

PAYE Modernisation

MyPay

3 February 2017

Why modernise PAYE?

Changing nature of:

- Employments
- Payroll
- Information and communications technology
- Expectations

SMART PAYE



Seamless integration into payroll

Minimize employer cost to comply

Abolition of P30s, P45s, P46s, P60,
End of Year Returns

Right tax paid on current due dates

Time savings

SMART PAYE



Simplified online services

Maximise use of entitlements

Automatic end of year review

Real time accurate data

Transparency

SMART PAYE



Statutory in-year employer return

Making compliance easier

Accurate up to date income details

Reduced customer contacts

Timely targeted interventions

Employer Statistics

- 208,000 employers
- 110,000 employers with ≤ 5 employees
 - 98% filed through ROS
 - 45% use a software package to file
 - Additional 8% using ROS Offline

Employee Statistics

- 2.5m active employments in 2015 (includes pensions)
- 200,000 employees >1 live employment
- Multiple employments with same employer

Forms Statistics

Forms	Number received 2015
P45	705,936
P46	305,241
P30	1.3m
P35	221,620
Total	2.6m

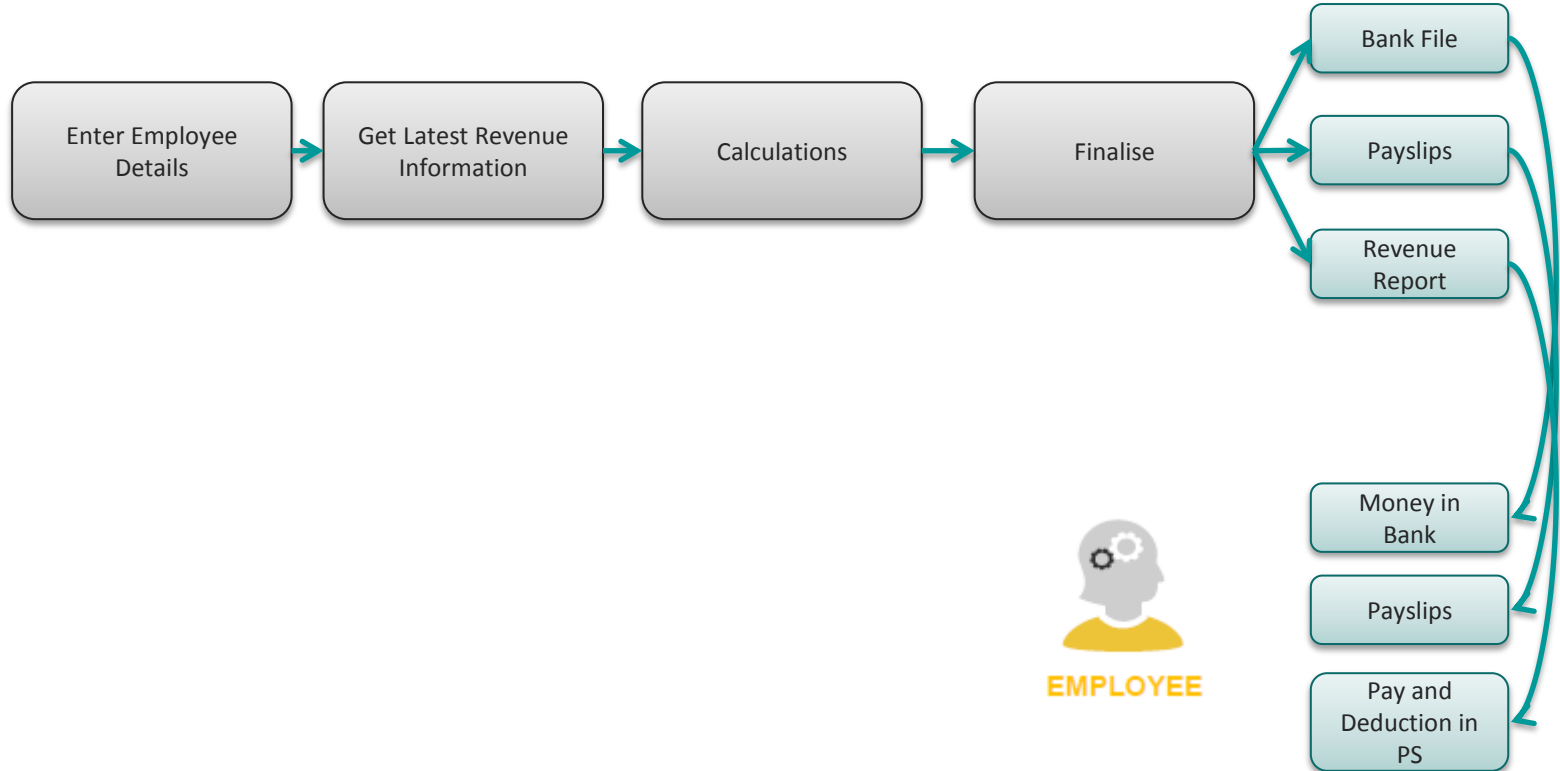
- 5m forms generated to fulfil employer PREM reporting obligations (including 2.5m P60s)

Jobs and Pensions service

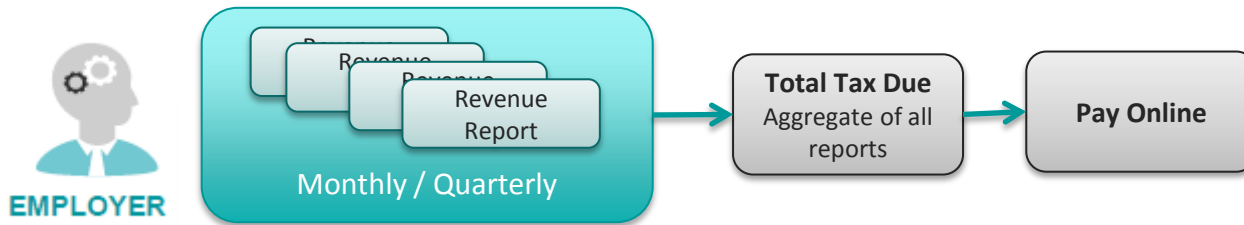
Jobs and Pensions	Number
No. of jobs and pensions added since September	39,917
New customers (Form 12A)	22,219
Existing customers	17,698

High Level Design and Process Flows

Seamless integration of reporting into the payroll process

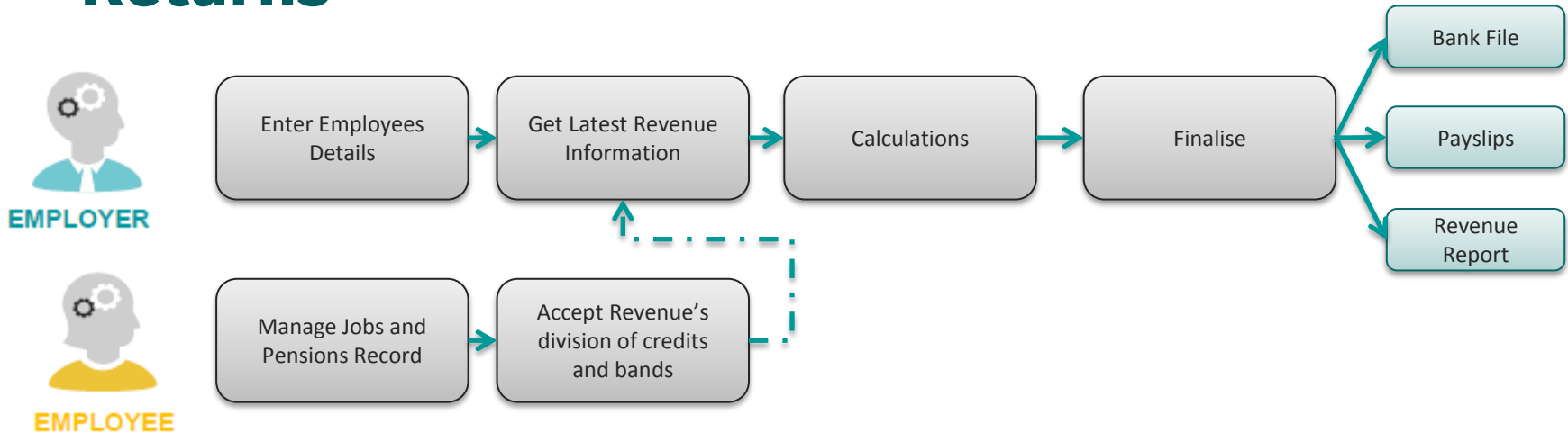


Abolition of P30s, P45s, P46s, P60, End of Year Returns



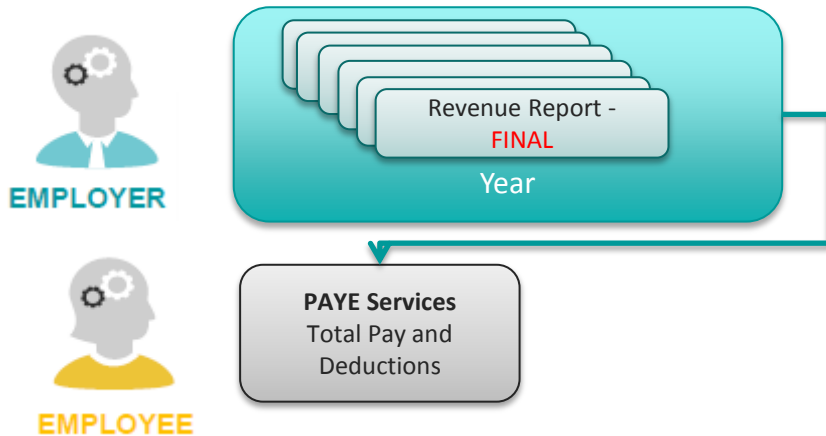
- P30
 - Total tax due calculated from aggregate of all reports in the month / quarter.
 - Employer payment made in line with current payment dates.
 - Debt management for underpayments in year.
 - Non filer interventions for non reporting in year.
 - In year interventions based on risk analysis of reporting.

Abolition of P30s, P45s, P46s, P60, End of Year Returns



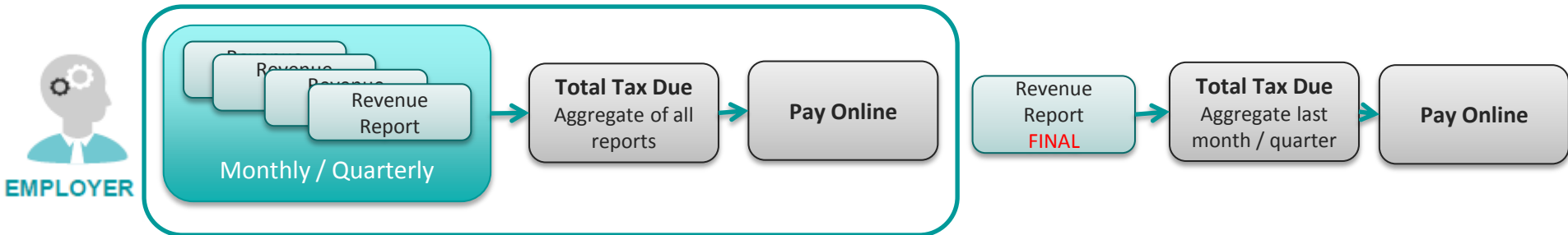
- P45 and P46s
 - Replaced by employee use of Jobs and Pensions and PAYE Services
 - Employer reporting on payroll event based on emergency tax rules if reallocation has not occurred before payroll run.

Abolition of P30s, P45s, P46s, P60, End of Year Returns



- P60s
 - During the year employee can view up to date pay and deductions on PAYE Services
 - Once final report for year processed employee can see final pay and deductions for that employment on PAYE Services

Abolition of P30s, P45s, P46s, P60, End of Year Returns



- End of Year Returns
 - Final payroll run for the year marked by employer.
 - Total tax due calculated based on final report plus previous month / quarter.
 - Debt management for underpayments.
 - Non filer interventions for non reporting of final report.