

## Online filing of payroll information

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The payroll system is recognised for the online filing of payroll year end information for the payroll year ending 5<sup>th</sup> April 2007.

We recommend that if you are unsure about any aspect of completing a payroll year end please consult your professional advisor.

### Online filing of payroll year end information process in summary

#### To be done outside of the system – must be done well in advance of filing

- ◆ Register with HM Revenue and Customs for online filing and obtain an ID and select a password.  
Registration can be completed at the Government Gateway for electronic submission of returns:  
[www.gateway.gov.uk](http://www.gateway.gov.uk)
- ◆ Activate the service by using the Activation PIN which is sent to you by the Revenue within seven days of registering.



The screenshot shows the Government Gateway registration page. At the top, it says "Government Gateway" with a logo. Below that, it says "Welcome to the Government Gateway. The Government Gateway is a centralised registration service for e-Government services in the UK." It then explains that registering enables users to sign up for UK Government services available over the Internet. It lists requirements for registration: selecting as an individual, organisation, or agent; determining whether to receive a User ID or digital certificate; enrolling for government services; receiving an Activation PIN (noting that receipt may take up to 7 days); and activating the service. It also states that once registered, a single User ID or digital certificate can be used across all services. At the bottom, there is a button labeled "Enter the Government Gateway".

#### Inside the Payroll System

- ◆ If the entity benefits from the Small Employer Relief Case for NIC, then ensure that the check box is ticked in the Accounting Options Tab in the entity Profile (The default).  
**BUSINESS → PROFILE → PAYE DETAILS TAB**  
If you have any doubt about the application of the Small Employer relief see the note below and please check with your professional advisor.
- ◆ Ensure that all data is complete, the details of all employees have been entered and all relevant payrolls have been run.
- ◆ Collect Sender ID and password plus all supplementary data (see details below)
- ◆ Initiate a filing process via the **SPECIAL** menu
- ◆ Inspect the data displayed
- ◆ Add additional data to complete the input
- ◆ Complete the declarations
- ◆ Test send the data and receive free of errors confirmation, inspect messages for any feedback.
- ◆ If clear, send a live submission.
- ◆ Print out and file all reports.

### **Small Employer Relief Case**

Refer to [www.inlandrevenue.gov.uk](http://www.inlandrevenue.gov.uk) for information on current rates and thresholds applying to Small Employer Relief. As at 2006/2007 businesses paying less than £45,000 p.a. in National Insurance contributions were eligible for Small Employer Relief.

If the user defines their business as entitled to Small Employer Relief, the system will calculate the SMP/SPP/SAP that may be recovered (100%) and the NIC compensation that may be claimed by the employer (4.5%).

If the user defines their business as not entitled to Small Employer Relief, the system will calculate the SMP/SPP/SAP that may be recovered (92%) using the standard rate.

Note that if you calculate and record Small Employer Relief on a month by month basis your figures for the year may differ due to rounding issues. Simply overwrite the figures calculated by the system with your own figures.

### **Completion of Data**

It is clearly beneficial to ensure that the details of all employees for whom a P14 is to be submitted are complete and that all relevant payrolls for the payroll year have been run and finalised. This allows the system to accurately populate as many data fields as possible.

### **Collect Sender ID and password plus all supplementary data**

Ensure you have the following information:

- ◆ Government Gateway Sender ID – from the registration process
- ◆ Government Gateway Password – from the registration process

Some of the following supplementary data may be necessary:

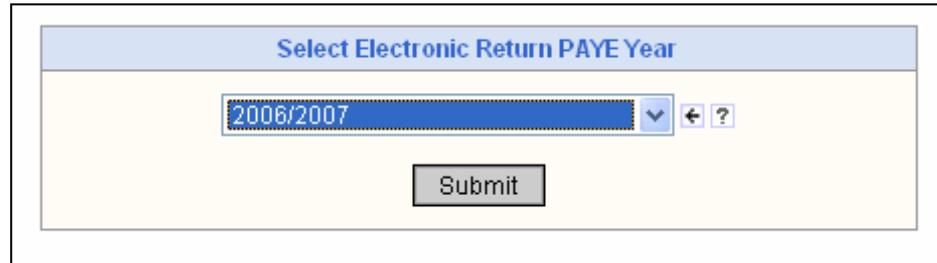
- ◆ The amount of any advances received for the Revenue to pay for any tax .refunds. – The amounts will have been recorded separately by the user.
- ◆ The amounts of any deductions made from contractors under the construction industry scheme. – The amounts will have been recorded separately by the user.
- ◆ The amounts of any SSP (statutory Sick Pay) recovered (if any) under the Percentage Threshold Scheme. – The amounts will have been recorded separately by the user.
- ◆ The amounts of any NIC holiday claimed during the year. – The amounts will have been recorded separately by the user.
- ◆ The amounts of any funding received from the Revenue for statutory sick pay (SSP), statutory maternity and paternity pay (SMP & SPP) and statutory adoption pay (SAP). - The amounts will have been recorded separately by the user.
- ◆ The amounts of any funding received from the Revenue for tax credits paid out. – The amounts will have been recorded separately by the user.
- ◆ If you are a limited liability company contractor, the amount of any deductions suffered under the CIS. – The amounts will have been recorded separately by the user.

## Initiate a filing process

The online filing process is initiated via the **SPECIAL** menu

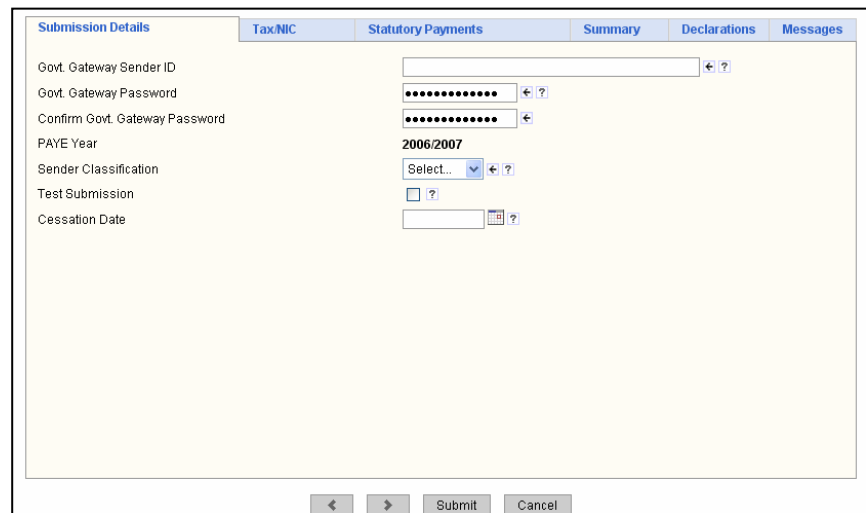
**SPECIAL → GOVERNMENT GATEWAY → PAYE EOY P35/P14 → ADD NEW**

- ◆ A screen is presented for the payroll year to be selected.
- ◆ Click on **SUBMIT** to confirm selection, A multi tabbed screen is presented.



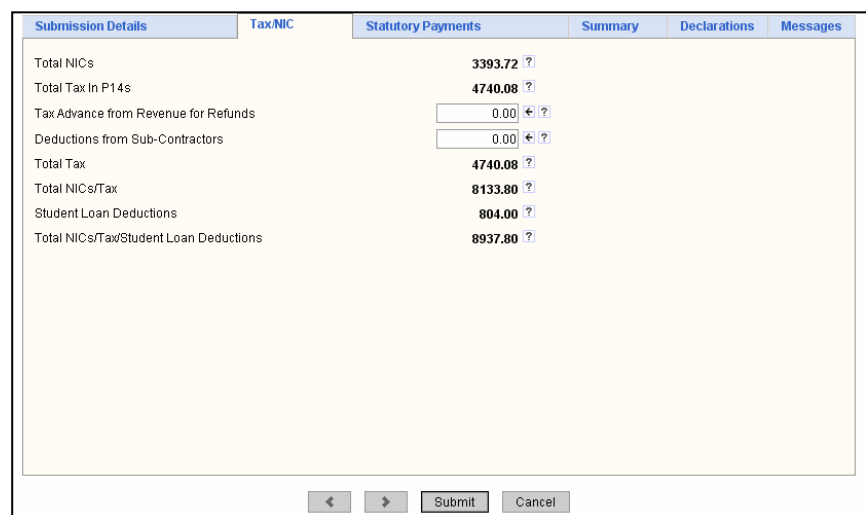
## Tab 1 – Submission Details

- ◆ Enter the data as requested.
- ◆ The **PAYE Year** will automatically be entered.
- ◆ Select the **Sender Classification**, can either be and Agent or Employer.
- ◆ If this submission is to be a test, click on **Test Submission**. After April the Revenue will provide the ability for users to make test submissions to the Gateway. A test submission will be treated in exactly the same way as a live submission but will not be recorded as an actual return by the Revenue.



## Tab 2 Tax/NIC

- ◆ This tab presents the figures that the system has recorded.
- ◆ The user will need to add figures for **Tax advance from Revenue for refunds** and **Deductions form Sub-contractors** if relevant.



Total NICs	3393.72 ?
Total Tax In P14s	4740.08 ?
Tax Advance from Revenue for Refunds	0.00 ?
Deductions from Sub-Contractors	0.00 ?
Total Tax	4740.08 ?
Total NICs/Tax	8133.80 ?
Student Loan Deductions	804.00 ?
Total NICs/Tax/Student Loan Deductions	8937.80 ?

Tab 3 Statutory Payments

- ◆ This tab is where most supplementary data is added if necessary.
- ◆ Simply overwrite the field.
- ◆ The totals will calculate automatically.

Submission Details	Tax/NIC	Statutory Payments	Summary	Declarations	Messages
<b>Small Employer Relief Case ?</b>					
SSP Recovered		0.00			
SMP Recovered		3145.44			
NIC Compensation on SMP		141.56			
SPP Recovered		217.70			
NIC Compensation on SPP		9.80			
SAP Recovered		2830.10			
NIC Compensation on SAP		127.40			
Funding Received to Pay SSP/SMP/SPP/SAP		0.00			
Net Statutory Payments		<b>6472.00</b>			

Tab 4 Summary

- ◆ This tab summarizes the data that will be submitted.
- ◆ If you have suffered deductions under the CIS , enter the amounts in **CIS Deductions Suffered** box.
- ◆ Enter any incentive payment being claimed for inline filing. For 2006/07 this is likely to be £150.00
- ◆ The totals will calculate automatically.

Submission Details	Tax/NIC	Statutory Payments	Summary	Declarations	Messages
Combined deductions less statutory pay recovered					
		2465.80			
Amount Payable for the Year					
		2465.80			
NICs/Tax Paid Already					
		8937.80			
Incentive Payment					
		150.00			
Now Payable					
		-6622.00			
CIS Deductions Suffered					
		0.00			
Revised Amount Now Payable					
		-6622.00			

Tab 5 Declarations

- ◆ Declarations must be made to the Revenue with any submission. This tab allows for those declarations to be made.

Submission Details	Tax/NIC	Statutory Payments	Summary	Declarations	Messages
Are end of year summaries completed?					
		<input checked="" type="radio"/> Yes <input type="radio"/> No			
Have free of tax payments been made?					
		<input type="radio"/> Yes <input checked="" type="radio"/> No			
Have staff received benefits from 3rd parties?					
		<input checked="" type="radio"/> Yes <input type="radio"/> No			
Have you engaged non-UK employees in UK for > 30 days?					
		<input checked="" type="radio"/> Yes <input type="radio"/> No			
If yes are they in this return?					
		<input type="radio"/> Yes <input checked="" type="radio"/> No			
Has any employee pay been paid to 3rd parties?					
		<input type="radio"/> Yes <input checked="" type="radio"/> No			
If yes is it accounted for in their P14?					
		<input type="radio"/> Yes <input checked="" type="radio"/> No			
Are you caught by IR35 service payment rules?					
		<input type="radio"/> Yes <input checked="" type="radio"/> No			
If yes is any part of a deemed payment included in this return?					
		<input type="radio"/> Yes <input checked="" type="radio"/> No			
Are all required P14's enclosed					
		Yes			
P38A Employer's Supplementary Returns					
		Are Not Due			
P11D and P11D(b) forms					
		Are Not Due			

**Are end of year summaries completed?**

Have you included a form P14, End of Year Summary or a form P38(S) (Student Employees) for every person in your paid employment, either on a casual basis or otherwise, during the tax year for the return being submitted? If you have to answer "No" then you will need to separately send a form P38A Employer's Supplementary Return. This will not impact your eligibility for electronic filing incentive payments. The payroll system will include P14 data for every employee, provided they have been processed through the payroll.

**Have free of tax payments been made?**

Did you make any "free of tax" payments to an employee? In other words did you bear any of the tax yourself rather than deduct it from the employee?

If you answer yes, we strongly recommend you consult with your professional advisor.

**Have staff received benefits from 3rd parties?**

So far as you know, did anyone else pay expenses or in any way provide vouchers or benefits to any of your employees whilst they were employed by you during the year?

If you answer yes, we strongly recommend you consult with your professional advisor.

**Have you engaged non-UK employees in UK for > 30 days?**

Did anyone employed by a person or company outside the UK work for you in the UK for 30 or more days in a row?

If you answer yes, we strongly recommend you consult with your professional advisor.

**Has any employee pay been paid to 3rd parties?**

Have you paid any of an employee's pay to someone other than the employee, for example to a school?

If you answer yes, we strongly recommend you consult with your professional advisor.

**Are you caught by IR35 service payment rules?**

Do the rules relating to services provided through an intermediary (sometimes known as IR35) apply to any work carried out by any worker listed on this return?

If you answer yes, we strongly recommend you consult with your professional advisor.

**Are all required P14's enclosed?**

The only valid value for this field is "Yes".

The person who submits this return certifies and declares that the return includes P14 information for each employee and director for whom the business was required to complete a form P11 Deductions Working Sheet, (or equivalent record) during the year.

### P38A Employer's Supplementary Returns

The person who submits this return certifies and declares whether a P38A Employer's Supplementary return is due or not.

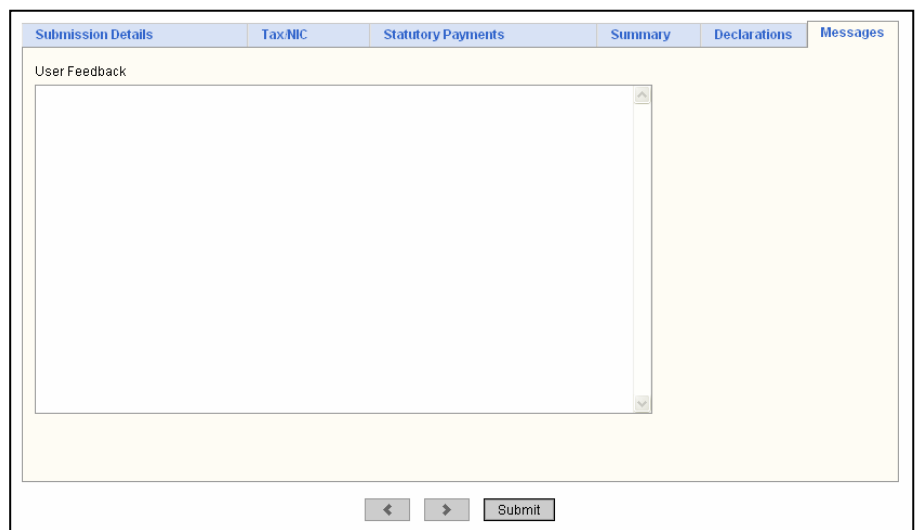
If a P38A is due it can be sent either as hardcopy, or using the Government Online Filing facilities without impacting eligibility for the electronic filing incentive.

### P11D and P11D(b) Forms

The person who submits this return certifies and declares whether P11D and P11D(b), Returns of expenses payments, benefits and class 1A contributions are due or not.

### Tab 6 Messages

Messages from the Government gateway will be displayed in this box.



### Submission

- ◆ When all information has been entered and inspected, ensure the test box in tab 1 is checked and click on **SUBMIT**.
- ◆ The Status screen is then presented

	PAYE Year End	Status ?	Submitter ?	?
<a href="#">EDIT</a> <a href="#">SEND</a>	2007	Pending	Not submitted	<a href="#">DEL</a>
<a href="#">Add New...</a>				

- ◆ The [EDIT](#) button will allow for the information to be edited in the tabbed screen described above.
- ◆ The [SEND](#) button will queue the submission to the Government Gateway.
- ◆ The Status will be updated as follows:

### Government Gateway Submission Status

Indication of the current status which will be one of the following:

- Pending
- Queued
- Recalled
- Polling
- Failed - Local Validation
- Failed - Remote Validation
- Submitted
- Failed - Max Tries

Pending: Indicates that an item exists in the system but has not been "sent" by the user. Typically an item is generated at the request of the user. Once it has been generated the user will need to review and possibly add to the automatically generated details of the submission. In all cases the user will at least need to add their authentication credentials as provided by the Government Gateway before they can successfully submit to the Gateway.

Queued: Indicates that an item has successfully passed local validation in the system and is now in a queue waiting to be sent to the Government Gateway. Queued items are normally processed during the night, starting shortly after midnight.

Recalled: Indicates that an item has been recalled from the Gateway queue. An item can be recalled from the queue at any time before it has been sent to the Government Gateway. It is also possible to recall an item if it has failed remote validation and a change is required before resubmission. e.g. incorrect Gateway password.

Polling: Indicates that an item has been sent to the Government Gateway and the system is currently polling the Gateway at regular intervals to check the status of the submission.

Failed - Local Validation: Indicates an item has failed local validation. The system uses its best endeavors to validate data before trying to send it to the Government Gateway. An item with this status will need to be changed before it can be successfully queued for the Gateway.

Failed - Remote Validation: Indicates that an item has failed validation in the Government Gateway system. An item in this state can be deleted or recalled for any necessary changes to be made prior to resubmission.

Submitted: Indicates that an item has been acknowledged as a successful submission by the Government Gateway.

Failed - Max Tries: Indicates that the system has given up trying to send an item to the Government Gateway. If you have an item at this status you should contact Liberty Accounts support.

## **SENDING**

For the first submission it is recommended that test mode is used. Ensure that the **TEST** button in tab 1 is checked.

Click **SEND**.

The system responds with an updated status

	PAYE Year End	Status ?	Submitter ?	?
<b>VIEW</b>	2007	Queued [Test Mode]	Tester, Payroll	<b>RECALL</b>

Add New...

- ◆ **SUBMITTER**, Indicates the name of the user who clicked the **SEND** button that places the item in the queue for sending to the Gateway.
- ◆ Depending on the current status of an item the **RECALL** / **DEL** action buttons may be displayed. Recall is used for items that have been queued but not yet sent to the Government Gateway but also works where an item has failed remote validation. It allows the user to make changes and resend a return. Delete is used to remove the process and its information.
- ◆ Respond to any messages (view Tab 6) and correct any necessary information.

Submission Details   Tax/NIC   Statutory Payments   Summary   Declarations   Messages

User Feedback

Advisory - Validating Govtalk Envelope  
 Advisory - Validating IR Envelope  
 Advisory - Validating P35  
 Advisory - Validating P14 - Employee: Blair,Barbara  
 Advisory - Validating P14 - Employee: Shepherd,Hary  
 Advisory - Validating P14 - Employee: Anderson,Carol  
 Success response processed at: Mon Sep 25 10:58:41 BST 2006  
 Success Response:Message - This submission would have been successfully processed if sent under non test conditions  
 Success Response:Message - The EOY Return has been processed and passed full validation

<   >   Cancel

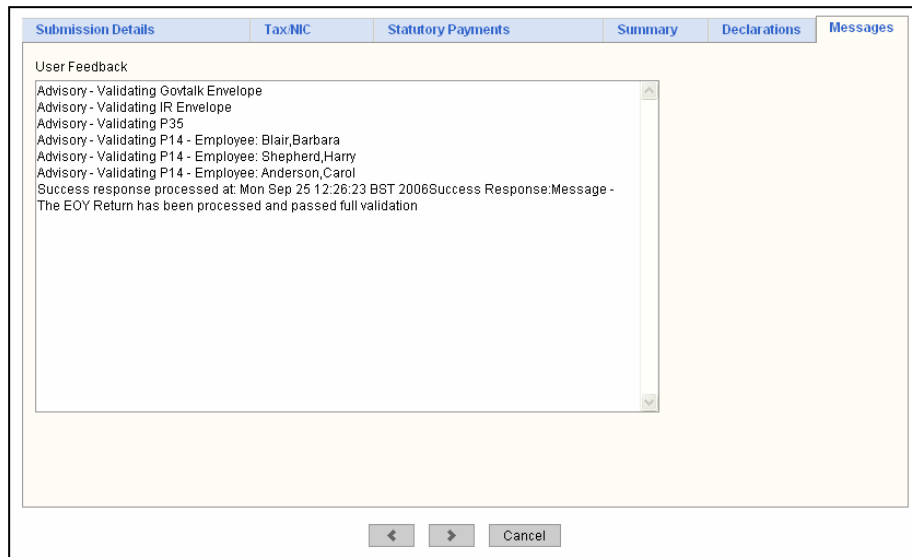
When **totally satisfied**, click the **RECALL** button to reset the system for a live filing, the system responds with an updated status.

	PAYE Year End	Status ?	Submitter ?	?
<b>EDIT</b> <b>SEND</b>	2007	Recalled [Test Mode]	Tester, Payroll	<b>DEL</b>

Add New...

Click **EDIT** and uncheck the test box in tab 1, click on **SUBMIT** to confirm and in the status screen click again on the **SEND** button to queue the live submission.

Be sure to inspect, within 24 hours, to confirm that the submission has been completed by inspecting your email inbox for a message from HMRC as well by checking the message tab.



- ◆ From **REPORTS** under the **PAYROLL** menu , print and store all relevant reports

### Amending or Editing

A submission process can inspected or edited or it status viewed by returning to the Government Gateway menu.

**SPECIAL → GOVERNMENT GATEWAY → PAYE EOY P35/P14 → [EDIT](#) the relevant submission**