an NI number, such as foreign nationals.





## Receiving Occupational Pension

If an employee is in receipt of an occupational pension, this field requires completion. Go to the **Employee** tab, highlight the employee and select **Starter Details**. On the **Pensioner** screen tick **Receiving Occupational Pension**. If the **Annual Pension** field has a value greater than zero, the **Receiving Occupational Pension** will be ticked automatically.



## Trivial Commutation Payments

When paying pension payments you may be required to pay a **Trivial Commutation Payment**. These one-off lump sum payments may have a non-taxable proportion. The type of **Trivial Commutation Payment** declared will be included on your FPS together the value of the payment.

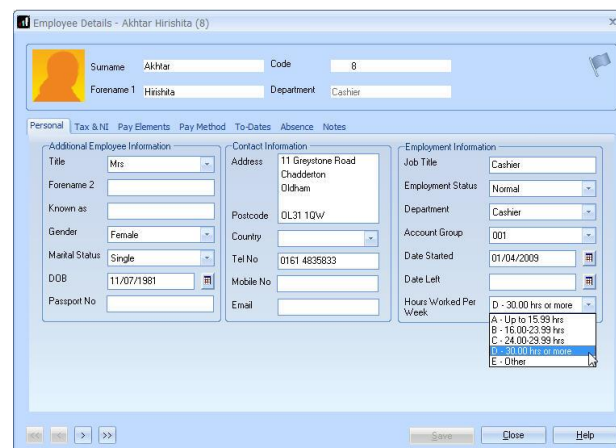
Further information regarding Trivial Commutation Payments can be found via the following links:

<http://www.hmrc.gov.uk/payerti/payroll/pension-payments/special-situations.htm#1>

<http://www.hmrc.gov.uk/manuals/rpsmmanual/RPSM09105085.htm>

## Country

**Country** needs to be included as part of an employee's address. The field will default to United Kingdom and you can add new countries by typing directly into the field

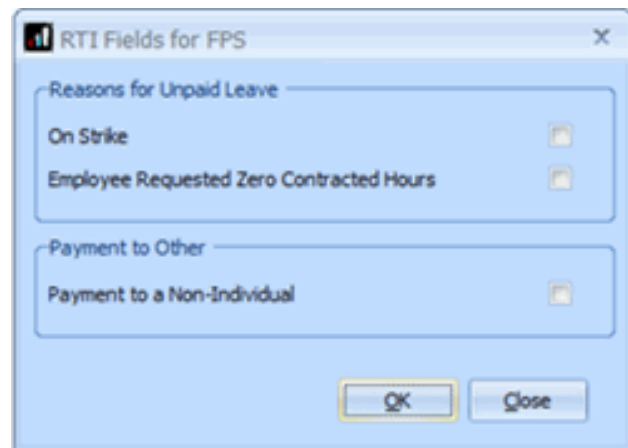


## On Strike & Employee Requested Zero Contracted Hours

These fields are available when clicking the **RTI** button in **Enter Variations** and should only be used if the employee is not being paid for one of these reasons:

- **On Strike**
- **Employee Requested Zero Contracted Hours**

**Reasons for Unpaid Leave** will be included on the FPS and will stay ticked for any subsequent pay periods until un-ticked.



## Payment to a Non-Individual

This field should only be ticked if you are making a payment to a non-individual on behalf of the employee, for example to a charity. If this box is ticked the information will be included on the FPS and will stay ticked for any subsequent pay periods until un-ticked.


## BACS

If you use Bank software or upload to a banking website your procedure will be unaffected and you do **NOT** need to select the new RTI BACS format, continue as normal.

If you use a BACS accredited software supplier (BASS) or a BACS accredited bureau service, you will need to contact your service provider to ensure the BACS software is up to date.

Switching to the latest software can take time (in some cases weeks), so make sure you give your provider and bank plenty of notice.

If you are not aware if you use a BACS accredited software supplier, click [here](#) to view a list.

If you use a BACS accredited software supplier or a BACS accredited bureau service, you need to select the **RTI BACS** layout, based on the Albany v3 layout. To do this click **'Reports' | 'Reports Manager' | 'BACS/Payments'**, select **'RTI BACS' \*** and click  then **'Save'**.

This **RTI BACS** format will ensure that a Random Number is created allowing the FPS/BACS to be cross-referenced by HMRC.

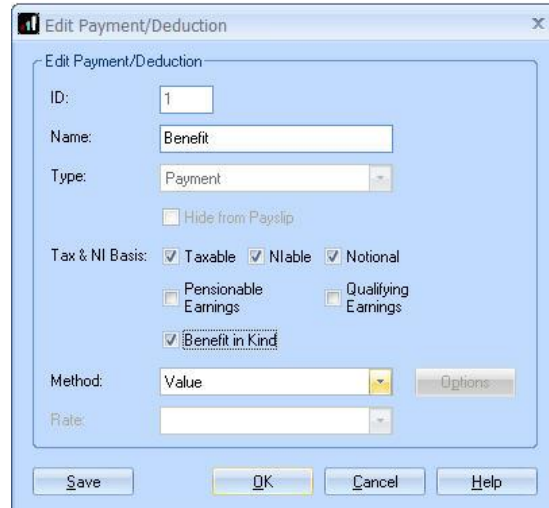
\* If you use APT, for their correct format you will need to select **Bankline BACSTEL-IP (RTI)**

## Identify Benefits in Kind

RTI also requires any payments which are a Benefit in Kind to be identified. For example, a company may charge the tax on private medical contributions through the payroll.

If you have any of these you will need to:

1. Click on the **Company** tab and select **Payments & Deductions**
2. Select **Configure Payments & Deductions**
3. Highlight the benefit payment in the list and click the **Edit** button
4. Tick the **Benefit in Kind** box
5. Click **OK**
6. Repeat for all benefit type payments



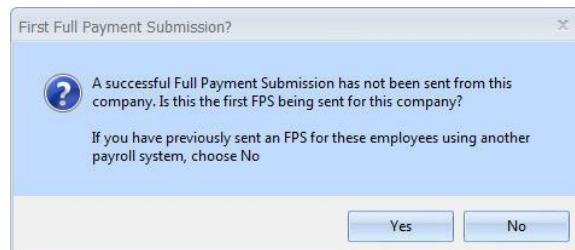
The screenshot shows a dialog box titled "Edit Payment/Deduction". It contains the following fields and options:

- ID: 1
- Name: Benefit
- Type: Payment
- Hide from Payslip
- Tax & NI Basis:  Taxable,  Niable,  Notional
- Pensionable Earnings,  Qualifying Earnings
- Benefit in Kind**
- Method: Value
- Rate: (empty)

Buttons at the bottom: Save, OK, Cancel, Help.

## To send the FIRST FPS (after you have run your first payroll):

1. Click on the **Online Services** tab
2. Select **Send Full Payment Submission**
3. You will receive the following message when submitting your first FPS. If this is the first FPS being sent for this company click **Yes**. If one has been sent previously, click **No**



The screenshot shows a dialog box titled "First Full Payment Submission?". The message reads:

A successful Full Payment Submission has not been sent from this company. Is this the first FPS being sent for this company?

If you have previously sent an FPS for these employees using another payroll system, choose No

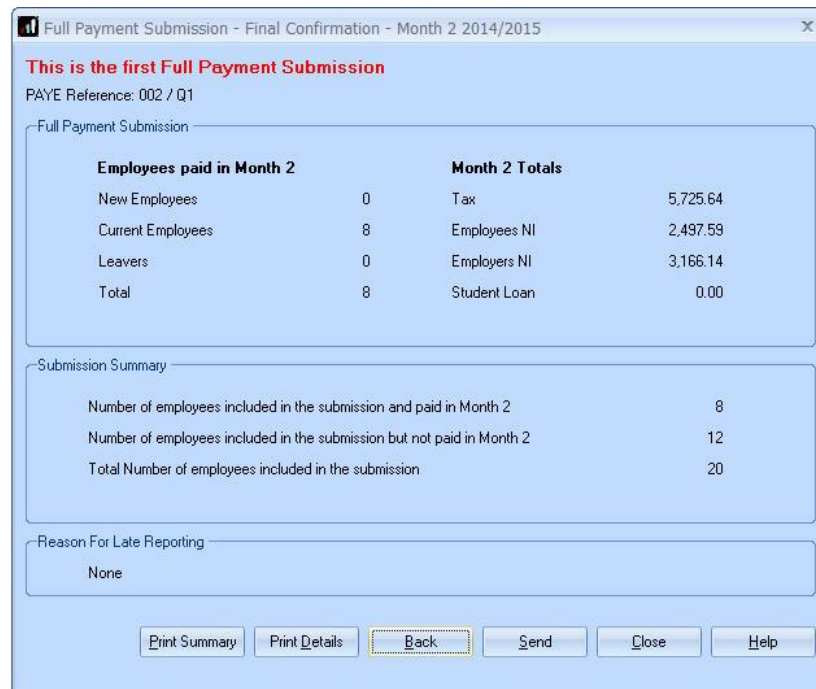
Buttons at the bottom: Yes, No.

4. The screen will show **This is the first Full Payment Submission**
5. Enter **Pay Period**
6. Who to Include should display **All**
7. Ensure **Submission Type** is set to **Live**

Under the section Submission, there is 'Reason for Late Reporting'. This is an optional field allowing you to decide if the FPS is late, and if so, what reason to select

8. Click **Next**

9. The **Final Confirmation** Screen will be displayed



**Full Payment Submission - Final Confirmation - Month 2 2014/2015**

**This is the first Full Payment Submission**  
PAYE Reference: 002 / Q1

Full Payment Submission

Employees paid in Month 2		Month 2 Totals	
New Employees	0	Tax	5,725.64
Current Employees	8	Employees NI	2,497.59
Leavers	0	Employers NI	3,166.14
Total	8	Student Loan	0.00

Submission Summary

Number of employees included in the submission and paid in Month 2	8
Number of employees included in the submission but not paid in Month 2	12
Total Number of employees included in the submission	20

Reason For Late Reporting

None

Print Summary | Print Details | **Back** | Send | Close | Help

10. Check the details and **Print Summary** or **Print Details** (if required). **Print Summary** gives a report showing the totals due. **Print Details** gives a breakdown of all employees

11. Click **Send**

If you have employees with an NI Rate of D, E, I, K or L, it is mandatory to complete the ECON and SCON number fields prior to sending an FPS. A dummy SCON number will no longer be accepted

ECON No – this field is in Company | Company Details | HMRC

SCON No – this field is in Employee Details | Tax & NI

## What do I need to do each payroll run?

Each time you pay your employees you need to send a **Full Payment Submission** to HMRC via the Government Gateway.

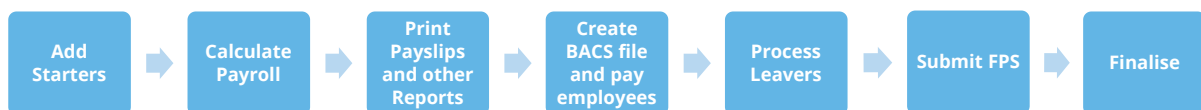
Generally FPS submissions should be sent on or before the pay date with few exceptions. HMRC allow up to 7 days to report PAYE in certain circumstances:

- Where payments are made on the day of work which vary depending on the work done
- Where it is impractical to report in real time – such as:
  - A crop picker paid in cash at the end of the day, when their pay is based on how much they have picked

Information on Timing of Real Time Returns can be found on the HMRC website.

The **Full Payment Submission** contains employee's pay period and year to date figures, forename, surname, birth date, address, hours worked, details of **new starters** and **leavers**, the **Payment after leaving** indicator and the **Irregular Payment** indicator.

We recommend the following as a payroll process:

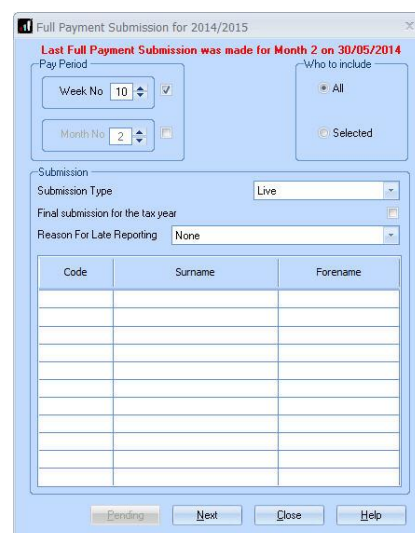


This makes sure that any leavers you have created are marked as such with their final payments.

If an employee included on the **Full Payment Submission** has an incorrect or missing NI number, HMRC will automatically begin a search for the correct one or allocate a new one.

### To send an FPS:

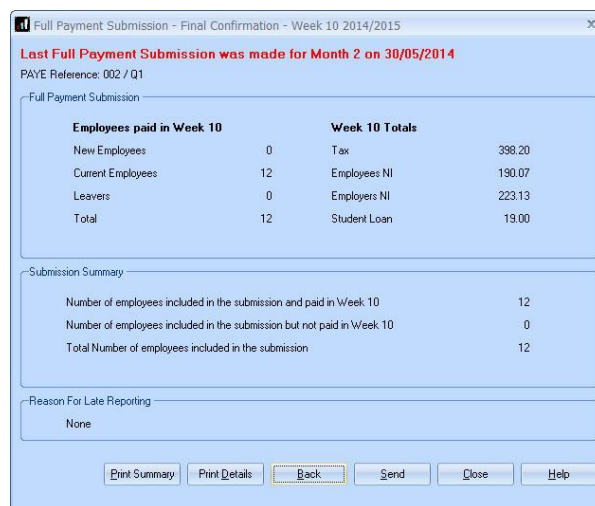
1. Click on the **Online Services** tab
2. Select **Send Full Payment Submission**
3. Select **Pay Period**
4. In **Who to Include**, click **All**
5. The screen will show **Last Full Payment Submission was for. ...** This is the last FPS that was submitted



6. Select **Submission Type** (Live or File only – File only does not send the data to HMRC, it may be requested by Payroll Support if they ever need to assist you with your **FPS**)

**Please note: Reason for Late Reporting** is an optional field allowing you to select why an FPS is sent after the pay date. Click on the drop-down list for available reasons for late submissions. This could avoid HMRC fining you for a late submission.

7. Click **Next**
8. The **Final Confirmation Screen** will be displayed
9. Check the details and **Print Summary** or **Print Details** (if required). **Print Summary** gives a report showing the totals due. **Print Details** gives a breakdown of all employees
10. Click **Send**

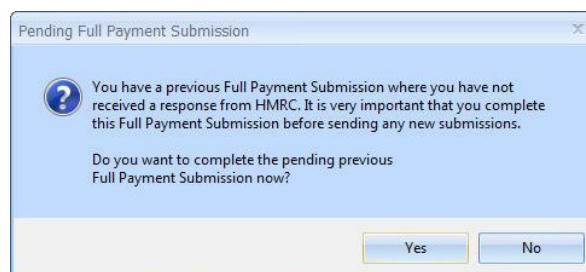


Employees paid in Week 10		Week 10 Totals	
New Employees	0	Tax	398.20
Current Employees	12	Employees NI	190.07
Leavers	0	Employers NI	223.13
Total	12	Student Loan	19.00

Submission Summary	
Number of employees included in the submission and paid in Week 10	12
Number of employees included in the submission but not paid in Week 10	0
Total Number of employees included in the submission	12

Reason For Late Reporting: None

11. If you have a pending **FPS** submission that has not been sent for the company you will receive the following message



? You have a previous Full Payment Submission where you have not received a response from HMRC. It is very important that you complete this Full Payment Submission before sending any new submissions.  
 Do you want to complete the pending previous Full Payment Submission now?

Yes No

12. Click **Yes** to complete the pending previous FPS or **No** to continue with the current FPS. It is very important that you complete outstanding FPS submissions before sending new ones.

## What do I need to do each month?

Payments should be made to HMRC by the 19<sup>th</sup>/22<sup>nd</sup> of the following month. You can use the **Month End Summary** to help you with this.

If there are any changes to the payment that HMRC are expecting, or no employees were paid in the current month, you need to send an **Employer Payment Summary**. For example, you are paying an employee SMP so you have reduced your payment to HMRC by the SMP Recovered amount and by the Compensation amount if you are a small employer. An EPS must also be sent once, when you set the Employment Allowance indicator, if you are claiming **Employment Allowance**.

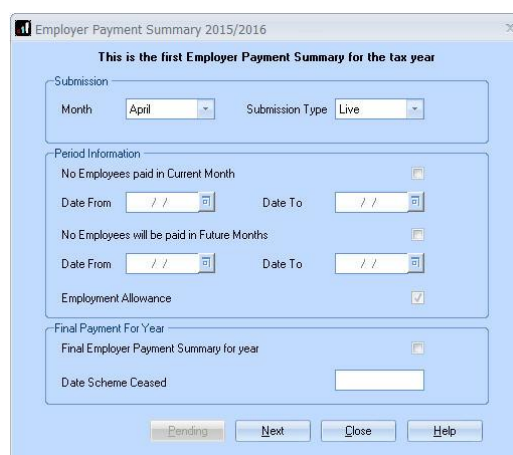
**Employment Allowance allows an employer to offset up to £2000 per year of their Employer's NI against their liability to HMRC at the end of each month. Employment Allowance is per business and not for every separate PAYE reference. It can be split across more than one Company**

You can do this as part of the **Month End Summary** process, when prompted, or separately via the **Employer Payment Summary** menu item.

**Important Reminder:** If you are claiming **Employment Allowance**, you must perform 'Month-end processing' each month in order for the **Employment Allowance** amount to accumulate correctly

To submit an EPS:

1. Click on the **Online Services** tab and select **Send Employer Payment Summary**



2. Select the relevant **Month**
3. If you are submitting an EPS because you are not paying any employees, under the **Period Information** section, tick the box **No employees paid in Current Month** and enter the **Date From** and **Date To** accordingly

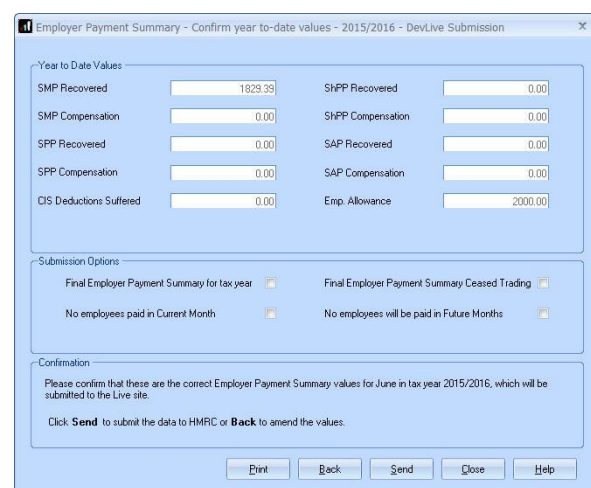
4. If you are submitting an EPS because you are not going to be paying any employees in future months, under the **Period Information** section, tick the **No employees will be paid in Future Months** and enter the **Date From** and **Date To** accordingly. You can enter a period of activity for a period of up to 12 months, it can also span a tax year
5. If this is the **Final Employer Payment Summary for year**, tick the box
6. Click **Next**
7. This screen shows the year to date amounts for each month, as required for the EPS. The Current Month row contains the amounts which have been calculated for this month. These will be added to the year to date values and submitted. If you need to alter these figures, for example if you have other payrolls with the same tax reference which are in other Companies on this software, or run on alternative software, you can do so by typing directly into the relevant boxes \*\*



Month	Date Sent	SMP Rec	SMP Comp	SPP Rec	SPP Comp	SHPP Rec	SHPP Comp	SAP Rec	SAP Comp	CTS Suf	No Pay
Current Month		513.66	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	<input type="checkbox"/>
April		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	<input type="checkbox"/>
May		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	<input type="checkbox"/>
June		1829.39	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	<input type="checkbox"/>
July		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	<input type="checkbox"/>
August		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	<input type="checkbox"/>
September		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	<input type="checkbox"/>
October		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	<input type="checkbox"/>
November		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	<input type="checkbox"/>
December		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	<input type="checkbox"/>
January		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	<input type="checkbox"/>
February		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	<input type="checkbox"/>
March		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	<input type="checkbox"/>

8. Click **Print** if you need a hard copy of the figures then click **Next**
9. Click **Back** if you want to amend anything, **Send** when you are finished

**\*\* Please note**, if you start using the software mid-year, you will need to manually enter any Statutory Payment year to date values. On the **EPS** screen shown, enter the year to date values (inclusive of the current month figures) into the month that you have calculated payroll for. For example if you start using the software in July and have a year to date value for SMP Recovered in June of £450, then in July SMP recovered of £100, enter £550 as the year to date value in the July row.



**Employer Payment Summary - Confirm year-to-date values - 2015/2016 - DevLive Submission**

-Year to Date Values-

SMP Recovered	1829.39	SHPP Recovered	0.00
SMP Compensation	0.00	SHPP Compensation	0.00
SPP Recovered	0.00	SAP Recovered	0.00
SPP Compensation	0.00	SAP Compensation	0.00
CIS Deductions Suffered	0.00	Emp. Allowance	2000.00

Submission Options

Final Employer Payment Summary for tax year  Final Employer Payment Summary Ceased Trading

No employees paid in Current Month  No employees will be paid in Future Months

Confirmation

Please confirm that these are the correct Employer Payment Summary values for June in tax year 2015/2016, which will be submitted to the Live site.

Click **Send** to submit the data to HMRC or **Back** to amend the values.

**You may find that after doing month end processing and sending the EPS, you need to recalculate the payroll. If so, you will need to redo month end processing and manually enter the newly calculated values onto the EPS screen and resubmit**



## Employment Allowance

**Employment Allowance** allows an employer to offset up to £2,000 per year of their employer's NI against their liability to HMRC at the end of each month. **Employment Allowance** is per business and not for every separate PAYE reference.

### To set up **Employment Allowance**

1. Go to **Company | Company Details | HMRC** and tick the box **Employment Allowance**
2. Enter the **Maximum Employer Allowance** applicable
3. Click **OK**
4. If you started using the software part way through the year you need to enter the amount already claimed.
5. To do this, from the **HMRC** tab select **Month end Summary (P32)** and in the **Initial Figures** row, **Employment Allowance** column, enter the amount already claimed
6. Click **OK** then **Close**

When you set up **Employment Allowance**, an **EPS** must be sent to in that period to notify HMRC accordingly

The tick box '**Employment Allowance**' on the **Employer Payment Summary period information** screen will be ticked if **Employment Allowance is** selected in **Company | Company Details | HMRC**. For information purposes, **Employment Allowance**, if applicable, will also be displayed on the **EPS confirmation** screen and the **EPS confirmation** report

## How do I process a new starter?

New starters are reported to HMRC via the **Full Payment Submission**.

### Mandatory information for new starters

- **Surname**
- **Forename**
- **Date of Birth**
- **Date Started**
- **Starter Details (P46)**
- **Address** – first two lines and Postcode (or **County** if Postcode not applicable)

### Desirable information for new starters

- **Forename 2**
- **NI Number** is desirable; however not knowing the **NI number** will not stop submission to HMRC. If you do not have the employee's NI Number, leave the field blank and HMRC will automatically search for it for you.
- **Hours Worked Per Week**

### Information required for new starters in certain circumstances

- **Irregular Payment Indicator** (if applicable to an employee, requires completion prior to your first RTI alignment being carried out by **the Full Payment Submission**)
- **Passport Number**
- **Receiving Occupational Pension** (only applicable if you are running a pensioners' payroll)

### How to process a new starter with a P45

1. Create new employee via **Employee | Add New Employee**
2. Enter mandatory employee information
3. Enter the to date figures from the P45 in **To-Dates** tab | **Previous Employment** section
4. Enter the tax code from P45 on **Tax & NI** Tab | **Tax Information**
5. Click **Starter Details**
6. Tick the required response on the **Starting Declaration** or complete **Pensioner** or **Expat** details
7. Tick **Student Loan Deduction**, if stated on P45
8. Click **Save** then **Close**

## How to process a new starter without a P45

1. Create new employee via **Employee | Add New Employee**
2. Enter mandatory employee information
3. Leave the **Tax Code** on **Tax & NI** tab | **Tax Information** blank – this field will be automatically set based on the response given to the **Starting Declaration**
4. Click **Starter Details**
5. Tick the required response on the **Starting Declaration** or complete **Pensioner** or **Expat** details \*\*
6. If required, tick **Student Loan Deduction**
7. Click **Save** then **Close**

\*\* If you haven't received the employee information in time for their first pay day you must still notify HMRC by completing the information on **Starter Details** to the best of your knowledge on their behalf. If P45 figures have not been entered and you have provided a response to the P46 questions, the software will set the **Tax Code** as required.

Option Selected	Tax Code set to ***
A	1060L Cumulative
B	1060L Week 1/Month 1
C	BR Cumulative
P46 not completed	OT Week 1/Month 1

\*\*\* The Tax Codes used in this table are based on Tax Year 2015/16

If you are setting up a new employee record for an individual who is not a new starter, for instance transferring from another PAYE system, set the Starter Details | New Starter option, Existing Employee (this is not a new employee to the company) and enter the Previous Employee Code

## Receiving a P45 after the employees first payday

If a new starter gives you a P45 after their first payday but you have already submitted the **FPS** for that pay period and you have already received the employee's tax code from your Tax Office you should:

1. Disregard the tax code on the P45
2. Continue to use the tax code received from HMRC
3. Enter the **Gross Pay** and **Tax Paid** figures from the P45 in **Employee Details | To-Dates** tab | **Previous Employment**

However, if you haven't received a tax code for the employee from HMRC

4. Check the P45 figures are correct and enter the relevant tax code in **Employee Details | Tax & NI** tab
5. Enter the **Gross Pay** and **Tax Paid** figures from the P45 in **Employee Details | To-Dates** tab | **Previous Employment**

## How do I process a leaver?

Leavers are reported to HMRC via the **Full Payment Submission**.

We recommend that you process your leavers AFTER you have run the BACS for their last pay period, but BEFORE you have submitted the **Full Payment Submission** for that period. This is because when an employee leaves, the leaving date **MUST** be included with their final payment on the **Full Payment Submission**.

## Moving an Employee

If an employee is moving from one company to another, where the PAYE reference is the same, this can be done without reporting the starter/leaver details via the FPS

1. From the **Application** menu select **Options** then **System Settings**
2. Tick **Display Send Leave Date? on Issue P45 Screen**  
(click **Apply To All Companies** if required)
3. Highlight the employee from the selection side bar and select **Employee | P45 Leaver**

4. Enter the **Leaving Date** (the date the employee transferred to the other company with the same PAYE reference)
5. Untick **Send Leave Date?**
6. Click **OK**
7. Create the employee in other company under the same PAYE
8. Complete the **Select Employee | Starter Details** and on the **Starter Status** section tick **Existing Employee (this is not a new employee to the company)** and enter **Previous Employee Code**

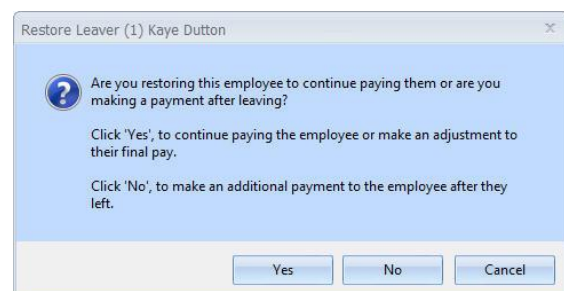
**Please note:** The **Previous Employee Code** must be entered prior to sending the FPS. This field can also be used where you are transferring payroll data from another payroll system.

These fields should **ONLY** be used when you are transferring an employee to another company with the same PAYE reference or if you are moving from another payroll system to IRIS Software and are using different employee codes

## How do I make a payment after leaving?

If you are recalculating the employee's final pay:

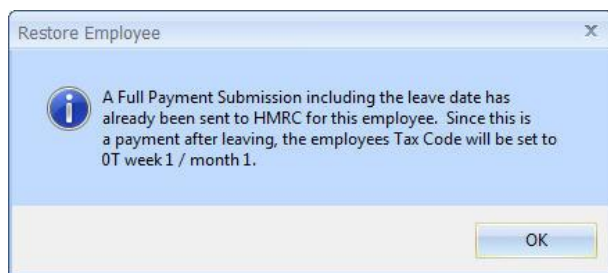
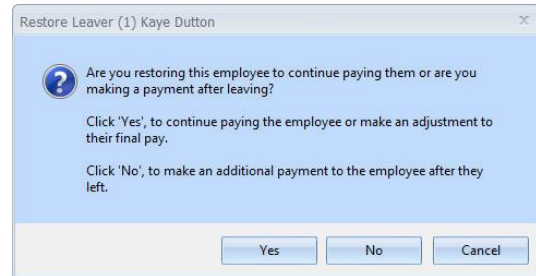
1. Click the **Employee** tab
2. Highlight the relevant employee
3. Select **Restore Leaver**
4. The system will check if the employee has already appeared on an **FPS** as a leaver. If they have, the displayed message will appear:
5. Click **Yes** to restore the leaver and proceed to make adjustments to the employee's final pay



**Remember to re-enter the leaving date for the employee after you have made the necessary amendments, before you send the FPS**

If you are making an additional payment after the employee's leave date:

1. Click the **Employee** tab
2. Highlight the relevant employee
3. Select **Restore Leaver**
4. The system will check if the employee has already appeared on an **FPS** as a leaver. If they have, the message displayed will appear:
5. If you intend to make a payment after leaving, Click **No** to proceed
6. Click **OK** to restore the leaver. The employee's tax code will be amended to OT week 1/month 1 and the payment will be marked as a **Payment After Leaving** in the next FPS.

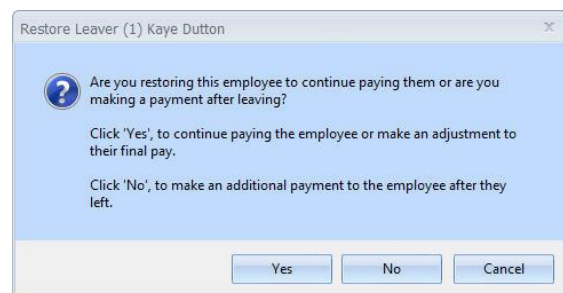


**Remember to re-enter the leaving date for the employee after you have made the necessary payment and before you send the FPS.**

## I have made the wrong employee a leaver and have sent the FPS

If the wrong employee has been made a leaver and the FPS has been sent, in the current tax year, you can restore the leaver and continue to pay them by taking the following steps:

1. Click the **Employee** tab
2. Highlight the relevant employee
3. Select **Restore Leaver**
4. The system will check if the employee has already appeared on an **FPS** as a leaver. If they have, the displayed message will appear:



Click **Yes** to restore the leaver and then continue to pay them as normal

If the FPS has not been sent, select the employee and click **Restore Leaver**.

## What do I do at year end?

To print the **Year-end Guide** click **Year-end | Year-end Guide**.

## What if I cease trading?

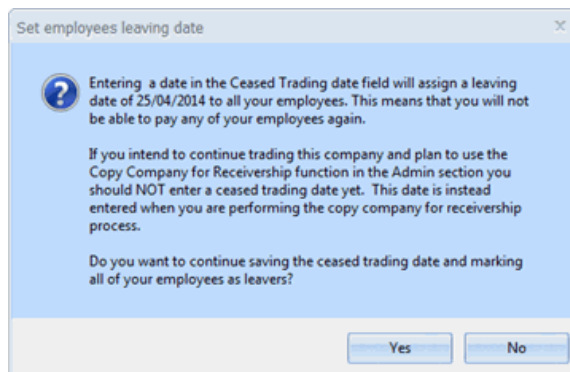
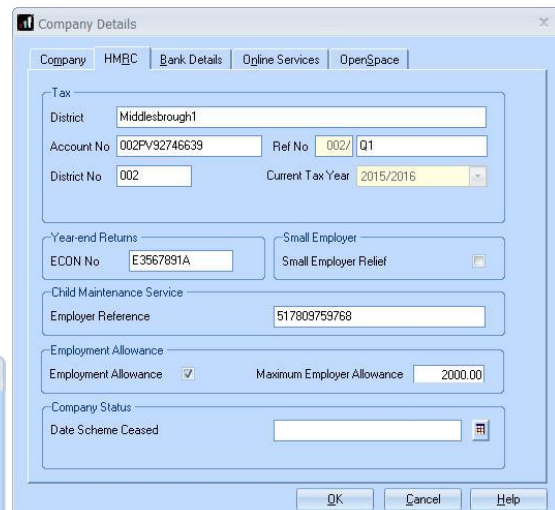
If your company ceases trading, the **Date Scheme Ceased** will be used by either the **EPS** or **FPS** process for identifying the final submission.

The process for a company that has ceased trading depends on whether you have to complete an **EPS** or not.

If you are submitting an **EPS**, the **Date Scheme Ceased** should be set AFTER you have submitted your final **FPS**.

If you do not have to submit a final **EPS**, set the **Date Scheme Ceased** BEFORE you send your final **FPS**.

1. Enter the **Date Scheme Ceased** on the **HMRC** tab in **Company | Company Details**
2. Click **OK** after entering the **Date Scheme Ceased** and the following message will be displayed. Click **Yes** to issue leaving dates to all employees

## Earlier Year Update (EYU)

An **Earlier Year Update** is used to send an employee's amended year to-date figures for a previous tax year. HMRC only accept these changes via an **FPS** prior to the 20<sup>th</sup> April in the current tax year. If the date is on or after 20<sup>th</sup> April, use the **Earlier Year Update** facility to submit the new details to HMRC.

The **Earlier Year Update** can only be sent for a single employee at a time, you cannot select multiple employees.

### To submit an Earlier Year Update

There are three options when submitting an EYU allowing you to use the one that simplifies the process for you.

The data in the **EYU value** column is the information that will be sent to HMRC.

#### Option 1

1. From the **Year-end** tab, select **Use Last Year's Data** (we recommend you take a backup of your current data first)
2. Check the title bar displays the previous tax year
3. Highlight the employee from the selection side bar
4. From **Reports | Employee Reports**, select **Employee YTDs**, change the **Selection** from **All** to **Selected** and click **Refresh** then **Print**

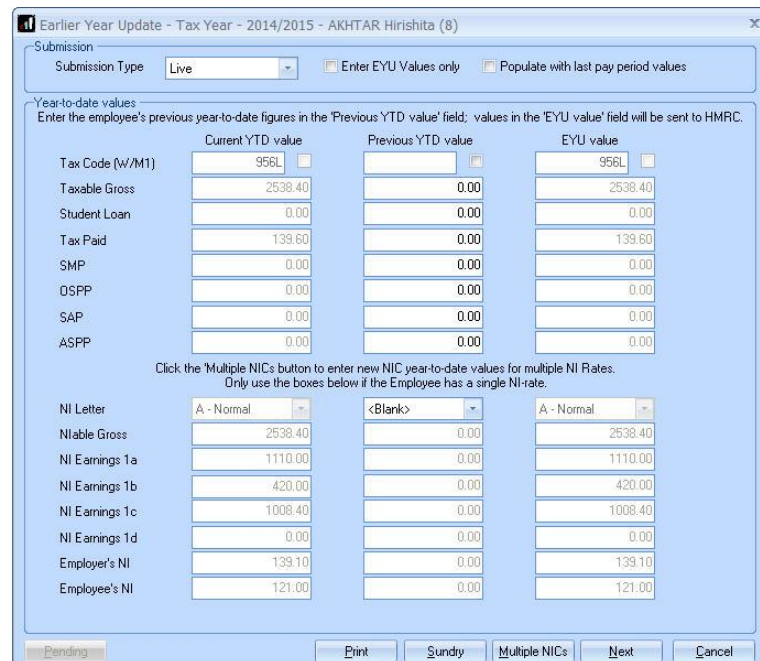
(if the report is not visible under **Reports | Employee Reports**, go to **Reports | Report Manager** and from the **Employee Selection** drag this report to the **Selected Reports** section then **Save** and **Close**

**It is essential that you have the employee's year to date values that you have already submitted via FPS before altering any values**

5. Go to **Employee Details | To-Dates** tab for the individual and select **Employee | Alter To-dates**



6. Make any necessary amendments to the employee's year to date figures i.e. Gross Taxable Pay, Tax Paid, Student Loan Recovery, Employee Total NIC then click **Save** then **Close**
7. Once the changes have been made, from the **Online Filing** tab, select **Send Earlier Year Update**
8. Click **Yes** to the warning message to continue with the **EYU** or **No** to cancel
9. In the **Previous YTD value** column, enter the figures already submitted to HMRC via **FPS** as detailed on the **Employees YTDs** report



Year-to-date values	Current YTD value	Previous YTD value	EYU value
Tax Code (w/M1)	956L		956L
Taxable Gross	2538.40	0.00	2538.40
Student Loan	0.00	0.00	0.00
Tax Paid	139.60	0.00	139.60
SMP	0.00	0.00	0.00
OSPP	0.00	0.00	0.00
SAP	0.00	0.00	0.00
ASPP	0.00	0.00	0.00
NI Letter	A - Normal	<Blank>	A - Normal
NIable Gross	2538.40	0.00	2538.40
NI Earnings 1a	1110.00	0.00	1110.00
NI Earnings 1b	420.00	0.00	420.00
NI Earnings 1c	1008.40	0.00	1008.40
NI Earnings 1d	0.00	0.00	0.00
Employer's NI	139.10	0.00	139.10
Employee's NI	121.00	0.00	121.00

- The **Current YTD value** column displays the current year to date values from the **Employee Details | To-Date** tab
  - The **Previous YTD value** column is where you enter the year to date values previously submitted to HMRC via FPS
  - The **EYU value** column shows the adjustment between the **Current YTD value** and the **Previous YTD value** – this is the value submitted to HMRC to adjust the year to date values accordingly
10. If the employee had more than one NI letter during the tax year, click **Multiple NICs** to enter the relevant breakdown then **OK** to save the changes
  11. Click **Sundry** if you need to amend values for **Gross pension deductions; Net pension deductions; Trivial commutation payment** or **Benefits taxed in payroll**, then click **OK**

The **Sundry** screen also has a tick box, **Enable Annual Pension & Recently Bereaved**; tick this box to enable **Recently Bereaved** and **Annual Pension Amount**. **Annual Pension Amount** will display the value held in **Employee Details | Starter Details | Pensioner | Annual Pension**

12. Click **Next**, this will display the **Earlier Year Update – Final Confirmation** screen
13. Click **Print** if you require a copy of the figures
14. Click **Send** to start the submission

**Please Note:** The **Previous YTD Value** column needs to be completed for all values

**Please Note:** With **Enable Annual Pension** ticked and **Recently Bereaved** set to **Yes** or **No**, the **Annual Pension Amount** will be submitted on the EYU. **Annual Pension** is a year to-date field and will overwrite any previously submitted value

## Option 2

### Enter the EYU Value

1. Select **Online Filing | Send Earlier Year Update**
2. Click **Yes** to the warning message to continue with the **EYU** or **No** to cancel
3. Tick **Enter EYU Values only**

## Option 3

### Populate EYU Values with last FPS values

This option would primarily be used when the last FPS has not been sent for the last period of the year.

1. Select **Online Filing | Send Earlier Year Update**
2. Tick **Populate with last pay period values** (the **Current YTD value** and **Previous YTD value** columns will be greyed out)
3. Click **Next**, this will display the **Earlier Year Update – Final Confirmation** screen
4. Click **Print** if you require a copy of the figures
5. Click **Send** to start the submission

## Glossary of Terms

<b>RTI</b>	<b>Real Time Information</b>	Collection of PAYE information as it happens instead of at month end or year end
<b>FPS</b>	<b>Full Payment Submission</b>	Sent every payroll.  Also used as an alignment before starting RTI by companies without split schemes or less than 250+ employees
<b>EPS</b>	<b>Employer Payment Summary</b>	Sent monthly to inform HMRC about adjustments made to the monthly payment
<b>NVR</b>	<b>NINO Verification Request</b>	Sends a request for a National Insurance number to HMRC
<b>DPS</b>	<b>Data Provisioning Service</b>	This is the system HMRC uses to send messages to your payroll
<b>YTD</b>	<b>Year To Date</b>	The FPS and EPS always send Year to Date values to HMRC
<b>Irregular Payment</b>		For any Casual or Occasional workers, particularly those who may not work for you for three months or more. It informs HMRC that the individual is still employed by your company
<b>Payment after leaving indicator</b>		This is needed if an employee has appeared as a leaver on an FPS but you need to pay them again
<b>NINO</b>	<b>National Insurance Number</b>	
<b>Split Scheme</b>		Where a company's payrolls are split, e.g. a company runs its own payroll but their Directors payroll is run by a bureau or the company is split across two or more payroll companies.
<b>EYU</b>	<b>Earlier Year Update</b>	Used to send an employee's amended year to date figures for the previous tax year on or after 20 <sup>th</sup> April in the current tax year.

## FAQ

**How do I get ready for RTI?**

**Will there be mandatory employee information required before being able to send RTI?**

**What do I do if I make a mistake?**

**How do I send a P45 or P46?**

**What happens if I re-calculate a payroll?**

**What information is included in an FPS?**

**Can I send the FPS more than once in a period?**

**Do I make an employee a leaver before or after I have sent the FPS?**

**When do I have to submit an EPS?**

**When don't I have to submit an EPS?**

**Do I have to carry out Month-End Processing prior to submitting an EPS?**

**How are the numbers made up on the FPS submission screen?**

**Can I export the RTI reports?**

**Can I re-print a report for a previous period?**

**Do I have to carry out any additional procedures at Year-End?**

**Can I reuse an Employee Code when an employee has left?**

**What changes are taking place with BACS payments?**

## How do I get ready for RTI?

See **What do I need to do first?**

## Will there be mandatory employee information required before being able to send RTI?

Yes, there are some fields in the payroll software that are mandatory. Print the **RTI Missing Data** report as described **here** to see what information you are missing.

## What do I do if I make a mistake?

That depends on the mistake you have made!

- I have paid someone the wrong amount but I have already sent the FPS
  - Enter Variations/Recalculate the payroll
  - Send the FPS again just for that employee

OR IF YOU HAVE FINALISED

- Correct the employee's pay in the next pay period
- The year to date values will then be correct in the next FPS

**Note:** If you re-calculate an employee's payroll after the FPS has been sent, which alters the figures and the employee is not going to be paid again in this tax year, a second FPS should be sent to show the amendment. See the example below:

- You run the August payroll calculations including Mr Example
- You send the August FPS which includes Mr Example
- You re-run the payroll for Mr Example resulting in different figures
- Mr Example is not a leaver but you do not intend to pay him again in the current tax year
- This would result in HMRC having the incorrect year to date figures for this employee. You therefore need to send another FPS for August to include Mr Example's revised figures

**Note:** You can submit corrections using an **FPS** up to the 19th of April following Year-end. If you need to make an amendment after this date you will need to use the **EYU**

## How do I send a P45 or P46?

See [How do I process a Leaver?](#) and [How do I deal with a new starter?](#)

## What happens if I re-calculate a payroll?

That depends on where you are in your payroll cycle. If you have not yet paid the employee or sent the **FPS** for that period, you can recalculate as many times as you like. If you have done the **FPS** for that period and especially if you have leavers, you may have some issues. See [What do I do if I make a mistake?](#)

## What information is included in an FPS?

- Payment & YTD information
- New Starter/Leaver details
- Payment after leaving indicator
- Irregular Payment indicator
- Hours worked
- Employee Name
- Address
- Questions & Declarations (only required if it is the last **FPS** of the year or the company has ceased trading AND there are no adjustments to be made to HMRC via an **EPS**) HMRC have now made this non-mandatory, however you will still need to complete the screen. The announcement was made too late for us to change our software
- Date of Birth
- Passport Number, if present

## Can I send the FPS more than once in a period?

If an employee is re-calculated or undone, you can resend the FPS or wait until the next time as the cumulative figures will correct any issues. However, if the change affects amounts due to HMRC you need to make the correct FPS submission at the correct time.

## Do I make an employee a leaver before or after I have sent the FPS?

You make an employee a leaver after you have done the payroll and ran BACS, but before the FPS. That way they are marked as a leaver on the FPS along with their final payment. If you make an employee a leaver after sending the FPS, they will appear in the next pay period's FPS.

### What information is included in an EPS?

- Employer References
- Related Tax Year
- Details of any SMP, SAP, SPP and ShPP reclaim and compensation (if applicable)
- Notification if no payment is due because no employees were paid i.e. Tax and NI liability is zero
- Employment Allowance indicator

### When do I have to submit an EPS?

- If any SMP, SAP, SPP or ShPP reclaim/compensation is due in the month
- If no employees were paid in the current month, i.e. Tax and NI liability is zero
- By the 19<sup>th</sup> of the following month
- In the period you set up Employment Allowance to notify HMRC accordingly

### When don't I have to submit an EPS?

Payment is due to HMRC for the month but there are no adjustments to be made for reclaim or compensation figures. HMRC will calculate the amount owed to them from the Tax, NI and Student Loan values contained in the FPS.

### Can I amend an EPS before I send it?

Yes, you can amend the values prior to sending the information to HMRC. This can be done if corrections are required for a previous month. You can edit the **Current Month** or the last month figures. Remember, these rows reflect year to date values and not just that month's value.

### Do I have to carry out Month-End Processing prior to submitting an EPS?

Yes, month-end processing calculates any reclaim, recovery or compensation values for the month. This is also required for Employment Allowance figures to accumulate correctly.

### Can I print an EPS Submissions Summary?

The **EPS Submissions Summary** can be printed from the '**Online Filing tab | View Audit**', in the **Message Type** select '**Employer Payment Summary**'. You can then opt to view a summary by '**Submission Status**' which gives the following options:

- Successful
- Failed
- Pending
- All

### What happens if an employee is on holiday and is paid for more than one period?

If you pay an employee for more than one period because they are on holiday, for example:

The employee receives normal pay for week 3, has holiday pay advanced for week 4 and is then paid normally in week 5

- The FPS in week 3 would be normal pay plus the advanced pay
- The FPS in week 4 would not include this employee
- The FPS in week 5 would include the employee's week 5 pay

### How are the numbers made up on the FPS submission screen?

#### **Employees Paid in .....**

**New Employees** - This is the number of employees paid in the selected pay period where there is **Starter Details** information to be included. If the new starter had a leave date as well, they would not be counted in the **New Employees** section, only in the **Leavers** section.

**Current Employees** - This is made up of the number of employees paid in the selected pay period that do not have either starter details or leavers details to be included in the file.

**Leavers** - The number of **Leavers** included is made up of the number of employees paid in the selected pay period where a leaving date is included in the file.

**Total** - This field gives you the sum of **New Employees**, **Current Employees** and **Leavers**.



## **Week.....Totals**

This section of the **Final Confirmation Screen** gives the following totals for all the employees paid in the selected period:

- Tax
- Employees NI
- Employers NI
- Student Loan

## **Submission Summary**

**Number of employees included in the submission and paid in...** will show the same number as the **Total** field under **Employees paid in...**

**Number of leavers included in the submission but not paid in ...** will show the number of leavers included in the file without a payment record. This could be because the employee was not paid in the current pay period but was marked as a leaver after the last FPS was sent to HMRC

**Total Number of employees included in the submission** will show the sum of the **Number of employees included in the submission and paid in...** and the **Number of leavers included in the submission but not paid in...**

### [Can I export the RTI reports?](#)

Yes, if you click '**Print Summary**' this will preview the report to screen. Click '**Export**' and choose from the export functions presented.

### [Can I re-print a report for a previous period?](#)

No. We advise that if you require a printed copy of the summary, click '**Print Summary**' or '**Print**' during the **FPS / EPS** processes.

### [Do I have to carry out any additional procedures at Year-End](#)

Yes, full details are included in the Year-End Guide.

### [Can I reuse an Employee Code when an employee has left?](#)

**No.** HMRC use the **Employee Code** as an identifier for that individual for the whole of the tax year. However, if you have made an employee a leaver because they are moving to another company with the same PAYE reference, for instance from your weekly payroll to your monthly payroll, or if you are moving from another payroll system to IRIS payroll, it is possible to use the same employee code – see **Moving an Employee**

### What changes are taking place with BACS payments?

All PAYE and pensions BACS files will require an additional four characters entered into field 7 (spare field) in the BACS submission file, which will be used to identify the payment against the online submission. Your IRIS payroll software will handle this, ensuring that your payments can be made and tracked by HMRC. However you will need to inform your bank/ BACS approved Bureau before you undertake RTI.

## Additional Software and Services Available

### IRIS AE Suite™

The IRIS AE Suite™ works seamlessly with all IRIS payrolls to easily manage auto enrolment. It will assess employees as part of your payroll run, deduct the necessary calculations, produce files in the right format for your pension provider\* and generate the necessary employee communications.

### IRIS OpenPayslips

Instantly publish electronic payslips to a secure portal which employees can access from their mobile phone, tablet or PC. IRIS OpenPayslips cuts payslip distribution time to zero and is included as standard with the IRIS AE Suite™.

### IRIS Auto Enrolment Training Seminars

Choose from a range of IRIS training seminars to ensure you understand both auto enrolment legislation and how to implement it within your IRIS software.

## Useful numbers

HMRC online service helpdesk	HMRC employer helpline
Tel: 0300 200 3600	Tel: 0300 200 3200
Fax: 0844 366 7828	Tel: 0300 200 3211 (new business)
Email: helpdesk@ir-efile.gov.uk	

## Contact Sales (including stationery sales)

For IRIS Payrolls	For Earnie Payrolls
Tel: 0844 815 5700	Tel: 0844 815 5677
Email: sales@iris.co.uk	Email: earniesales@iris.co.uk

## Contact support

Your Product	Phone	E-mail
IRIS PAYE-Master	0844 815 5661	payroll@iris.co.uk
IRIS Payroll Business	0844 815 5661	ipsupport@iris.co.uk
IRIS Bureau Payroll	0844 815 5661	ipsupport@iris.co.uk
IRIS Payroll Professional	0844 815 5671	payrollpro@iris.co.uk
IRIS GP Payroll	0844 815 5681	support@gppayroll.co.uk
IRIS GP Accounts	0844 815 5681	gpaccsupport@iris.co.uk
Earnie or Earnie IQ	0844 815 5671	support@earnie.co.uk