

STAFF SYSTEM NEWSLETTER

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Welcome to our March Newsletter

1. Overview

This Newsletter is our usual accompaniment to the Tax Year End documentation. This newsletter just mentions a few items prior to the actual year end.

2. On-line filing of Year End data (P14 and P35)

We are sure that everyone has filed on-line before but if you have any queries then we suggest that that you have a look at the Guideline document on our web site (www.olympic.co.uk, follow the link to 'user area', then to End of Year 08/09 and download the "Guideline for on-line filing"), which describes the procedure in detail. There are a couple of small downloads required for the additional programs to create the upload file. As usual if you do have any problems with running the upload you can simply send the XML files to us to actually carry out the upload, please contact us for full details. In fact a number of users have done this over the years when they have had connection problems, or delays, with the HMR&C services.

As a note for all users there is new P14/P60 stationery – the HMR&C name is P60(Laser sheet 3-Portrait)(2010-11), you will not need to print a P14 (because your return is on-line) but if you want to print your own paper copies the STAFF System will allow you to do so.

If you have any further queries, please get in touch.

3. Version of the STAFF System for Year End

There is a minor upgrade for the STAFF System for the Year End this year related to the new D1 code and a couple of other minor changes; in fact the layout of the P14/P60 has not changed, and there is a new version of the NI Number checker and the appropriate 10/11 submission files. You can download this from our web site see User Area -> End of Year 10/11, then "STAFF System programs updated for Year End".

However if you are filing on-line for the first time it is likely that you will need to upgrade (see section 2 above), please contact us if you have any queries.

4. Changes to Year End processing

There are no changes to the Year End processing procedures from last year and the details are given in the "End of Year 2010/11 Documentation"

Changes to NI bands

Please note that there are major changes to the NI bands, the details of these are given in the Year End Newsletter.

Week 53

The end of the Tax Year (5th. April) falls on a Tuesday this year, and it is possible that some users will have a week 53 this year, it actually depends on the date that you use for the Payroll run. Please call to check if you have any queries.

Validations for correction before Year End

1) NI Number checker

This should be run for every branch in which you run payroll and will be running a Year End.

At any menu issue RP, enter S2CHKTMP for the program name, just press return for program switch.

When the user entry screen is displayed tab down to the fifth line ('TEMP record - check NI Number'), enter Y in the 'Report' column, leave N in the 'Correct' column (this program will not attempt to change the NI Number). The program will produce a report that will identify all Temps who have an invalid NI Number; in general the error messages are self explanatory but will only identify the first error (so a completely invalid NI number may have invalid prefix, digits and suffix). The report will list current temps first followed by any from the P45 file (these will have a two-digit employment number following the Temp name)

Where there is an invalid NI Number and you cannot find the correct value HMR&C will accept the following in its place:

an NI Number of spaces

a valid date of birth

sex

and if the date of birth is not known you can enter 01/01/1901.

The updates also contain an amended Temp Details program with a 'Sex' field, this is optional, but must be used in the situation above.

In order to correct a current Temp you can simply use the standard Temp Details program, although if you do have to enter the 01/01/1901 date of birth you must use a fix program (S2FIXTMP). The Temps in the P45 file can only be corrected by a fix program (S2FIXT45). Please call Support for details of how to run these fix programs.

The same program can also carry out a check on the Temp's total pay figures – see the final line on the entry screen "Temp payroll record, check totals", this carries out a number of checks on the Temp's pay figures and reports any discrepancies that could lead to the P14 being rejected, in particular it would identify any Working Tax Credit payments (see below), if you have any queries please contact support.

2) SMP

If you have any Temp receiving SMP you must ensure that they have their sex recorded as 'F'.

You can identify these temps by running Temp Pay to Date Summary and List P45 Temps (on STAFF PAY menu) and then entering 'Y' against the "Include details of WTC, S*P by Temp" option which will show the total of these payments by individual Temp.

3) WTC (Working Tax Credit)

You should not have any WTC for 2009/10, you can use the S2CHKTMP program (see above) to identify any mistakes.

4) Making corrections

As mentioned, for current temps you can simply use the updated Temp Details program to amend the NI number, data of birth and sex (new to this version), although if you do need to set up a date of 01/01/1901 you must use the fix program S2FIXTMP. For P45'd Temps you will have to use the S2FIXT45 program via the RP interface, please call for further details of running the fix programs.

These corrections must be made before you begin running the actual Year End.

Validation of upload file

1) HMR&C Desktop Validation tool

HMR&C have made available a program that can run on your local computer and will perform exactly the same validations, and error reporting, that are run when you submit the upload file; consequently you can identify any errors in the upload file without the trouble of connecting to the HMR&C web site. This has been updated for 2009/10 so you will need to download the latest version.

You can download the tool from

http://www.hmrc.gov.uk/ebu/pay_e_techpack/pay_e-desktop-checker.zip

This is a Java application and does require that you have the JRE v 1.4.2 installed (available at java.sun.com/j2se/1.4.2/download.html)

You will need to unZIP the paye-desktop-checker.zip file, you can install it into the STAFF32 directory if you wish. This is a new version of the tool and the ZIP file contains an installation guide and a user guide.

You use the tool to validate the upload file, so it can only be run when you have run the Year End and prepared the upload file. We would not anticipate that there will be many errors detected by the tool, if any at all, but it is far easier to perform this final check with the Desktop Validator than wait until you upload the file to the HMR&C website.

Any errors found can be corrected by amending the P14 file (using the S2FIXP14 program) and then preparing the upload file again, and validating again as a final check. When there are no errors the upload file can then be submitted to the HMR&C web site.

Note that it is best to prepare and validate the upload file before printing the P60s because if you do have to make corrections then you would have to re-print those P60s that have been corrected.

5. Software supplied on CD

If you are unable to download the software from the web site then we can supply the software on CD or via email. Please contact us if you have problems.

6. SMP recovery for small employers

We have had a couple of enquiries about the recovery of 104.5% of SMP paid out. This is allowed if the employer's annual liability for Class 1 NICs is £45,000 or less (http://www.hmrc.gov.uk/pay_e/employees/statutory-pay/smp-calc.htm). Normally the

recovery is 92% and this is entered on the Payroll parameter screen () in the SMP BACK field.

Strictly speaking the 104.5 is made up of 100% recovery plus a 4.5% compensation for the employer's NICs that you are paying on the SMP.

In order to enter this in the STAFF System you should amend the Payroll parameter screen by changing SMP BACK to 100 and entering 4.50 in the SMP NIC field. These fields are used by the Inland Revenue Summary report when it reports on the gross, PAYE and NI figures and then derives the amount due to the HMR&C by using these additional values. Obviously if you have been using 92% for the year but now realise that you are able to reclaim the full amount you can change the values and then run the Inland Revenue Summary report to get the revised figures.

Olympic Computers Limited, March 2011