

# PAYE BRIEF – APRIL 2018

## PAYE – TIME FOR ACTION

Those important deadlines for the submission of year-end PAYE forms are upon us again. Just to remind you, they are:

- 19 April** Final date for receipt by HMRC of cleared funds by cheque payments for 2017/18 PAYE/NIC (20 April for receipt of cleared funds by HMRC for electronic payments). Interest and penalties will be charged on late payments.
- 19 April** Last date for filing the final Employer Payment Summary submission or End of Year Declaration if your software requires it, in Real Time Information (RTI) or penalties will be levied.
- 20 April** Deadline for any electronic payments to be cleared in HMRC's bank account for any 2017/18 outstanding PAYE/NIC.
- 31 May** Forms P60 to be provided to all staff employed by you on 5 April 2018.
- 6 July** Forms P11D and P9D to be with both HMRC and your staff. Please be aware that if you do not have to file a P11D, you may still have to notify this to HMRC online. You may receive a penalty, if you don't.
- 19 July** Payment of Class 1A NIC due on 2017/18 P11D benefits. You should receive a payslip before the due date and, to avoid any confusion, this should accompany your payment. Interest and penalties will be charged on late payments.

## WORKPLACE PENSIONS

All employers have now passed their staging date for Automatic Enrolment into a workplace pension. Some employers will be coming up to their three-year re-enrolment date and new employers are required to have a workplace pension in place ready for the date they pay their employees for the first time.

Contact us for more information on workplace pensions and to see how we can help. A compliant workplace pension scheme that ensures you meet the requirements of The Pensions Regulator can be put in place for you by our Payroll department, who can also complete your ongoing duties for The Pensions Regulator.

If your pension needs are more complex and you require the services of a financial advisor, then Milsted Langdon Financial Services will be happy to help you. Contact us at [payroll@milsted-langdon.co.uk](mailto:payroll@milsted-langdon.co.uk) for further information

## NATIONAL MINIMUM WAGE

On 1 April 2018, the National Living Wage increased and employees over the age of 25 who are not in the first year of an apprenticeship are entitled to be paid a minimum of £7.83 per hour (up from £7.50 per hour).

As of this date, National Minimum Wage rates changed to: £7.38 per hour for 21 to 24 year olds, £5.90 per hour for 18 to 20 year olds, £4.20 per hour for 16 to 17 year olds and £3.70 per hour for apprentices aged 16 to 18 or in their first year (if 19 or over). The rates will change again in April 2019.

## APPRENTICESHIP LEVY

On 6 April 2017 the Apprenticeship Levy was introduced. The levy is charged at 0.5% of an employer's annual pay bill, but an annual levy allowance of £15,000 is available to each employer or group of connected companies or charities, to offset against their liability. This means that only employers and groups of connected companies or charities with an annual pay bill of over £3 million will be required to report and pay.

## SALARY SACRIFICE

The rules for Benefits in Kind (BiK) where they are provided by salary sacrifice changed on 6 April 2017, such that the BiK will be valued at the higher of the cash foregone or the current taxable value. There are no changes if employees are sacrificing salary only for pensions, pension advice, childcare vouchers, workplace nurseries, directly contracted childcare, cycle to work, or cars with emissions of 75g CO<sub>2</sub>/km or less. For other salary sacrifices, existing arrangements are protected until the earlier of a variation in the terms of the BiK, or renewal of the contract, or 6 April 2018, or 6 April 2021 for cars with emissions of > 75g CO<sub>2</sub>/km and accommodation.

## 2018/2019 NATIONAL INSURANCE RATES

National Insurance rates for employees and employers for 2018/19 are as follows:

Weekly Earnings	Employee %	Employer %
£0.00 – £116.00	Nil	Nil
£116.01 <sup>(1)</sup> – £162.00	0	0
£162.01 – £892.00	12	13.8
Over £892.01	2	13.8

<sup>(1)</sup> NI Contribution level commences

## 2018/19 TAX RATES

The taxable pay bands for 2018/19 are:

UK Taxable Pay	UK Rate
£0 – £34,500	Basic rate – 20%
£34,501 – £150,000	Higher rate – 40%
£150,001 and over	Additional rate – 45%
Scottish Taxable Pay	Scottish Rate
£0 – £2,000	Starter rate – 19%
£2,000.01 – £12,150	Basic rate – 20%
£12,151 – £31,580	Intermediate rate – 21%
£31,581 – £150,000	Higher rate – 41%
£150,001 and over	Top rate – 46%

## PERSONAL ALLOWANCES AND TAX CODES

From 6 April 2018, the basic personal allowance increased to £11,850. The emergency code therefore increased to 1185L for 2018/19. From 6 April 2018 add 35 to any tax code ending in L, add 39 to any tax code ending in M and 31 to any tax code ending in N.

The threshold at which Student Loan deductions begin is £18,330 per year for Plan 1, whilst the repayment threshold for post-2012 Plan 2 loans is £25,000 per year. The deduction rate remains at 9%.

## £3,000 EMPLOYER ALLOWANCE

Employment allowance remains at £3,000 per employer from 6 April 2018. If already claimed, there is nothing further to do this year if you remain eligible. Please note that single director companies with no employees are not eligible to claim. A new exception brought in from 6 April 2018 is that the employment allowance will be removed for any employer who received civil penalties for hiring illegal workers. If you have any questions about the employment allowance, please email us at [payroll@milsted-langdon.co.uk](mailto:payroll@milsted-langdon.co.uk) and we will be pleased to confirm if you can claim the employment allowance for your business.

## PAYING HMRC ELECTRONICALLY

HMRC are encouraging all customers to pay electronically as this is safer, quicker and more cost effective. It is no longer possible to pay HMRC by cheque at the post office and you can no longer pay HMRC by using your personal credit card. Any of the following methods can be used:

- Direct Debit
- Online or telephone banking
- Debit / Corporate Credit card online
- Or use the Milsted Langdon BACs Bureau service – where we make your payments on your behalf. You approve your payroll and we trigger the payments to your employees and to HMRC. This service costs from £15.00 plus VAT per month. For further information, please email us at [payroll@milsted-langdon.co.uk](mailto:payroll@milsted-langdon.co.uk).

## CONSTRUCTION INDUSTRY SCHEME

Mandatory online verification of subcontractors was introduced from 6 April 2017. This means that contractors are no longer able to telephone HMRC to confirm whether to pay subcontractors gross or net. It is only HMRC who can advise the tax status of the subcontractor and the rate at which deductions should be made.

Our payroll bureau provides a comprehensive service to verify your subcontractors, process your subcontractor payments, and produce the CIS statements for your subcontractors and make all the required online submissions to HMRC on your behalf. HMRC can charge penalties and interest on any incorrect CIS return submitted.

Contact us at [payroll@milsted-langdon.co.uk](mailto:payroll@milsted-langdon.co.uk) to learn how we can assist you with your CIS work.

## MILSTED LANGDON'S PAYROLL SERVICE

We provide payroll services to over 370 public and private sector organisations all over the UK. As well as trading businesses, our clients include charities, academy and non-academy schools, and public sector organisations.

Depending on your requirements, our bespoke payroll service can replace the need for you to have your own in-house payroll staff, can free up employees in your accounts team or can provide help of a consultancy or troubleshooting nature to assist your own payroll department.

Employers of any size can benefit from our team of payroll experts, the best software and comprehensive management reporting. Payrolls from one to over 500 staff members can be accommodated. We can offer an end-to-end service that encompasses all your payroll and workplace pension requirements.

Outsourcing your payroll to us would ensure that we take care of all the statutory legislative requirements including your Real Time Information submissions to HMRC. We would act as your pension administrators and take care of all your workplace pension duties for The Pensions Regulator, as well as completing all the tasks required by your Pension Provider. We can offer the security of e-payslips and e-P60s to ensure your employees' data is protected, whilst reducing the time you spend handing out paper payslips to employees.

A dedicated relationship manager will work closely with you to really understand your business needs, ensuring you have a truly bespoke payroll service that suits your business and will work as an extension of your team – providing you with first class support.



Get in touch to see how we can help.

Contact **Debbie Prosser, Payroll Manager**, at [dprosser@milsted-langdon.co.uk](mailto:dprosser@milsted-langdon.co.uk) or your usual Milsted Langdon contact.

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