

Payroll

Mid Year Payroll Closures

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Occasionally a client will cease to trade or stop employing staff part way through a PAYE year.

When this occurs, the PAYE office must be contacted in writing informing of the fact that the PAYE system will cease or has been stopped at a particular date.

A request for end of year forms must be made so that the P35 and P14s can be filed. If the PAYE system is closed down early within the tax year these forms may not have been printed and the payroll operator may have to wait until they are available.

The PAYE file must be reconciled to check that monies paid match monies owing.

When the statutory forms have been filed online, the tax office must still be contacted and a request to file the closure forms made. HelpAccountants are unable to find out the exact procedure to closing down a payroll mid year via the internet, and it may be that paper filing has to be the only option.

All documents should be copied and dates of posting noted (certificates of posting are a good idea) to ensure that if there are any queries they can be dealt with efficiently.

Failure to file a P35 at the year end could result in a penalty of £1000, even if a payroll has ceased to operate.