



PAYROLL NEWSLETTER

It's the time of the year that we like to let you know the Christmas arrangements and to give you an update on some matters of importance:

Christmas arrangements

The office will close at midday Thursday 23rd December and re-open Tuesday 4th January 2011. As this restricts the days available to process payrolls, we would be grateful if you could submit all details of changes as early as possible. If you normally pay at the same time of the month and expect to advance this date for December, please advise Shirley or Hazel as soon as possible. This is especially important where your payments are sent to the bank on your behalf, as the normal processing day and time will need to be notified in advance.

Please be aware that Payments due in the week ending 31st December will also need to be

sent to the bank before the Christmas break. For those of you who are sending two or three weeks together please check that your 'bank limit' for that period is sufficient to cover the increased value.

For those who pay weekly, we will need to post payment details for the week ending 24th December no later than Friday December 17th, and week ending 31st December by midday on the 23rd and we would need your information in advance of these deadlines. We can arrange to fax or E-mail net pay details if required.

Electronic Filing rebates

The last rebate of £75 was due for the 2008/09 tax year. Current correspondence we are receiving indicates that HMRC are in the process of reviewing records for payments that have not been claimed. If you have not had all your payments, please let us know so we can claim on your behalf. Edmund Carr payroll clients will have had their incentive deducted from their PAYE payments during the 2009/10 year.

DECEMBER 2010



On-Line forms and registration

Just a reminder to clients who produce their own payroll. The P35 and P14 entries for the current tax year must be filed on-line and from 6 April 2011, you must also file all of your in-year forms P45/P46 this way. If you have not yet registered for on-line filing then you need to do so without delay. Contact Shirley Stiles or Hazel Ray if you require assistance. Should you not want to handle electronic filing yourself, please ask Shirley for a quote for Edmund Carr to deal with your payroll on your behalf.

Pensions

There have been important changes recently to Pensions and further burdens for all employers effective from 2012. For further details please contact our financial services director, David Carr.





CIS

There have been many complaints recently about HMRC issuing penalties and threatening letters for non compliance, especially where the monthly return is "nil". We would like to remind you that we do offer Sub-Contractor processing and reporting as part of our payroll service. Verification and monthly reporting is processed on-line via our payroll software. Please call Shirley Stiles for more information.

Penalties and interest charges

Following on from the CIS section above, from 1 October 2010, HMRC have also been issuing notices where PAYE payments have been late. Actual penalties will not be issued until after the tax year end, but you should check your records carefully, as some on-line payments made on time but not correctly allocated by HMRC, are giving rise to a late payment notice unfairly.

BACS

We are pleased to announce that following a recent inspection, our BACS licence has been renewed for a further 3 years. Our compliance check indicated a good increase in the numbers of credits we are handling year-on-year, even with the recession and we were complimented on improvements we had made to our procedures. Any client that is interested in using this BACS service should contact Shirley for more details.



Employment matters

There are numerous items to report in this section including changes to Paternity leave. **Please take time to read the attached appendix to ensure you are fully compliant.**

UK Border Agency

In order to ensure you are compliant with the new regulations, you should obtain photographic evidence of ID from **all employees**. If you choose only to check workers from overseas, you could be in breach of anti discrimination laws.

Please also ensure you are eligible to employ foreign nationals by checking with the Border Agency on: 0300 123 4699 opening hours are Monday to Friday 0900 - 1700 (excluding public holidays).

Disclaimer

This newsletter is intended to give general guidance only and no liability can be accepted for any action taken based on the information given.

**Edmund Carr LLP
December 2010**



Registered Auditors and Chartered Tax Advisers

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Registered in England & Wales - Partnership Number OC333955
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APPENDIX: EMPLOYMENT MATTERS

1. **National minimum wage:** The annual rate change was effective from 1st October 2010 and the rates are now as follows:

Adult rate: **aged 21 years** and over, £5.93 per hour.

Youth rate: 18-20 years, £4.92 per hour

16 and 17 years, £3.64 per hour

Please note the adult rate now starts from age 21 years. Any employee at, or reaching age 21 on or after 1st October 2010, must be paid the adult rate.

2. **Redundancy:** The rate for statutory payments changes annually from the 1st February each year and is currently £380 per week.
3. **Age Equality Regulations, contracts of employment and more:** For up to date information on the contractual retirement age, contracts of employment and other employment matters, please refer to the following websites: www.directgov.co.uk or www.acas.org.uk.
4. **Additional Paternity Pay and Leave:** The regulations are due to change effective April 2011 to allow parents to “split” their maternity and paternity leave to cover a 12 month period. The mother must have returned from maternity leave and the father will be entitled to a total of 26 weeks paternity leave. The payment will be at the same level as entitlement to the lower maternity payment.

Paid leave will be dependant on the number of weeks of unpaid maternity pay. So a mother may take 26 weeks paid leave and father 26 weeks leave, of which 13 weeks would be payable.

5. **Holiday Pay:** The holiday entitlement is currently 5.6 weeks for all full time workers. For hourly paid staff who work irregular hours, this is equivalent to 12.07% of each hour worked.
6. **CIS:** From April 2011, penalties will apply where payments are made late or not in full on more than one occasion within the tax year. It is important therefore that all new subcontractors are verified for payment with HMRC **prior to commencement of their contract**. If it can be proved an invoice was paid in say month 3, June and not reported on the monthly return until August month 5, a penalty will be incurred and this can endanger the renewal of the gross payment certificate.

Edmund Carr LLP, December 2010

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