

Payroll

PAYE/NI Reconciliations

When entering the details on the annual P35 make sure that it is the clients ACTUAL payments of PAYE/NI for the year ending the 5th April.

The following is an example of a PAYE/NI reconciliation

	£
PAYE/NI b/f previous year – (month to 5 th April)	
Paid by 19 th April	2,352.00
Taxes Paid in Year	
From 19 th May to 19 th March	28,320.00
Total Paid 19 th April to 19 th March	30,672.00
P35 amounts due year to 5 th April	28,332.00
Amounts outstanding 19 th April	2,340.00
Actual Tax and NIC for month March (5 th April)	
Payable by 19 th April	
PAYE c/f	2,340.00

The important point is to ensure that the payments for the tax year 19th May to 19th March match the amounts due on the P35.

Where the amounts do not match, if there is an underpayment, the Yellow Payslip Booklet contains an extra 5th April slip for additional payments.

When an overpayment has been made the employer must apply for the repayment or a tax credit on the next payroll through the employer's PAYE office.