

## Top tips for Payroll Year End



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**Payroll Year End** is not only stressful, it's complicated too and there are so many things that need to be completely understood in the run up to PYE in order to be fully compliant. The following checklist will help you avoid the common pitfalls that most businesses face when tackling their PYE.

### 1. Make sure you understand your obligations as an employer

If you have paid anyone more than £4,680 in the past tax year, you need to file P35 and P14 forms with HM Revenue & Customs (HMRC) by 19 May or face late filing penalties. Employees should get their P60 summaries by 31 May. You can register as an employer with HMRC by email or by telephone on 0845 60 70 143. To familiarise yourself with PAYE rules and requirements, visit [www.hmrc.gov.uk/paye/intro-basics.htm](http://www.hmrc.gov.uk/paye/intro-basics.htm)

### 2. Get ready for the PAYE year end before 6 April

Check the payroll data you plan to file ahead of the year end. You will need to record all payments to employees who fall within the PAYE rules, along with their tax and national insurance contributions (NICs), Statutory Sick Pay (SSP), Statutory Maternity Pay (SMP) and similar payments such as student loans. Year-to-date data should be available in your payroll software or from your payroll preparer. Incorrect employee records will be rejected. Last year's return is a good starting point for clean employee data, and check new employees' details against HMRC coding notices where possible. Having verified your data, you should be ready to finalise the return once your last payroll has been run.

### 3. Automate wherever possible - file returns online

HMRC's computers are unforgiving. Every figure you submit for individual employees will need to be reconciled with your annual totals for tax, NICs and so on. Payroll software can carry out these checks for you throughout the year. Software can save extra work at year end by completing all the forms and filing them electronically via PAYE Online.

### 4. Don't forget to pay the taxman!

Having compiled the amounts of tax and NICs that have already been paid during the year, you or your payroll preparer should then calculate the total amount due to HMRC for the year. Any amount outstanding should be sent to HMRC by **19 April** (or 22 April if paying electronically). Make sure to allow enough time for postal and electronic repayments to reach the taxman in time, or you may be liable for interest payments.

### 5. Small companies - claim your online incentive

The 2008-09 tax year will be the last one in which employers with fewer than 50 employees will be able to submit paper end of year PAYE returns. By voluntarily going online this year, you can qualify for a tax free payment of £75 into your PAYE account.

### 6. If in doubt, get expert help

The rules surrounding payroll, benefits and expenses are very complex and your circumstances are unique. If you discover a problem that you can't solve during the PAYE year end, seek expert help from your payroll provider or professional advisor. The Sage payroll team can also provide expert advice. For more details, visit <http://pye.sage.co.uk/>

We have software and services designed to help with everything to do with Payroll Year End.  
So why not contact us today?

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