



# Release Notes

## IRIS Payroll

April 2016



## Dear Customer

Welcome to your software update for Tax Year 2016/2017. This update of the software includes some new features and enhancements as well as the legislative changes required. These notes provide information on all the improvements to the software; for detailed information on legislative changes, click [here](#). If you encounter any difficulties please visit:

<http://www.iris.co.uk/contactus>

The minimum system requirements can be found on our website:

- **IRIS Payroll Business**
- **IRIS Bureau Payroll**

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## PAYE Legislation

### National Insurance

Following changes in legislation from April 16, software amendments have been made to:

- Include Under 25's Apprentice NI letter H
- Add the new earnings threshold 'Apprentice Upper Second Threshold' (AUST)
- Remove contracted-out NI Letters and rates (inc. D, E, L, I and K)
- Remove ECON and SCON fields
- Remove reference to 1a, 1b, 1c, 1d etc
- Add an **Apprenticeship Ends** date field
- Rename **NI Earnings 1a** to **Earnings to LEL**
- Rename **NI Earnings 1b** to **LEL to PT**
- Rename **NI Earnings 1c** to **PT to UEL**

### Apprenticeship Ends Date

A new field, '**Apprenticeship Ends**' has been added to the **Employee Details | Tax & NI** tab.

When your pay date is after the **Apprenticeship Ends** date (and the employee is over 21) the NI rate will change automatically from H to A. If the employee is under 21 the NI rate will change to M.

### Tax/NI/Pension Rates

Amendments have been made to **HMRC | Tax/NI/Pension Rates** to include the new NI letter H along with the parameters for AUST.

The **UAP** and **Contracted-Out Letters** have been removed from **HMRC | Tax/NI/Pension Rates**.

The **Contracted Out Salary Related** table has also been removed from **HMRC | Tax/NI/Pension Rates | PAYE, NIC & Pension rates and limits**.

The **Employees contributions and rebate** table has been renamed **Employees Contributions** and the **Employers contributions & rebate** table has been renamed **Employers Contributions**.

### ECON No

The ECON No field has been removed from the **Company | HMRC** tab.

#### IRIS Bureau Payroll only

The ECON Number field has been removed from **Dashboard | Client Details** and **Edit Client Details**.

## Employee Details

On the **Employee Details | Tax & NI** tab, the **NI Rate** drop-down now includes **H – Apprentice U25**. Contracted-out letters have been removed from the drop-down.

Also on the **Tax & NI** tab, the field **SCON No** has been removed.

On the **To-Dates** tab, **NI Earnings 1D** has been removed.

## Year-end Restart

During the Year-end Restart any employees on a contracted out letter will be changed automatically as detailed below:

2015/2016 COSR NI Letter	2016/2017 Equivalent NI Letter
D – Contracted Out	A – Normal
E – Reduced Contracted Out	B – Reduced
L – Contracted Out Deferral	J – Deferral
I – Under 21 Contracted Out	M – Under 21
K – Under 21 Contracted Out Deferral	Z – Under 21 Deferral

## Reports

Any reference to NI Employers' and NI Employees' Rebate has been removed from reports due to the abolition of contracted-out NI numbers. Reports have also been amended to cater for the addition of AUST and the removal of the UAP. In addition ECON and SCON numbers have been removed from reports.

## Employee Debug

The following fields have been renamed or removed from **Help | Employee Debug** and **Company | Global Changes**:

- **Initial NI Earnings 1d YTD** has been removed
- **Initial Employees NI Rebate YTD** has been removed
- **Initial NI Er's Rebate YTD** has been removed
- **Initial NI Earnings 1a YTD** has been renamed **Initial Earnings to LEL YTD**
- **Initial NI Earnings 1b YTD** has been renamed **Initial Earnings LEL to PT YTD**
- **Initial NI Earnings 1c YTD** to **Initial Earnings PT to UEL YTD**

## Pay Preview

On the **Preview** screen in **Pay | Enter Variations**, the following have been added/renamed or removed:-

- **Above AUST** has been added
- **NI Earnings 1d** has been removed
- **Upper Secondary Threshold** has been renamed **Above UST**

**Note:** **AUST** will only be displayed for employees who are on H rate NI. This field will be hidden for all other NI rates. **UST** will only be displayed for employees on M or Z NI rate.

## Tax

### Scottish Tax Regime

Scottish Rate of Income Tax (SRIT) has been added to the software including, from April 2016, the tax code prefix 'S' which is the Scottish Tax Regime indicator. The tax code prefix will determine which tax rates/bands are used during payroll calculation.

The Scottish Rate of Income Tax rates and bands have been added to **HMRC | Tax/NI/Pension** rates.

### Budget Amendments

In **File | Companies | Budget Amendments**, in the admin side of the software, a new frame has been added 'Include'. Here the drop-down will provide the following options:

- **All Employees**
- **Scottish Tax Codes Only**
- **Rest of UK Tax Codes Only**

This drop-down will default to **All Employees**. This feature allows you to uplift certain categories of tax codes only, for instance **Scottish Tax Codes Only** would amend tax codes beginning with S.

### Students tax

The function that changed a tax code automatically to 0T W1/M1 for students on NT or NI tax code, when the threshold was reached, has been removed.

### Tax, NI, SSP, SMP, SAP, SPP & ShPP

The rates for tax, NI and statutory payments have been updated for 2016/2017.

### Tax Code Changes

In line with legislative changes, moving into the new tax year (2016/2017) will automatically uplift tax codes as required.

## Statutory Payments

### Additional Statutory Paternity Pay

All references to **Additional Statutory Paternity Pay (ASPP)** have been removed from the software or replaced with ShPP. ASPP has been abolished and is therefore no longer required from 6<sup>th</sup> April 2016.

### Reports

On the P30, P35 and P60 reports, any reference to ASPP has been renamed to ShPP.

## Payments/Deductions

### DEA Rate

A new higher rate DEA type has been introduced. To cater for this in the software in **Employee Details | Pay Elements | AEO | Edit** we have added **Use Deduction Tables** options of:

- Lower Rate (Normal)
- Higher Rate

**Note:** the above radio buttons will only be available when the AEO selected is **Type: Direct Earnings Attachment – Percentage**.

### Direct Earnings Attachment Report

The **HMRC | Direct Earnings Attachment report** now includes the higher rate deduction tables.

### Flexibly Accessing Pension Rights & Pension Death Benefit

To allow for **Flexibly Accessing Pension Rights** and **Pension Death Benefit** payments to be made to employees, in **Company | Payments & Deductions | Configure Payments & Deductions | Add New**, the following new payments have been added to the **Type** drop-down:

- Payment – Flexibly Accessing Pension Rights
- Payment – Pension Death Benefit

### Company Payment/Deductions report

The **Payment – Flexibly Accessing Pension Rights** and the **Payment – Pension Death Benefit** payment types have both been added to the **Company Payment/Deductions report**.

### Earnings Arrestment Scotland

For tax year 2016/2017 the tables for Earnings Arrestment Scotland have been updated.

## Student Loan Plan Type 2

Student Loan Plan Type 2 has been introduced with effect from April 2016.

### Employee Details

On the **Employee Details | Pay Elements | Loans** tab, the **Plan Type** drop-down includes **Plan Type 1** and **Plan Type 2**. After installing the April update, employees with existing Student Loan deductions will be automatically updated to Plan Type 1.

### Student Loan Rates

The annual thresholds for Plan Type 1 and Plan Type 2 have been added/updated on **HMRC | Tax/NI/Pension Rates**. The current **Student Loan Threshold** label has been renamed **Student Loan Threshold Plan Type 1** and a new one has been added, **Student Loan Threshold Plan Type 2**.

The annual thresholds are:

- Plan Type 1 - £17,495
- Plan Type 2 - £21,000

## RTI

### Employer Payment Summary (EPS)

The EPS schema has been updated in line with legislation. In tax year 2015/16 the Questions & Declarations are visible but you do not need to complete them. The Questions & Declarations have been removed for 2016/17 tax year as they are no longer required.

### Full Payment Submission (FPS)

The FPS schema has been updated in line with legislation. Changes include:

- The removal of the Questions & Declarations
- Removal of ECON and SCON along with NI letters D, E, L, I and K
- Addition of NI letter H
- Inclusion of tax code prefix S for Scottish Tax Regime
- Removal of **E – Micro Employer Using Temporary On Or Before Relaxation** from the list of reasons for late filing

### Bureau Only

A new column has been added to the **Clients** section of the Bureau Dashboard '**FPS Last Sent**'. This will display the date the last successful FPS submission was made for this company.



## Earlier Year Update (EYU)

The EYU schema has been updated in line with legislation. Changes include:

- Renaming of OSPP to SPP
- Renaming of ASPP to ShPP
- Dummy SCON number no longer accepted
- The addition of NI letters M, Z, I and K

## Employment Allowance

From tax year 2016/2017 the maximum amount of Employment Allowance that can be reclaimed has increased from £2,000 to £3,000.

## Pensions

### Pension Parameters

Pension Parameters for Auto Enrolment have been updated for 2016/2017.

### AE Re-enrolment

From April 2017 we have implemented AE Re-enrolment into the software. The process of automatically putting workers back into pensions is known as 'automatic re-enrolment'. Re-enrolment occurs approximately three years after staging and then every three years after that. At the re-enrolment date automatic enrolment assessment will occur for all the employees that previously opted out or ceased contributions more than a year before the re-enrolment date.

A re-enrolment employee cannot be postponed. If the re-enrolment employee is an eligible jobholder within the pay reference period when re-enrolment occurs, they will be automatically enrolled. If the individual is not an eligible jobholder within the relevant pay reference period, no further action will be taken until the next Re-enrolment Date.

For re-enrolment a new letter type L1R will be published to the IRIS OpenEnrol element of the IRIS AE Suite™.

### Declaration of Compliance

The declaration of compliance has been amended and if a re-enrolment or previous re-enrolment date is entered, this date will be used instead of the staging date to produce the details required. Employers are required to submit a new declaration of compliance at the re-enrolment date.

## Re-enrolment Date & Previous Enrolment Date

To cater for re-enrolment, two new fields **Re-enrolment Date** and **Previous Re-enrolment Date** have been added to the software to allow you to enter the required information. These fields are in the following location:

- **Pension | Configure Auto Enrolment | Pensions**

If the **Staging Date** field is blank, the **Re-enrolment Date** and **Previous Re-enrolment Date** fields will be disabled.

If you run the year-end restart process, more than 3 months after re-enrolment date, the software will automatically move the **Re-enrolment Date** to the **Previous Re-enrolment Date** field.

When logging into a company, if the re-enrolment window end date is approaching, a warning will be given that the Re-enrolment Date field is blank.

## NOW Pension

If NOW is your pension provider and is also providing pension communications to your employees, you need to ensure that:

- You have a **Pay Code** set up in the **Pension Fund**
- The **Output File** is set to **This Fund + No Fund**

To do this:

1. From the **Pension** menu select **Configure Pension Fund**
2. Select your Now Pension Fund and click **Edit**
3. On the **Output Files** tab ensure:
  - **File Output** is set to **Now Pensions**
  - **Include** is set to **This Fund + No Fund**
  - Enter the relevant **Pay Code**

## Employee Pension Values

If you change pension payment/deductions in an employee record, you no longer have to undo the payroll and calculate it again for it to appear in the current pay period. You now are only required to recalculate the payroll.

A new message will now be displayed:

*"You have made changes to this employee's pension details after calculating the payroll. If you want these changes to be included in the current Payroll then you must re-calculate pay.*

*If you do not re-calculate pay then the changes will only apply from the next period."*

Click **OK** to this message and if you require the amended payment/deduction to go through the current pay period, re-calculate the payroll.

## Pension Output Files

Following legislative changes, when creating your Pension Output File, you can now exclude employees for up to 3 months from the automatic enrolment date.

### Pension Fund Remittance

This above change is also reflected when creating the Pension Fund Remittance report.

### Pension Output Files – Exclude Until

When creating a Pension Output File, where the automatic enrolment date is within the date range, if you are excluding employees the criteria has been changed as follows:

- If an employee has an automatic enrolment date and has previously joined or opted in (and not ceased or opted out), they will no longer appear on this screen
- If an employee already has an **Exclude Until** date that is after the start of the date range selected, they will now appear on this screen

## NEST

In line with NEST requirements, the **NEST Contribution Schedule** output file has been updated to include employees who only have an employer pension contribution.

If an employee pension contribution is zero and the standard amount in **Employee Details | Pay Elements | Pensions** is zero, this employee will no longer be included on the **Reason for reduced contributions** screen.

### Scottish Widows Output File

The Scottish Widows V3 output file has been updated in line with Scottish Widows requirements.

### Scottish Widows Contribution File

We have added **Scottish Widows Contributions** to the list of available pension output files under **Pension | Create Pension File | Select file to create**. This file will only include individuals if they are in the Scottish Widows Pension Fund and have pension contributions in the selected period.

This new file will not include information about leavers or new members; if the file has new member contributions you will need to complete the information required manually online (you should receive a prompt). This will be the same for any employees who have opted out and leavers.

## Other Improvements

### Reports

#### P35 Report

The **P35 report** has been renamed **Employers Annual Summary**. A new field, **Employer NI Allowance**, has been added to this report.

#### P60 & P35 Layout

The P60 and P35 reports have been updated in line with legislative changes. These changes include the renaming of:

- **Ordinary Statutory Paternity Pay** to **Statutory Paternity Pay**
- **Additional Statutory Paternity Pay** to **Additional Statutory Paternity Pay/Shared Parental Pay**

### Log

In the **Admin | Log** menu, if **Log Enabled** is selected this will now audit any changes made to the **Employment Allowance** indicator in **Company Details | HMRC** tab.

### Conversion

From the April 2016 update, when converting from IRIS PAYE-Master to IRIS Payroll, automatic enrolment pensions will be converted as a value to the equivalent non-automatic enrolment pension type.

Following conversion from IRIS PAYE-Master the issue with NI Saving has now been resolved.

## 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: <a href="mailto:helpdesk@ir-efile.gov.uk">helpdesk@ir-efile.gov.uk</a>	

## Contact Sales (including stationery sales)

For IRIS Payrolls	For Earnie Payrolls
Tel: 0844 815 5700	Tel: 0844 815 5677
Email: <a href="mailto:sales@iris.co.uk">sales@iris.co.uk</a>	Email: <a href="mailto:earniesales@iris.co.uk">earniesales@iris.co.uk</a>

## Contact support

Your Product	Phone	E-mail
IRIS PAYE-Master	0844 815 5661	<a href="mailto:payroll@iris.co.uk">payroll@iris.co.uk</a>
IRIS Payroll Business	0844 815 5661	<a href="mailto:ipsupport@iris.co.uk">ipsupport@iris.co.uk</a>
IRIS Bureau Payroll	0844 815 5661	<a href="mailto:ipsupport@iris.co.uk">ipsupport@iris.co.uk</a>
IRIS Payroll Professional	0844 815 5671	<a href="mailto:payrollpro@iris.co.uk">payrollpro@iris.co.uk</a>
IRIS GP Payroll	0844 815 5681	<a href="mailto:support@gppayroll.co.uk">support@gppayroll.co.uk</a>
IRIS GP Accounts	0844 815 5681	<a href="mailto:gpaccsupport@iris.co.uk">gpaccsupport@iris.co.uk</a>
Earnie or Earnie IQ	0844 815 5671	<a href="mailto:support@earnie.co.uk">support@earnie.co.uk</a>

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