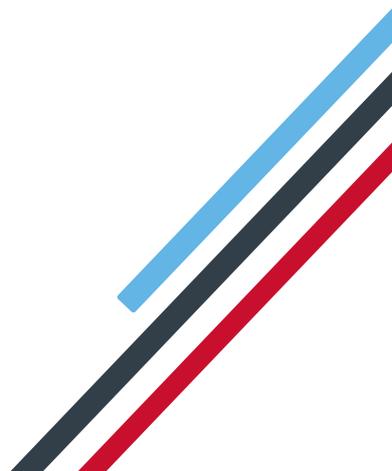




# **Guide to Real Time Information (RTI) for PAYE**

**IRIS Payroll Professional**

April 2019



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## How to use this Guide

This guide will give you an overview of what Real Time Information (RTI) for PAYE is as well as how it works within the payroll software.

You can read it straight through or just jump to the section you are interested in using the links in the **Contents** page.

There is a **Glossary of Terms** towards the back and also an **Error! Reference source not found.** (Frequently Asked Questions) section.

If text within the guide looks like **this**, it is a link which will take you to more information on that topic.

We recommend you start with the sections **What is RTI and how will it affect me?** and **What do I need to do first?**

## What is RTI and how will it affect me?

Real Time Information (RTI) is a system for reporting Pay, Tax, National Insurance and other details about your employees to HMRC.

It is thought that by collecting payroll data in real time, individuals' tax deductions will be more accurate throughout the year. This should also make the PAYE system easier to operate thus releasing the burden on employers and providing better tax administration to HMRC.

As an employer you are responsible for all tax deductions and calculations. HMRC require you to return year to date figures at the same time as payment is made to your employees, be that weekly, fortnightly or monthly.

## What's involved?

- All employers must go through a one-off 'alignment' process in order to synchronise their data with HMRC. This is achieved by sending the first **Full Payment Submission**
- Employers and pension providers tell HMRC about Tax, National Insurance contributions and other deductions on or before pay day, be that weekly, monthly or any other period via a **Full Payment Submission**
- Any adjustments to the expected monthly payment that an employer is making to HMRC are reported via an **Employer Payment Summary**
- New starters and leavers are reported via the **Full Payment Submission**

## What do I send to HMRC and when?

### Full Payment Submission (FPS)

- Every pay period on or before payday
- First FPS contains all current employees plus leavers paid this year

### Employer Payment Summary (EPS)

- Only sent in months where you reduce the payment to HMRC for things like SMP recovered or because no employees were paid

### NINO Verification Request (NVR)

- Only if you want to trace an NI number before you pay an employee
- Tracing process is automatic if you include an employee with a blank NI number on the FPS

### Earlier Year Update (EYU)

- Used for reporting amendments to an employee's year to date figures in the previous tax year, if the date in the current tax year is on or after 20th April

## What do I need to do first?



### Prepare your data

HMRC require accurate employee data for RTI. You need to make sure your **Employee Details** are up to date and accurate. A new report is available, **RTI Missing Data**, which highlights any missing information.

To print the report:

1. Select **RTI Missing Data** from **Reports | Library Selection | Miscellaneous**
2. Print **RTI Missing Data** via **Reports | Print Other Reports | RTI Missing Data**

#### The report checks the following mandatory fields:

##### Company data

- **District No \***
- **PAYE Reference \***
- **PAYE Accounts Office Reference (Account No) \***

##### Employee data

- **Surname**
- **Forename**
- **Date of Birth**
- **Address** – first two lines and **Postcode** (this is required if the **NI Number** field is blank)
- **NI Number** - HMRC will be using **NI Number** as the main identifier for employees, so it's important to complete the field, however it will not stop an FPS from being accepted

\* This information can be found on your P30BC 'Payment booklet' or the P30B 'Paying electronically'

You need at least **Surname, Forename** and **Date of Birth** in all **Employee Details** or you will not be able to send a **Full Payment Submission**

It is also important to make sure that:

- **Forename1** field is completed with employees' given names, for example Catherine rather than Kate or Matthew rather than Matt
- Nicknames should be entered into the **Known As** field
- Where known, include middle names in the **Forename2** field. HMRC will be using these as a secondary identifier when NI number is not present
- An individual's correct date of birth should always be recorded, not a default or fictitious date

According to HMRC, over 80 per cent of PAYE data quality issues are caused by incorrect information about an individual's name, date of birth, or National Insurance Number. It is important you ensure the information you receive from your employee is accurate and complete by checking the validity of this information using official documentation.

For further information on checking documentation, a guide '**Check a job applicant's right-to-work documents**' is provided on [www.gov.uk](http://www.gov.uk).

## Employee Data

You may need to add certain employee data to the payroll system; **Irregular Payment, Normal Hours Worked per Week, Passport No, Occupational Pension, Trivial Commutation Payments**, <https://www.gov.uk/guidance/paying-a-company-pension-or-annuity-through-your-payroll>

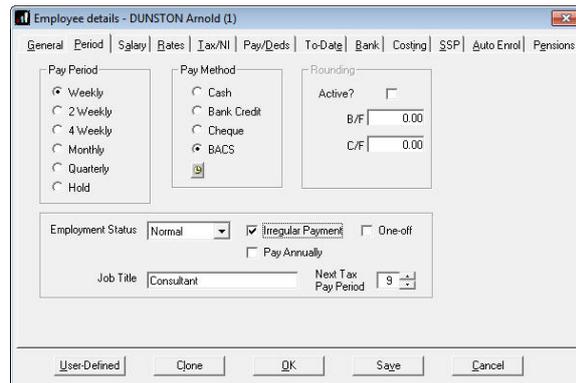
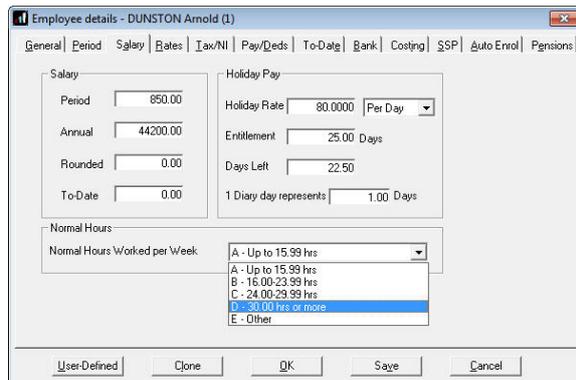
Country, **On Strike, Employee Requested Zero Contracted Hours** and **Payment to a Non-Individual**.

When setting up a new employee the **Irregular Payment** indicator will be ticked if you select **Casual** or **Occasional** as the **Employee Status**

## Irregular Payment

This field is important to complete for any casual or occasional workers you may have, particularly those who may not work for you for 13 weeks or more. It informs HMRC that the individual is still employed by your company.

If you have employees who have their **Employment Status** set to **Casual** or **Occasional**, the **Irregular Payment Indicator** field will be ticked and disabled by default.

## Normal Hours Worked per Week

This field should hold the normal hours worked in a week by an employee. Normal hours aren't always the same as contracted hours and need to be calculated.

An explanation of what counts as working hours can be found on HMRC website [here](#). It also provides an explanation of how to work out usual weekly working hours. This field will be used by HMRC to calculate eligibility for tax credits, so it is important you complete it.

The system operates in bands of hours which are: **A - up to 15.99 hrs**, **B - 16.00-23.99 hrs**, **C - 24.00-29.99 hrs** and **D - 30.00 hrs or more**. If you are paying a pension select **E - Other**.

## Passport No

This only needs to be used for employees who are unable to provide you with an NI number, such as foreign nationals.

## Occupational Pension

If an employee is receiving an Occupational Pension the **Receiving Occupational Pension** box must be ticked. This field can be found in **Employee Details**, on the **Tax/NI** tab. Click on the **Starter Details** button and open the **Pensioner** tab.

## Trivial Commutation Payments

When paying pension payments you may need to pay a **Trivial Commutation Payment**. These one-off lump sum payments can have a non-taxable proportion. The type of **Trivial Commutation Payment** declared will be included on your FPS together the value of the payment.

Further information regarding Trivial Commutation Payments can be found via the following link:

<https://www.gov.uk/guidance/paying-a-company-pension-or-annuity-through-your-payroll>

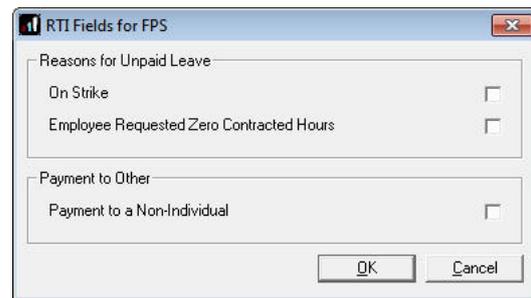
## Country

**Country** needs to be included as part of an employee's address. The drop-down by default contains United Kingdom. You are able to add countries by typing into the box.

## On Strike & Employee Requested Zero Contracted Hours

These fields are available when clicking the RTI button on the **Input Edit Payroll Details** screen. They should only be used if the employee is not being paid for one of these reasons:

- On Strike
- Employee Requested Zero Contracted Hours



**Reasons for Unpaid Leave** will be included on the FPS and will stay ticked for any subsequent pay periods until un-ticked.

### Payment to a Non-Individual

This field should only be used if you are making a payment to a non-individual on behalf of the employee, for example a charity. If this box is ticked the information will be included on the FPS and will stay ticked for any subsequent pay periods until un-ticked.

## BACS

If you use a BACS accredited software supplier (BASS) or a BACS accredited bureau service, you will need to contact your service provider to ensure the BACS software is up to date.

Switching to the latest software can take time (in some cases weeks), so make sure you give your provider and bank plenty of notice.

If you are not aware if you use a BACS accredited software supplier, click [here](#) to view a list.

If you; use a BACS accredited software supplier or a BACS accredited bureau service, you need to use the **RTI BACS** layout. To do this go to **Reports | Report Library |** and select **RTI BACS**. If you use APT, for their correct format you will need to select **Bankline BACSTEL-IP (RTI)**

This format will ensure that a **Random Number** is created allowing the **FPS/BACS** to be cross-referenced by HMRC. The Random Number is shown on the printed BACS schedule for your reference.

## Identify Pensions

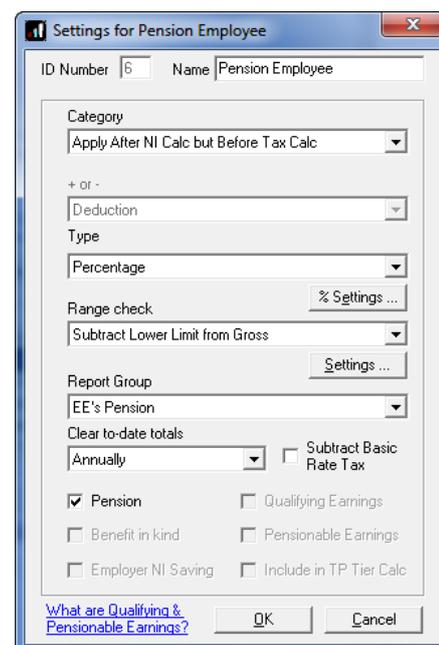
RTI requires Pensions to be identified on the FPS. To cater for this, a tick box has been added to the **Company Payments & Deductions** settings screen.

You will need to make sure any pension deductions are marked as such.

The tick box will not be set by default.

To do this:

1. Click on the **Company** menu and select **Alter Payments/Deductions**
2. Highlight the pension in the list and click the **Edit** button
3. Click the **Pension** box in the bottom left corner
4. Click **OK**
5. Repeat for all Employer and Employee Pension contributions



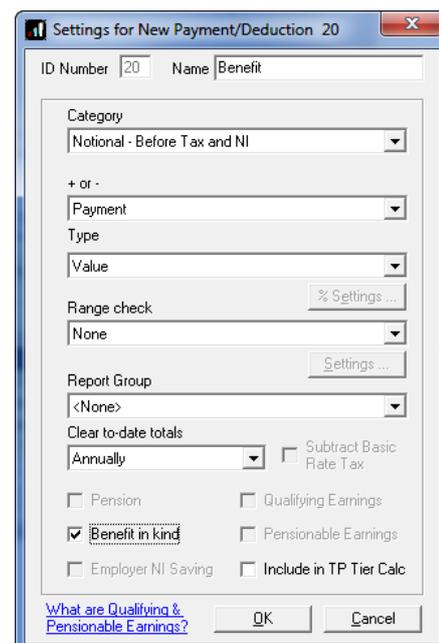
The screenshot shows the 'Settings for Pension Employee' dialog box. The ID Number is 6 and the Name is Pension Employee. The Category is 'Apply After NI Calc but Before Tax Calc'. The + or - is 'Deduction' and the Type is 'Percentage'. The Range check is 'Subtract Lower Limit from Gross'. The Report Group is 'EE's Pension'. The Clear to-date totals is 'Annually'. The 'Pension' checkbox is checked. Other checkboxes include 'Benefit in kind', 'Employer NI Saving', 'Qualifying Earnings', 'Pensionable Earnings', and 'Include in TP Tier Calc'. There are 'OK' and 'Cancel' buttons at the bottom.

## Identify Benefits in Kind

RTI also requires any payments which are a **Benefit in Kind** to be identified. For example, a company may charge the tax on private medical contributions through the payroll.

If you have any of these you will need to:

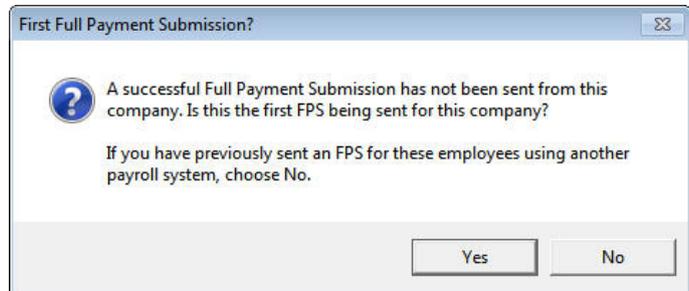
1. Click on the **Company** menu and select **Alter Payments/Deductions**
2. Highlight the Benefit payment in the list and click the **Edit** button
3. Click the **Benefit in kind** box
4. Click **OK**
5. Repeat for all Benefit type payments



The screenshot shows the 'Settings for New Payment/Deduction 20' dialog box. The ID Number is 20 and the Name is Benefit. The Category is 'Notional - Before Tax and NI'. The + or - is 'Payment' and the Type is 'Value'. The Range check is 'None'. The Report Group is '<None>'. The Clear to-date totals is 'Annually'. The 'Benefit in kind' checkbox is checked. Other checkboxes include 'Pension', 'Employer NI Saving', 'Qualifying Earnings', 'Pensionable Earnings', and 'Include in TP Tier Calc'. There are 'OK' and 'Cancel' buttons at the bottom.

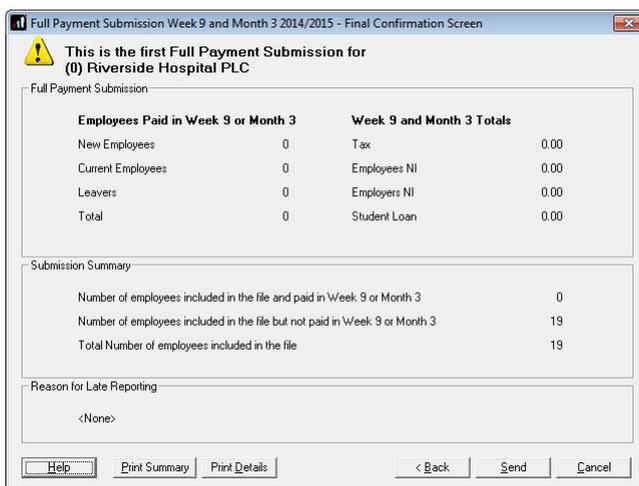
To send the **FIRST FPS** (after you have run your first payroll):

1. Click on the **Online Services** menu
2. Select **Send Full Payment Submission**
3. If the software detects that this is the first FPS sent for this company you will see this message:  
  
Click **Yes**
4. The screen will show **This is the first Full Payment Submission**
5. Enter **Employee Type & Period**
6. In **Who to Select**, click **All**
7. Ensure **Submission Type** is set to **Live**



Under the section **Submission**, there is **Reason for Late Reporting**. This is an optional field allowing you to decide if the FPS is late, and if so, what reason to select

8. Click **Next**
9. The **Final Confirmation Screen** will be displayed:



10. Check details and **Print Summary** or **Print Details** (if required). **Print Summary** gives a report showing the totals due. **Print Details** gives a breakdown of all employees
11. Click **Send**

## What do I need to do each payroll run?

Each time you pay your employees you need to send a **Full Payment Submission** to HMRC via the Government Gateway. It should be sent for every payment on or before payday.

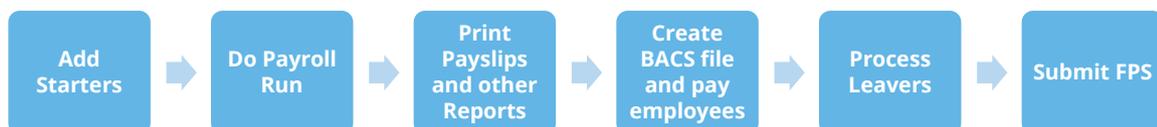
Generally FPS submissions should be sent on or before the pay date with few exceptions. HMRC allow up to 7 days to report PAYE in certain circumstances:

- Where payments are made on the day of work which vary depending on the work done
- Where it is impractical to report in real time – such as:
  - A crop picker paid in cash at the end of the day, when their pay is based on how much they have picked

Click [here](#) for HMRC information on timing and [here](#) for HMRC information on paying Harvest Casuals and Beaters. Click [here](#) for information on paying Harvest Casuals and Beaters in the software.

The **Full Payment Submission** contains employees' pay period and year to date figures, Forename, Surname, Birth date, address changes, Hours worked, details of **new starters** and **leavers**, the **Payment after leaving** indicator, and the **Irregular Payment** indicator.

We recommend the following as a payroll process:



This makes sure that any leavers you have created are marked as such with their final payments.

If an employee included on the **Full Payment Submission** has an incorrect or missing **NI number**, HMRC will automatically begin a search for the correct one or allocate a new one

## To send an FPS:

1. Click on the **Online Services** menu
2. Select **Send Full Payment Submission**
3. Select **Employee Type & Period** – it is possible to send a combined weekly and monthly FPS if you need to
4. In **Who to Select**, click **All**
5. The screen will show **Last Full Payment Submission was for ...** This is the last **FPS** that was submitted
6. Select **Submission Type** (Live or File only – File only does not send the data to HMRC, it may be requested by Payroll Support if they ever need to assist you with your **FPS**)

Under the section **Submission**, there is **Reason for Late Reporting**. This is an optional field allowing you to decide if the FPS is late, and if so, which reason to select

7. Click **Next**
8. The **Final Confirmation Screen** will be displayed
9. Check details and **Print Summary** or **Print Details** (if required). **Print Summary** gives a report showing the totals due. **Print Details** gives a breakdown of all employees
10. Click **Send**

If you have a pending **FPS** submission that has not been sent for the company you will receive the following message:

*'You have a previous Full Payment Submission where you have not received a response from HMRC. It is very important that these are completed before sending any new submissions. Do you want to complete the previous pending submission now?'*

## What do I need to do each month?

Payments should be made to HMRC by the 19<sup>th</sup>/22<sup>nd</sup> of the following month. You can use the **Month End Summary** to help you with this.

If there are any changes to the payment that HMRC are expecting, no employees were paid in the current month, or Apprenticeship Levy due has been greater than zero in the tax year, you need to send an **Employer Payment Summary**. For example, you are paying an employee SMP so you have reduced your payment to HMRC by the SMP Recovered amount.

An EPS must also be sent if you are claiming **Employment Allowance** to offset up to £3000 per year off your employer's NIC liability. Visit <https://www.gov.uk/employment-allowance> for more information.

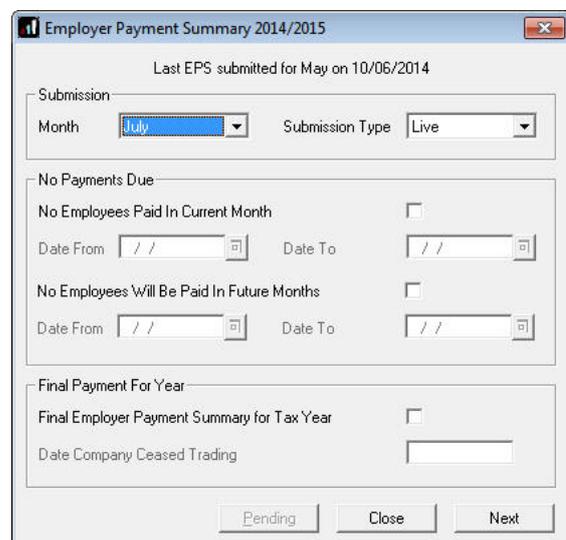
**Employment Allowance** allows an employer to offset up to £3000 per year of their Employer's NI against their liability to HMRC at the end of each month. **Employment Allowance** is per business and not for every separate PAYE reference. It can be split across more than one **Company**

We recommend the following as your month-end process:



### To submit an EPS:

1. Click on the **Online Services** menu and select **Send Employer Payment Summary**
2. Select the relevant **Month**
3. If you are submitting an **EPS** because you are not paying any employees this month, tick the **No Employees Paid In Current Month** box and enter the relevant dates
4. If you are submitting an **EPS** because you are not going to be paying any employees in future months, tick the **No employees will be paid in Future Months** box and enter the relevant dates



5. If this is the final **EPS** for the tax year, tick the box
6. Click **Next**
7. This screen shows the year to date amounts for each month, as required for the **EPS**. The **Current Month** row contains the amounts which have been calculated for this month. These will be added to the year to date values and submitted. If you need to alter these figures, for example if you have other payrolls with the same tax reference which are in other IRIS payroll software companies or not run on this software, you can do so by typing directly into the relevant boxes \*\*
8. When you are happy with the **Current Month** values, click **Print** if you need a hard copy of the figures then click **Next**
9. Click **Back** if you want to amend anything, **Send** when you are finished

\*\* Please note, if you start using the software mid-year, you will need to enter any Statutory Payment year to date values. Go to **Company | Alter Company Details** and on the **Company** tab click **Payment Summary**. Here you can enter the year to date values in the month prior to using the payroll software. For instance, if you started using the software in July, enter the year to date values for June in the June row. These values will then be populated in the EPS screen.

You may find that after doing month end processing and sending the **EPS**, you need to recalculate the payroll. If so, you will need to redo month end processing and manually enter the newly calculated values onto the **EPS** screen and resubmit

### Apprenticeship Levy

An EPS must be sent if you are paying Apprenticeship Levy. Once enabled, Month-end processing will calculate the **Apprenticeship Levy** due in each month. Monthly values will then be populated to the EPS screens at each pay period.

An **App. Levy** column can be found on the **Employer Payment Summary** screen, to the right of **CIS Suf**. You are able to enter/amend the value for Apprenticeship Levy in the **Current Month** row or the total row against the month itself, as with any other EPS values.

## Employment Allowance

**Employment Allowance** allows an employer to offset up to £3000 per year of their employer's NI against their liability to HMRC at the end of each month. **Employment Allowance** is per business and not for every separate PAYE reference.

To set up **Employment Allowance**:

1. Go to **Company | Alter Company Options | Company tab** and tick the box **Employment Allowance**
2. Enter the **Maximum Employer Allowance** applicable
3. Click **OK**

When you first set up **Employment Allowance**, an **EPS** must be sent in that period to notify HMRC accordingly, even if you have no other reason to send an EPS

**Important Reminder:** If you are claiming Employment Allowance, you must do Month-end Processing each Month in order for the Employment Allowance amount to accumulate correctly

## How do I process a new starter?

New starters are reported to HMRC via the **Full Payment Submission**.

### Mandatory information for new starters

- **Surname**
- **Forename 1**
- **Date of Birth**
- **Date Started**
- **Starting Declaration (P46)**
- **Address** – first two lines and **Postcode**

### Desirable information for new starters

- **Forename 2**
- **NI Number** is desirable; however not knowing the **NI Number** for some of your employees will not stop submission to HMRC
- **Normal Hours Worked Per Week**

### Information required for new starters in certain circumstances

- **Irregular Payment Indicator** (if applicable to an employee, requires completion prior to your first RTI alignment being carried out by **Full Payment Submission**)
- **Passport Number**
- **Occupational Pension** (only applicable if you are running a pensioners' payroll)

## How to process a new starter with a P45

1. Create new employee via **Employee | Add New Employee**
2. Enter mandatory employee information
3. Enter the to-date values from the P45 in **Tax/NI** tab | **P45 Details** section
4. Enter the **Tax Code** from the P45
5. Click **Starter Details**
6. Tick the required response on the **Starting Declaration** or complete **Pensioner** or **Expat** details
7. Tick **Student Loan Deduction** if required
8. Click **Save** then **Close**

## How to process a new starter without a P45

1. Create a new employee via **Employee | Add New Employee**
2. Enter mandatory employee information
3. Leave the **Tax Code** on **Tax/NI** tab blank– this field will be automatically completed based on the response given to the **Starter Declaration** (unless the new starter will be receiving a pension, in which case follow the guidance on HMRCs website <https://www.gov.uk/guidance/paying-a-company-pension-or-annuity-through-your-payroll>)
4. Click **Starter Details**
5. Tick the required response on the **Starting Declaration** or complete the **Pensioner** or **Expat** details \*\*
6. Tick **Student Loan Deduction** if required
7. Click **Save** then **Close**

\*\* If you haven't received the employee information in time for their first pay day you must still notify HMRC by completing the information on **Starter Details** to the best of your knowledge. If P45 figures have not been entered and you have provided a response to the Starter questions, the software will set the Tax Code as required.

### Example:

Option Selected	Tax Code set to **
A	1100L Cumulative
B	1100L Week 1/Month 1
C	BR Cumulative
P46 not completed	0T Week 1/Month 1

\*\* The Tax Codes used in this table are based on Tax Year 2016/17

If you are setting up a new employee record for an individual who is not a new starter, for instance transferring from another PAYE system, select the Starter option **This is not a new employee**

## Receiving a P45 after the employees first payday

If a new starter gives you a P45 after their first payday, but you have already submitted the **FPS** for that pay period and you have already received the employee's tax code from HMRC you should:

1. Disregard the tax code on the P45
2. Continue to use the tax code received from HMRC
3. Enter the **Gross Pay** and **Tax Paid** figures from the P45 in **Employee Details | Tax/NI tab | P45 Details**

However, if you haven't yet received a tax code from HMRC for the employee:

1. Confirm the figures on the P45 are correct and enter the relevant tax code in **Employee Details | Tax/NI tab**
2. Enter the Gross Pay and Tax Paid figures from the P45 in **Employee Details | Tax/NI tab | P45 Details**

## How do I process a leaver?

Leavers are reported to HMRC via the **Full Payment Submission**.

We recommend that you process your leavers after you have run the BACS for their last pay period, but before you have submitted the **Full Payment Submission** for that period. This is because when an employee leaves, the leaving date **MUST** be included with their final payment on the **Full Payment Submission**

## How do I make a payment after leaving?

If you are recalculating the employee's final pay:

1. Open the **Employee** menu
2. Select **P45 Routines**, then **Restore Leaver**
3. Select the relevant employee from the list and click **OK**
4. The system will check if the employee has already appeared on an **FPS** as a leaver. If they have, a warning message will appear:

*'Are you restoring this employee to continue paying them or are you making a payment after leaving?  
Click 'Yes' to continue paying the employee or make an adjustment to their final pay  
Click 'No' to make an additional payment to the employee after they left'*

5. Click **Yes** to restore the leaver
6. Make adjustments as required to the employee's current pay period
7. Remember to recreate the leaver in the system, by returning to **Issue P45** and using the original leave date, before you send the FPS

If you are making an additional payment after the employee's leave date:

1. Click on the **Employee** menu
2. Select **P45 Routines**, then **Restore Leavers**
3. Select the relevant employee from the list and click **OK**
4. The system will check if the employee has already appeared on an **FPS** as a leaver. If they have, a warning message will appear:

*'Are you restoring this employee to continue paying them or are you making a payment after leaving?  
Click 'Yes' to continue paying the employee or make an adjustment to their final pay  
Click 'No' to make an additional payment to the employee after they left'*

5. Click **No** and the following message will appear:

*'A Full Payment Submission including the leave date has already been sent to HMRC for this employee. Since you have indicated you are making a payment after leaving, the employee's Tax Code will be set to OT week1/month1.'*

6. Click **OK** and the system will allow you to restore the employee and automatically change their **Tax Code** to OT week 1/month 1
7. Pay the leaver as needed in the current pay period
8. Remember to recreate the leaver in the system, by returning to **Issue P45** and using the original leave date
9. The employee will appear in the next FPS and their payment will be flagged as a **Payment After Leaving**

### I have made the wrong employee a leaver and have sent the FPS

If the wrong employee has been made a leaver and the FPS has been sent, in the current tax year, you can restore the leaver and continue to pay them by taking the following steps:

1. From the **Employee** menu, select **P45 Routines** then **Restore Leaver**
2. Select the relevant employee
3. The system will check if the employee has already appeared on an **FPS** as a leaver. If they have, this message will appear:

*'Are you restoring this employee to continue paying them or are you making a payment after leaving?*

*Click 'Yes' to continue paying the employee or make an adjustment to their final pay*

*Click 'No' to make an additional payment to the employee after they left'*

4. Click **Yes** to restore the leaver and then continue to pay them as normal

## Moving an Employee

If an employee is moving from one company to another, where the PAYE reference is the same, moving an employee can be done without reporting the starter/leaver details via the FPS:

1. From the **Company** menu select **Alter Company Options** then **Starting and Leaving**
2. Tick **Display Send Leave Date? on Issue P45 Screen** and click **OK**
3. From the **Employee** menu select **P45 Routines** then **Issue P45**
4. Select the required employee and click **OK**
5. Enter the **Leaving Date** (the date the employee transferred to the other company with the same PAYE reference)
6. Un-tick **Send Leave Date?**
7. Click **OK**
8. Create the employee in the other IRIS payroll software company (with the same PAYE)
9. On the **Tax/NI** tab of the **Employee Details**, click the **Starter Details** button and on the **New Starter** tab tick **This is not a new employee** and enter their **Previous Employee Code**

**Please note:** The **Previous Employee Code** must be entered prior to sending the FPS.  
This field can also be used where you are transferring payroll data from another payroll system

These fields should **ONLY** be used when you are transferring an employee to another company with the same PAYE reference or if you are moving from another payroll system to IRIS Software and are using different employee codes

## What do I do at year end?

To print the **Year-end Guide**, from the **Year-end** menu select **Year-end Guide**

## What if I cease trading?

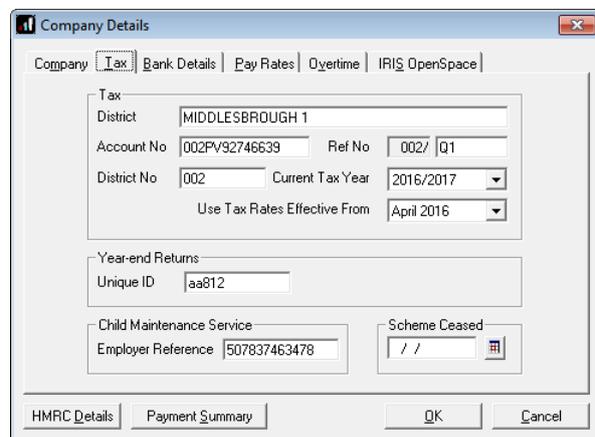
If your company ceases trading, the ceased trading date will be used by either the **EPS** or **FPS** process for identifying the final submission.

The process for a company that has ceased trading depends on whether you have to complete an **EPS** or not.

If you are submitting an **EPS**, the ceased trading date should be set **after** you have submitted your final **FPS**.

If you do not have to submit a final **EPS**, set the ceased trading date **before** you send your final **FPS**.

1. Enter the **Scheme Ceased** date on the **Tax** tab in **Company | Alter Company Details**
2. Click **OK** after entering the **Scheme Ceased** date and the following message will be displayed. Click **Yes** to issue leaving dates to all employees



The screenshot shows the 'Company Details' dialog box with the 'Tax' tab selected. The 'Scheme Ceased' field is highlighted with a red box. The 'Scheme Ceased' field contains the date '10/10/2013'. Other fields include 'District' (MIDDLESBROUGH 1), 'Account No' (002PV92746639), 'Ref No' (002/ Q1), 'District No' (002), 'Current Tax Year' (2016/2017), and 'Use Tax Rates Effective From' (April 2016). The 'Year-end Returns' section shows 'Unique ID' (aa812). The 'Child Maintenance Service' section shows 'Employer Reference' (507837463478). The 'Scheme Ceased' field is highlighted with a red box.



## Earlier Year Update (EYU)

An **Earlier Year Update** is used to send an employee's amended year to date figures for a previous tax year. HMRC only accept these changes via an **FPS** prior to the 20<sup>th</sup> April in the current tax year. If the date is on or after 20<sup>th</sup> April, you need to use the **Earlier Year Update** facility to submit the new details to HMRC.

The **Earlier Year Update** can only be sent for a single employee at a time, you cannot select multiple employees.

Enter the original year to date values sent; the payroll software will automatically calculate the difference between previously submitted values and the new year-to-date values.

### To Submit an Earlier Year Update

There are three options when submitting an EYU. The values in the EYU Value column are sent to HMRC.

1. From the **Year-end** menu, select **Use Last Year's Company Data** (we recommend you take a backup of your current data first)
2. Check the title bar at the top of the payroll software is now displaying the previous tax year
3. Print the **Employee YTDs** report. To install it,
  - a. from the **Reports** menu select **Library Selection** then **Miscellaneous**
  - b. Click on **Employee YTDs**
  - c. Click on **Select** then **OK** then **Close**

To print it,

- a. from the **Reports** menu select **Print Other Reports**
- b. Click on **Employee YTDs** then **Select**
- c. Click on the **Selection** button and select the employee you need to print the report for, then click **Print** or **Preview**

It is essential that you have the employee's year to date values that you have already submitted via FPS before altering any values

4. From the **Employee** menu, select **Override Figures** then **Alter To-date Totals**

Make the required changes to the employee's year to date figures i.e. Gross Taxable Pay, Tax Paid, Student Loan Recovery, Employee Total NIC via **Employee | Override Figures | Alter To-date Totals**. Click **OK** and save the changes

## Option 1

1. From the **Online Services** menu, select **Send Earlier Year Update**
2. Using the Employee YTDs report you printed earlier, enter the figures already submitted to HMRC via **FPS** in the **YTD already sent** column
3. If the employee had more than one NI letter during the tax year, click **Multiple NICs** to enter the relevant breakdown then **OK** to save the changes
4. Click **Sundry** if you need to amend values for **Gross pension deductions, Net pension deductions, Trivial commutation payments** or **Benefits taxed in payroll**

The **Sundry** screen also has a tick box, **Enable Annual Pension & Recently Bereaved**; tick this box to enable **Recently Bereaved** and **Annual Pension Amount**. **Annual Pension Amount** will display the value held in **Employee Details**

5. Click **Next** to display the **Earlier Year Update – Final Confirmation** screen
6. Click **Print** if you require a copy of the figures
7. Click **Send** to start the submission
8. Once complete, from the **Year-end** menu, select **Use Last Year's Company Data** again to return the data to the current tax year

**Please Note:** The **YTD already sent** column needs to be completed for all values

**Please Note:** With **Enable Annual Pension** ticked and **Recently Bereaved** set to **Yes** or **No**, the **Annual Pension Amount** will be submitted on the EYU. **Annual Pension** is a year to-date field and will overwrite any previously submitted value

## Option 2

### Enter the EYU Value

1. From the **Online Services** menu, select **Send Earlier Year Update**
2. Tick **Enter EYU Values only**
3. In the **EYU Value** column, enter the difference between what was sent on the last FPS and what should have been sent (the **New YTD value** and **YTD already sent** columns will be disabled)
4. If the employee had more than one NI letter during the tax year, click **Multiple NICs** to enter the relevant breakdown then **OK** to save the changes
5. Click **Sundry** if you need to amend values for Gross pension deductions; Net pension deductions; Trivial commutation payment or Benefits taxed in payroll, then click **OK**  
The **Sundry** screen also has a tick box, **Enable Annual Pension & Recently Bereaved**; tick this box to enable **Recently Bereaved and Annual Pension Amount**. **Annual Pension Amount** will display the value held in **Employee Details**
6. Click **Next**, this will display the **Earlier Year Update – Final Confirmation** screen
7. Click **Print** if you require a copy of the figures
8. Click **Send** to start the submission
9. Go to **Employee | Overrule Figures | Alter To-dates**
10. Make any necessary amendments to the employee's year to date figures i.e. Gross Taxable Pay, Tax Paid, Student Loan Recovery, Employee Total NIC then click **Save** then **Close**

## Option 3

### Populate EYU Values with last FPS values

This option would primarily be used when the last FPS has not been sent for the last period of the year.

1. From the **Online Services** menu, select **Send Earlier Year Update**
2. Tick **Populate with last pay period values** (the **New YTD value** and **YTD already sent** columns will be greyed out)
3. Click **Next**, this will display the **Earlier Year Update – Final Confirmation** screen
4. Click **Print** if you require a copy of the figures
5. Click **Send** to start the submission

## Glossary of Terms

<b>RTI</b>	<b>Real Time Information</b>	Collection of PAYE information as it happens instead of at month end or year end
<b>FPS</b>	<b>Full Payment Submission</b>	Sent every payroll. Also used as an alignment before starting RTI by companies without split schemes or less than 250+ employees
<b>EPS</b>	<b>Employer Payment Summary</b>	Sent monthly to inform HMRC about adjustments made to the monthly payment
<b>NVR</b>	<b>NINO Verification Request</b>	Sends a request for a National Insurance number to HMRC
<b>EYU</b>	<b>Earlier Year Update</b>	This allows you to make amendments to earlier year submissions. More details on this will be available in the Year-end Guide.
<b>DPS</b>	<b>Data Provisioning Service</b>	This is the system HMRC uses to send messages to your payroll
<b>YTD</b>	<b>Year To Date</b>	The FPS and EPS always send Year to Date values to HMRC
<b>Irregular Payment indicator</b>		For any Casual or Occasional workers, particularly those who may not work for you for three months or more. It informs HMRC that the individual is still employed by your company
<b>Payment after leaving indicator</b>		This is needed if an employee has appeared as a leaver on an FPS but you need to pay them again
<b>NINO</b>	<b>National Insurance Number</b>	
<b>Split Scheme</b>		Where a company's payrolls are split, e.g. a company runs its own payroll on IRIS payroll software but their Directors payroll is run by a bureau or the company is split across two or more IRIS payroll software companies



## Additional Software and Services Available

### IRIS AE Suite™

The IRIS AE Suite™ works seamlessly with all IRIS payrolls to easily manage auto enrolment. It will assess employees as part of your payroll run, deduct the necessary contributions, produce files in the right format for your pension provider\* and generate the necessary employee communications.

### IRIS OpenPayslips

Instantly publish electronic payslips to a secure portal which employees can access from their mobile phone, tablet or PC. IRIS OpenPayslips cuts payslip distribution time to zero and is included as standard with the IRIS AE Suite™.

### IRIS Auto Enrolment Training Seminars

Choose from a range of IRIS training seminars to ensure you understand both auto enrolment legislation and how to implement it within your IRIS software.

### Useful numbers

HMRC online service helpdesk	HMRC employer helpline
Tel: 0300 200 3600	Tel: 0300 200 3200
Fax: 0844 366 7828	Tel: 0300 200 3211 (new business)
Email: helpdesk@ir-efile.gov.uk	

### Contact Sales (including stationery sales)

For IRIS Payrolls	For Earnie Payrolls
Tel: 0844 815 5700	Tel: 0844 815 5677
Email: sales@iris.co.uk	Email: earniesales@iris.co.uk

### Contact support

Your Product	Phone	E-mail
IRIS PAYE-Master	0844 815 5661	payroll@iris.co.uk
IRIS Payroll Business	0844 815 5661	ipsupport@iris.co.uk
IRIS Bureau Payroll	0844 815 5661	ipsupport@iris.co.uk
IRIS Payroll Professional	0844 815 5671	payrollpro@iris.co.uk
IRIS GP Payroll	0844 815 5681	support@gppayroll.co.uk
IRIS GP Accounts	0844 815 5681	gpaccsupport@iris.co.uk
Earnie or Earnie IQ	0844 815 5671	support@earnie.co.uk