PAYE Modernisation
MyPay
3 February 2017
Why modernise PAYE?

Changing nature of:

- Employments
- Payroll
- Information and communications technology
- Expectations
SMART PAYE

**S**eamless integration into payroll

**M**inimize employer cost to comply

**A**bolition of P30s, P45s, P46s, P60, End of Year Returns

**R**ight tax paid on current due dates

**T**ime 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

<table>
<thead>
<tr>
<th>Forms</th>
<th>Number received 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>P45</td>
<td>705,936</td>
</tr>
<tr>
<td>P46</td>
<td>305,241</td>
</tr>
<tr>
<td>P30</td>
<td>1.3m</td>
</tr>
<tr>
<td>P35</td>
<td>221,620</td>
</tr>
<tr>
<td>Total</td>
<td>2.6m</td>
</tr>
</tbody>
</table>

• 5m forms generated to fulfil employer PREM reporting obligations (including 2.5m P60s)
## Jobs and Pensions service

<table>
<thead>
<tr>
<th>Jobs and Pensions</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>No. of jobs and pensions added since September</td>
<td>39,917</td>
</tr>
<tr>
<td>New customers (Form 12A)</td>
<td>22,219</td>
</tr>
<tr>
<td>Existing customers</td>
<td>17,698</td>
</tr>
</tbody>
</table>
High Level Design and Process Flows
Seamless integration of reporting into the payroll process

- Enter Employee Details
- Get Latest Revenue Information
- Calculations
- Finalise

- Bank File
- Payslips
- Revenue Report
- Money in Bank
- Payslips
- Pay and Deduction in PS
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
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.