

Payroll Overview

There is a requirement to register as an employer when employees are taken on, even if the earnings do not reach the tax or national insurance thresholds.

Even when an employee may only be working for a short period, they should be registered to ensure that they pay the correct tax and national insurance.

Only when employment is very short, and payments small can casual wages be paid, and it is advisable to check with the Helpline below for guidance as each circumstance will be different.

Registration is best done via the New Employers Helpline

New Employers Helpline 0845 60 70 143 Mon-Fri 8am-8pm Sat-Sun 8am-5pm

After registering, the above helpline is available to employers for 3 years.

When registered the new employer will be sent an Employer's pack, which contains various leaflets, some forms (P46s and P45s) and the tax tables for that particular tax year.

PAYE National Insurance, CIS payments, Tax Credits, and Student Deductions are all handled through the Payroll system.

As a new employer there are options for calculating the Payments.

1. Use the tax tables supplied in a manual system
2. Purchase a Payroll package (e.g. [Payroll Manager](#)) to calculate tax liabilities
3. Appoint an agent to handle the payroll.

There are a number of ways of making payments to the Inland Revenue of the various deductions from employers.

1. Paying online
2. Paying Monthly via Cheque
3. Paying Quarterly via Cheque (total payments must be less than £1500 per month)

There are a number of requirements placed on an employer.

- Notification of employees starting or leaving
- Working out and collecting deductions of PAYE and NIC
- Keeping records of deductions (6 years)
- Paying deductions either monthly or quarterly to the Inland Revenue
- Reporting details at the end of each tax year
- Deductions of student loans (Booklet E13) and stakeholder pensions (Stakeholder Pensions – A Guide for Employers)
- Payments of tax credits (Booklet E6)
- Payments of
 - Statutory sick pay (Booklet E14)
 - Statutory Maternity pay (Booklet E15)
 - Statutory adoption pay (Booklet E16)
 - Statutory paternity pay (Booklet E15)

The starter pack will include an Employers CD Rom which has many useful documents and forms to print off and read.

The employer's website is also a useful link for guidance documents and is where forms can be found

<http://www.hmrc.gov.uk/newemployers/index.shtml>

The tax year for Payroll runs from 6th April to the 5th April the following year.

Each tax month ends on 5th of the month (i.e. runs from 6th April to 5th May) and payments to the Inland Revenue are due on or before 19th of the month (i.e. 19th May).

If paying on-line, the payment date is slightly later i.e. the 22nd of the month.