



Release Notes

November 2022 v22.30

Getting Help

If you need help with your payroll software, you can contact us as follows:

Email us at support@keytime.co.uk

Call us on 0344 815 5555

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Keytime Release Version 22.30

National Insurance

On the 23rd September 2022, the Government announced that from 6th November 2022, the 1.25% Health and Social Care Levy added to National Insurance Contributions for the 2022/2023 tax year is reversed, and the NI contribution rates lowered to their previous percentage rates.

Directors' NI contribution rates will differ from employees' NI rates and will use an average rate from 6th November 2022.

From 6th November 2022, there will be three sets of National Insurance parameters for the 2022/2023 tax year. Those used for pay periods between 6th April 2022 and 5th July 2022, those in use between 6th July 2022 and 5th November 2022, and those in use between 6th November 2022 and 5th April 2023. These National Insurance parameters apply to the tax year 2022/2023 only.

The National Insurance Contribution rates in use on the actual pay date apply when calculating employees' National Insurance when paying employees in advance, e.g., for holidays or paying employees late, including new starters.

NI Screens

We have made the following updates to **Setup > Parameters > Government Legislation**:

- On the **Earnings Limit** screen, we have added two new columns, **Effective From** and **Director**.
- On the **National Insurance Rates** screen, we have removed **Contracted Out** and added three new columns, **Employee % (Dir)**, **Employer % (Dir)** and **Effective From**.

On **Reports > Others > NI Table**, we have added an **Effective From date** option.

Legislation Site

Visit our newly launched **Legislation** site, which contains important information relating to payroll legislation.

Keytime Release Version 22.2

NI Primary Thresholds

From 6 July 2022, new primary thresholds will be introduced for National Insurance, which means during the 2022/2023 tax year, there will be two sets of NI parameters. The first set applies to pay periods from 6 April 2022 to 5 July 2022, and the second for pay periods from 6 July 2022 to 5 April 2023.

Note: The two sets of National Insurance parameters only relate to the 2022/2023 tax year.

Director NI Thresholds

The annual Primary Threshold for Directors is £11,908 and differs from the standard threshold of £12,570. This threshold is effective for the duration of the 2022/2023 tax year. Directors using the annual method will use the new pro-rata annual Primary Threshold of £11,908 for pay periods with a pay date from 6 July 2022 to 5 April 2023.

Directors using the alternative method will use the new period Primary Threshold for pay periods with a pay date from 6 July 2022 onwards. The Primary Threshold of £9,880 will apply for pay periods with a pay date from 6 April 2022 to 5 July 2022 for Directors, as permitted by HMRC.

Examples

Director – Annual Method

The table below shows annual Director NI calculations from the beginning of the 2022/2023 tax year.

Month	Pay Date	Gross	EE's Period	EE's YTD	ER's Period	ER's YTD
1	25/04/2022	10000.00	15.90	15.90	135.45	135.45
2	25/05/2022	10000.00	1325.00	1340.90	1505.00	1640.45
3	25/06/2022	10000.00	1325.00	2665.90	1505.00	3145.45
4	25/07/2022	10000.00	1056.29	3722.19	1505.00	4650.45
5	25/08/2022	10000.00	1325.00	5047.19	1505.00	6155.45

Note: The reduced employee NI in month 4 is because the higher primary threshold of £11,908 is applied.

Weekly Paid Employee

The table below shows weekly National Insurance calculations before 5 July 2022 and from 6 July 2022 for an employee with their NI rate set to A. The table also shows the NI calculations for an employer.

	To 05 July 2022	From 06 July 2022	Whole Year
Gross Niabale Pay	Employee NI	Employee NI	Employer NI
190.04	0.00	0.00	2.26
190.05	0.01	0.00	2.26
242.04	6.89	0.00	10.09
242.05	6.90	0.01	10.09
242.06	6.90	0.01	10.09
242.07	6.90	0.01	10.09
242.13	6.91	0.02	10.10
967.00	102.95	96.06	119.20
1000.00	104.02	97.13	124.17

Keytime April Release Version 22.15

Full Payment Submission (FPS)

We have resolved an issue where errors occurred when submitting the FPS for employees earning below the Primary Threshold.

Keytime April Release Version 22.13

Period P11

We have resolved an issue where the Period P11 report would not print for employees with a text Employee ID.

Employers NI

We have resolved an issue with Employer's NI not calculating for employees on a Lunar (4 Weekly) payroll.

Statutory Payments

We have resolved an issue where Statutory Payments created in the 2022/2023 tax year are assigned the incorrect tax year.

Employer Payment Summary (EPS)

We have resolved an issue occurring when sending an Employer Payment Summary where the Company Tax Reference is not present and the CIS Deductions Suffered amount was 0.00.

Keytime April Patch Release - 22.12

Peoples Pension Export

We have resolved an error that occurred when selecting Peoples Pension Export.

P11 Report

We have fixed a P11 report issue where figures did not display as expected.

Pension Calculated Under AE Banded Earnings

For the 2022/2023 tax year, we have updated the lower earnings threshold for pensions to £520.

Keytime April Release Version 22.11

Employment Allowance

Employment Allowance will increase to £5000 for the 2022/2023 tax year.

If you have completed year-end and moved into the new tax year, the system will automatically increase your Employment Allowance from £4000 to £5000.

Keytime April Release Version 22.10

PAYE Legislation

NI Holidays for Veterans NIC Relief

In April 2021, HMRC introduced legislation that allowed employers to claim reduced Employer National Insurance contributions for veterans in their first year of civilian employment after leaving the regular armed forces. From the 2022/2023 tax year onwards, you can process this relief in real-time through RTI.

To allow employers to claim the NI reduction from the 2022/2023 tax year, HMRC has introduced a new NI category letter V and the Veteran's Secondary Threshold (VUST).

If claiming this relief for veterans from April 2021 to March 2022, HMRC requires you to pay the Employer National Insurance contributions as usual and then claim them back retrospectively from April 2022 onwards.

Freeport Employer's NIC Relief

From April 2022, employees in their first three years of freeport employment will qualify for reduced Employer National Insurance contributions. Following this, HMRC has introduced NI category letters F, I, S and L and the Freeport Upper Secondary Threshold (FUST) for the 2022/2023 tax year onwards.

Employees cannot have worked for their employer in the previous 24 months to qualify for the reduction.

NI Rates

The system now includes the following rates:

- V – (standard category for Veterans)
- F – (standard category for employees working in a Freeport)
- I – (Married women and widows entitled to pay reduced NICs working in a Freeport)
- S – (Employees over state pension age working in a Freeport)
- L – (Employees entitled to defer paying full NI rate working in a Freeport)

NI Rates

Changes to the **Setup | Parameters | Government Legislation | National Insurance Rates** drop-down includes the addition of NI rates and letters **Table V, Table F, Table I, Table S** and **Table L**.

Employee Information

The updated **Employee Information | Financial Details | Financial Definition** screen includes the following:

- Veteran's First Civilian Employment Date label and date picker
- Tick here if the employee is Working in a Freeport indicator (enabled when selecting NI letters F, I, S, or L)

On the **NI Category** drop-down, we have added letters Table V, Table F, Table I, Table S and Table L.

The screenshot shows the 'Financial Definition' screen with the 'National Insurance & Tax' section. The 'NI Number' is 'HS222222B' and the 'Tax Code' is 'S1250L'. The 'NI Category' is set to 'Table V' and the 'Tax Basis' is set to 'Cumulative'. The 'Veteran's First Civilian Employment Date' is shown as a date picker. There is a checkbox labeled 'Tick here if the employee is Working in a Freeport'.

Previous NI Earnings

On the **Previous NI Earnings | NI Category** drop-down, we have added:

- **Table V**
- **Table F**
- **Table I**
- **Table S**
- **Table L**

Reports

We have updated all necessary reports to include NI letters V, F, I, S and L.

Employee Record

The **Employee Record** now has fields **Veteran's Civilian Employment Date** and **Freeport Worker?**

Health and Social Care Levy

On 7 September 2021, the Government announced plans to introduce a 1.25% Health & Social Care levy. Following this, during the 2022/2023 tax year, National Insurance Contributions (NICs) will increase by 1.25% for working-age employees, the self-employed and employers. From April 2023, the Health & Social Care levy will be effective and include the groups listed above and anyone working above State Pension age. National Insurance Contribution rates will return to 2021/2022 levels in April 2023.

Following the 1.25% increase to NIC for the 2022/2023 tax year, HMRC advises all employers to inform their employees of the rise.

AEO Council Tax Wales

Attachment of Earnings Order

Moving into the 2022/2023 tax year, the Welsh Government has uprated the earning thresholds for Attachment of Earnings Orders (AEOs) to maintain fairness in the system and reflect changes in the cost of living.

Following this update, on **Setup | Parameters | Government Legislation**, below **Community Charge Limits**, we have added a new **Council Tax (Wales) Limits** item. Clicking this option opens the new **Council Tax (Wales)** screen.

Employee Information

Employee Information | Attachments | Attachment list now includes a **Council Tax (Wales)** option.

Reports

We have modified all necessary reports to include the **Council Tax (Wales)** AEO.

Student/Postgraduate Loan Thresholds

In line with legislation for 2022/2023, we have updated the annual thresholds for student and postgraduate loans. The revised rates are:

- Plan Type 1 is increasing from £19,895 to £20,195
- Plan Type 2 is remaining at £27,295
- Plan Type 4 is increasing from £25,000 to £25,375
- Postgraduate Student Loans is remaining at £21,000

Tax Code Changes

Due to all personal allowances remaining at 2021/2022 levels, there is no increase in tax codes for the 2022/2023 tax year.

AE Parameters

In line with legislation for 2022/2023, we have updated the AE Parameters.

Tax, NI and Statutory Payment Rates

System updates include amended tax, NI, and statutory payment rates for the 2022/2023 tax year.

RTI

FPS – 2022/2023

In line with Government legislation, we have updated the FPS schema for the 2022/2023 tax year.

EPS – 2022/2023

We have updated the EPS schema for submissions relating to the 2022/2023 tax year.

Early Year FPS for 2021/2022

We have updated the EYFPS schema for the 2021/2022 tax year onwards, allowing you to claim a refund from HMRC for the Employer National Insurance contributions paid in the tax year for qualifying veterans. To claim a refund, you need to complete an EYFPS. To do this, go to **Earlier Year FPS | Adjustments to Pay, Tax and NI | NI Category** and select **Table V** from the drop-down.

Other Improvements

P6o

A new P6o layout for year-end 2021/2022 is now available.