



REWARD & EMPLOYMENT TAX SOLUTIONS

EMPLOYMENT TAXES

END OF YEAR ROUND-UP IN UNCERTAIN TIMES

During a time of crisis, it can be helpful to focus on those things you can control. It is, once again, tax year end and certain tax compliance and updating procedures for the new tax year need to be undertaken.

However, with many employees working from home, self-isolating or potentially unwell, you may also find that the teams who normally process year end, are not so easily available.

With this in mind, here's our road map to a successful year end:

If you have not already done so you may wish to apply for Time To Pay arrangements from HMRC, to defer your PAYE and NIC remittances.

Remember to make sure that you have "ticked the box" on your March 2020 payroll, or if weekly paid w/e 5/4/2020 payday, to indicate this is the final payroll of the 2019/2020 tax year. Ensure your Construction Industry Scheme returns are filed, if this applies to you.

The National Minimum Wage and National Living Wage are set to increase from 1 April 2020. If you have furloughed staff, it is not necessary to pay the increases until staff return to work, but for everyone else the new rates will apply and payroll should be updated to accommodate these changes.

The income tax and National Insurance rates and allowances change from 6 April and should be uprated for PAYE purposes. Make sure your payroll software provider, bureau or payroll department have put through the changes and tested these before the first pay-day of 2020/21.

The Government also made changes to the annual allowance for pension saving. Whilst targeted at Doctors and Consultants, some higher paid employees will be able to take advantage of these changes and save more for their pensions.

The final PAYE remittance is due by 19 April, or 22 April, if you pay electronically. This should include any PAYE due for short term business visitors for the 2019/20 tax year.

Remember the rules on Employment Allowance have changed, make sure you only claim this under the new rules as greater restrictions have been imposed.

There are certain tax reliefs and exemptions for employees who work from home, or who are currently working at a temporary workplace. Make sure your employees know what they are entitled to claim, by way of reimbursements from you and/or tax reliefs from HMRC and the records they should be keeping.

red – deadline/return **orange** – potential risk/cost **green** – potential saving/idea

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▼ The forms P60 for 2019/20 tax year are due to be sent to employees by 31 May 2020. If you post them online, make sure staff can still access these remotely.

▼ If you have a Short Term Business Visitors Agreement (Appendix 4) with HMRC, this is due to be filed by 31 May 2020. You can also apply for an Appendix 8 agreement, for 20/21 tax year, and the payday for this will be 31 May 2021 rather than 19 April.

▼ Please refer to HMRC's updated guidance on tax residency and exceptional circumstances as a result of Covid-19, as some personnel may have spent more time in a certain location than envisaged.

▼ If, during this difficult time, you are considering making employees redundant, remember specific tax and National Insurance rules apply to notice pay, pay in lieu of notice, holiday pay, statutory redundancy payments and ex gratia payments.

▼ Forms P11D, annual report of benefits and expenses, are due to be filed by 6 July 2020 and the Class 1A National Insurance paid by 19 July or 22 July if paid electronically.

▼ At this time, think about changes in circumstances and if any benefits have been withdrawn (living accommodation, cars, vans, school fees etc) or if any benefits have been extended (living accommodation/temporary housing, meals, subsistence payments, Private Medical Insurance) which may change your benefit reporting obligations or for which tax exemptions or reliefs are available.

▼ When staff cash in their season tickets, if season ticket loans, or other loans, are forgiven during this time, remember the loan "write off" is earnings for NIC purposes and a taxable benefit for tax purposes.

— Your PAYE Settlement Agreement, to settle tax and NIC on items that you do not wish your employees to bear the tax on, payment is due by 19 October. HMRC have issued some easements on reporting obligations as a result of Covid-19.

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Our specialist Reward & Employment Tax Solutions team are already assisting clients on the tax-related impacts of COVID-19, so please get in touch if you have any questions relating to the content above.

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