

Fish Partnership LLP Payroll and Employment Services EMPLOYERS NEWS BULLETIN

A PIECE OF CAKE OR A TOTAL NIGHTMARE?

Just prior to the end of the tax year various rumours were flying around that because so many Employers and Payroll Agents had registered to make Employers End of Year Returns online, it would be unlikely we would be able to successfully submit the Returns during normal working hours. Warnings were abound that Payrollers would have to become nocturnal and give up their weekends to make submissions outside normal office hours - in short, despite initial assurances from the Revenue that online filing would be a **Piece of Cake**, instead it was going to be a **Total Nightmare!**

So, sleeping bags and thermos flasks at the ready, Janet and Julie (our Payroll Manager and Payroll Administrator) were prepared!

In actual fact it all turned out to be a **Piece of Cake** - none of the rumoured horrors emerged. We are aware that because the Revenue did not have all their checks in place by the time Employers were able to start submissions, there is a possibility we may have to re-submit some Returns but we feel that the exercise, as a whole, has been a success. This must be attributable not only to our excellent Payroll Software providers but to the expertise within our Payroll Department.

If you are not a FISHPAY Payroll Client and your experience of Online filing was less than satisfactory, possibly a **Total Nightmare**, or maybe you did not register with the Revenue, then we can assist commencing with the 2005/06 Returns. If you did not register to file Returns Online for the 2004/05 tax year, you can still do so starting with the 2005/06 Returns which will entitle you to receive a total incentive of £575 from the Revenue. For further details please call our Payroll Manager & Employers Advisor, Janet Ellis, on 01628 527956.

DISCIPLINARY, GRIEVANCE & APPEALS PROCEDURES

Employers who are using our FISHERS Disciplinary, Grievance & Appeals Procedures format have asked us if we can provide a detailed step-by-step guide covering all the processes within these procedures. Not all Employers have their own 'in-house' Human Resources function who would be able to guide them through this and our Clients have expressed concerns that they may miss a vital step in the procedures. We understand and appreciate their concerns and are currently working on producing a detailed checklist. This comprehensive checklist will cover the initial preparation before the first meeting, how to conduct the meetings, the role of the companion, choice of note taker etc., right the way through to the final decision making and notification of the outcome. We hope to have this available as a standard FISHERS format in July and will contact existing users of our FISHERS Disciplinary, Grievance & Appeals Procedures at this time. Any readers who are interested in the procedures and would like further details should contact our Payroll Manager & Employers Advisor, Janet Ellis, on 01628 527956

REMINDERS

Statutory Maternity Pay (SMP) - Please do not forget that new rules apply to the calculation of SMP from 6 April 2005. This was reported in our March 2005 Employers News Bulletin.

Returns of Expenses and Benefits - Forms P11D and P11D(b) must be submitted to the Revenue by 6 July 2005. If you require assistance with completion of these forms please contact our Tax Manager, Amanda Morris, on 01628 527956.

Companies who provide Employment Related Shares and Securities are required to declare these to the Revenue, for the tax year ended 5 April 2005, by 6 July 2005. If this affects your Company then you should request a form 42 from the Inland Revenue. Failure to notify the Revenue will result in penalties.

PENSIONS - 'A DAY'

From April 2006 there will be major changes in the Pensions legislation. We are holding a Seminar on 9 June 2005 which will cover all the major changes, with plenty of opportunity for you to ask questions either 'from the floor' or in confidence at the end of the presentation. There will be no charge to attendees of our 'A Day' Seminar and if you would like further details then either visit our website at www.fishpartnership.co.uk or contact us on 01628 527956 and speak to Janice.

BUDGET CHANGES

In our March 2005 Employers News Bulletin we listed the New Rates and Thresholds from 6 April 2005. In the Budget, the tax bands were uplifted as follows:-

- 10% tax on the first £2,090 taxable pay
- 22% tax on taxable pay between £2,091 - £32,400
- 40% tax on taxable pay in excess of £32,401

These amendments came into effect commencing with wages and salary payments on or after 18 May 2005. If you calculate your own Payroll, please make sure your Payroll software was updated by 18 May 2005. For those who make manual calculations, there are new Tables available direct from the Inland Revenue.

LIFE WAS MUCH SIMPLER THEN, OR, EVOLUTION OF PAYROLL

When I started calculating Payrolls, it was called 'Wages'. The Revenue provided small, neat, deduction calculation cards which I completed and sent back to them at the end of the tax year. Wages were paid in cash and when I drew out the net wages from the Bank, I also drew out enough cash to buy the National Insurance Stamps, which I then purchased from the Post Office. Back at office, I put cash and handwritten payslips into pay packets before I licked and stuck the National Insurance Stamps on the employees' National Insurance cards. When the National Insurance cards were full, I sent these off to Newcastle, or if an employee left I gave them their card and their P45 (hence the phrase 'collecting your cards').

Since then, I no longer have to write out deduction cards and payslips. I enter the correct information into the computer and the software generates the deduction cards, payslips and wages summary (which replaced the handwritten wages book). However, the introduction of new types of payments and changes in legislation means that we in Payroll are no longer paying purely wages and salaries. We now have the added responsibility of controlling and calculating the payment of Tax Credits, Statutory Sick, Maternity, Adoption and Paternity Pay and making deductions for Student Loans, Pension contributions, Attachment and Deduction of Earnings Orders, Child Support Agency (CSA) payments as well as Employee Authorised deductions etc. We also have forms from the Revenue, the CSA, Contributions Agency, National Statistics Office etc., all to be completed and returned yesterday! Of course, we must not forget the latest - online filing of Employers End of Year Returns.

Yes, 'life was much simpler then' but my job was nowhere near as interesting as it is now. All the ongoing new legislation and requirements has seen simple Wages evolve into Payroll, a specialised area in taxation requiring expertise in a great many topics. Payroll has evolved into a recognised career, with more people choosing to study its intricacies. The best part is, I really enjoy my job, it's never boring and no two days are the same.

We have a diverse portfolio of FISHPAY Payroll Clients all with different needs and requirements and it is a pleasure helping our Clients comply with their Employer obligations in this ever changing area of taxation.

By Janet Ellis

FISHPAY & FISHERS

Payroll Manager and Employers Advisor

IN BRIEF

The requirement for every Employer to have a Disciplinary, Grievance and Appeal Procedure in place from October 2004 was introduced in an attempt to reduce the number of cases brought to tribunal, which basically could have been resolved 'in-house'. Current statistics prove that the desired effect is being achieved with a reduction in the overall number of claims falling.

Employers may make a pro-rata deduction from bonuses due to employees who are on Maternity Leave (ML). However, the bonus must be paid for the first two weeks of the period as this is classified as compulsory ML. Take care that you do not apply this reduction to performance related bonuses as this may lead to a claim of sex discrimination.

The National Minimum wage (NMW) rates will increase from 1 October 2005:

16 - 17 year olds £3.00 per hour (no change)
 18 - 21 year olds from £4.10 per hour to £4.25 per hour
 aged 22 + years from £4.85 per hour to £5.05 per hour

From April 2005, transsexuals who have undergone gender reassignment will be issued with a Gender Recognition Certificate. This certificate will entitle them to the same rights as other people of his or hers acquired gender.

WE'RE ON THE WEB!
Find us at
www.fishpartnership.co.uk

FISH PARTNERSHIP LLP
 The Mill House
 Boundary Road
 Loudwater
 High Wycombe
 Bucks.
 HP10 9QN

Phone: 01628 527956
 Fax: 01628 810385
 Email: post@fishpartnership.co.uk
 Web: www.fishpartnership.co.uk

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