



# PAYROLL NEWSLETTER

December 2017



**Julie Perrin**  
Payroll Manager

**What a year it has been. We have lost some national treasures, Sir Bruce and Sir Roger. Hopefully 2018 will bring some happier news, with the joys of both a royal wedding and baby together with the possibility of England winning the world cup! Well at least we can look forward to the wedding and baby!!**

## INCREASE IN MINIMUM CONTRIBUTIONS

The payroll team have now chap-eroned most of our clients through the painful experience of auto enrolment. Henceforth any new PAYE scheme will have to set up a workplace pension straight away. Obviously we do still have the insurance of using the three month postponement option. From April 2018 the minimum contribution levels increase. How much the contribution levels increase by depends on what you decided to pension when you set the pension scheme up. The increased levels are as follows:



### Pensionable pay

	Total Eaming	85% of Total Earnings	Salary Only
Employee Contribution	3%	3%	3%
Employer Contribution	2%	2%	3%

We have spoken to The Pension Regulator and they have confirmed that as with Automatic Enrolment, at the start, there is no legal requirement to advise the employees of the increase however it would be good practice to do so. Therefore, if Edmund Carr process your payroll, our plan is to put a note on the payslips in February and March. As with the introduction to Auto Enrolment we would advise that all employers do communicate this to employees independently. Please note the minimum contribution levels increase again in April 2019 and there are plans to extend the system to 18 to 21 year olds from the mid 2020's.

## PAYROLLING BENEFITS IN KIND



From April 2016 employ-ers were given the opportunity to include benefits in kind in their payroll calculations meaning that the tax on the benefits is calculat-ed immediately rather than 15 month later as is currently the case with P11d's. If you would like to apply to payroll benefits through your payroll you will

need to register with HMRC by April 2018.

## NON COMPLIANCE WITH MINIMUM WAGE LEVELS

Approximately 260 employers have recently been named by The Department for Business, Energy and Industrial Strategy for not paying the National Minimum Wage. Some of the reasons that the rules were breached were be-cause, employers did not pay em-ployees for travelling between jobs, deductions for staff uni-forms and not paying overtime. Included in the 260 named em-ployers, are well known firms, Sports Direct and Primark. Since 2013, approximately 1500 em-ployers have been fined £5 mil-lion due to non-compliance. A further £8 million has been paid out to employees who have not been correctly paid at the mini-mum levels previously. The mini-mum wage rates normally in-crease in April of each year.

## GDPR – GENERAL DATA PROTECTION REGULA-TION

By the time of my next newsletter the new rules on data protection will be in place. These are intro-duced on 25 May 2018 and if not complied with can result in heavy penalties being issued.



The way we send, receive and store data will have to change. Here at Edmund Carr we are currently reviewing our policies, and will be in touch with our plan going forward. As payroll does involve storing a high amount of personal data this will have a significant effect on the way data is sent to and by us.

### PAYROLL FEES

The payroll team has seen a significant increase in demand for re-runs of payrolls and also requests for duplicate payslips and P60's. The re-runs do not only result in the additional time cost taken in re-running the payroll, but also there are added complications if the pension feeds have already been processed. In some cases these then have to be carried over to the following month. Unfortunately from the new tax year we will have to charge for this service. This will be a minimum of £25 plus VAT.



### NEW FACES

Since my last newsletter, the payroll team has two new members. If we process your payroll then you have probably spoken to Gemma who started with us in August.

We have also recently increased the size of the team with the addition of Kerry who joined us last month.



Gemma Stevens  
Payroll Supervisor



Kerry Powell  
Payroll Administra-

### CHRISTMAS OPENING HOURS

Our offices will close promptly at 12pm on Friday 22 December so that the partners can treat the workforce to a Christmas lunch. The office will re-open at 10am on Wednesday 27<sup>th</sup> December and a skeleton staff will be available until 4pm.

These hours will continue on Thursday 28 and Friday 29<sup>th</sup>.

Normal office hours will resume on Tuesday 2 January.

**May we take this opportunity to wish all of our clients a very Happy Christmas and a Prosperous 2018.**

**If you think this information might be useful to a friend or colleague, please pass it on.**

#### 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 2017  
[www.EdmundCarr.com](http://www.EdmundCarr.com)

Email: [Advice@EdmundCarr.com](mailto:Advice@EdmundCarr.com)

**Registered Auditors and Chartered Tax Advisers**  
Edmund Carr LLP, 146 New London Road, Chelmsford, Essex, CM2 0AW, UK  
+44 0 1245 261818 [www.EdmundCarr.com](http://www.EdmundCarr.com)



David C Drain  
Francis V Whitbread  
Colin A Barker  
Eric D Williams  
Ray Crace  
Thomas C York ACCA  
Stewart P Martin  
Debbie J Wakefield

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