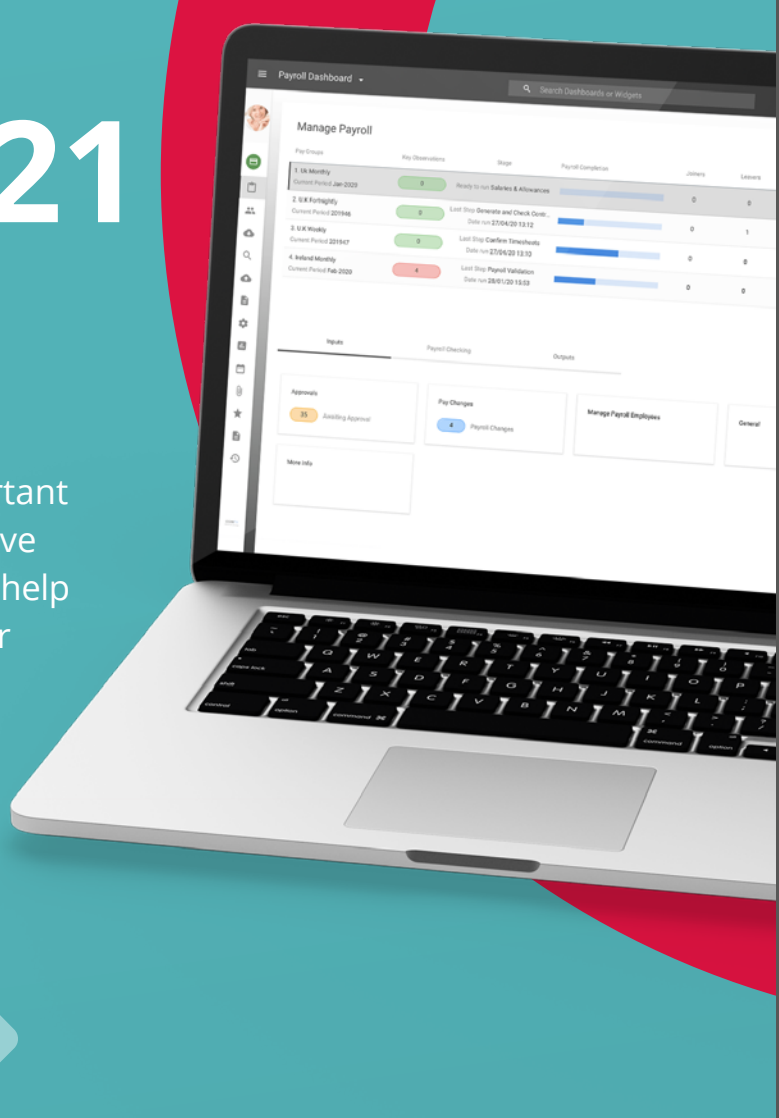


Payroll 2021

Legislative changes you need to know

As we near the payroll year end, it is important to make sure you are aware of the legislative changes which will affect your business. To help your team during the transition period, our experts have summarised the key topics in this quick-reference payroll guide:



IR35

From April 2021, the off-payroll workers rule (IR35) currently applicable to the public sector will be extended to medium and large-sized private sector companies.

National Living Wage (NLW) Increase

The Government will be increasing the NLW by 1.5% to 3.6% depending on age group. The age by which a person can receive the higher rate is dropping to 23 from 25.



New Scottish Student Loan Plan Type 04

From 6th April 2021, anyone who has drawn down a student loan from Scotland will repay under a new Plan type "04". Repayments will be calculated at 9% of earnings above the £25,000 threshold and paid to HMRC using the current PAYE process.

Reporting Changes

From April 2021, HMRC no longer requires the removal of disguised remuneration income element and they have also removed the need to report on De Minimis State Aid.



Veteran NIC

Employers who hire ex-forces personnel will no longer have to pay employer National Insurance contributions for the first year of their employment. Keep an eye out for the records you will need to maintain to claim this relief.

Income Tax Rates

Changes to income tax rates and thresholds will be subject to confirmation at the forthcoming budget but the proposals have already been made available so make sure you have all the correct rates and codes.



Previous Year FPS

From April 2021, the Earlier Year Update (EYU) file will be discontinued and corrections for a previous tax year will be replaced with a previous year Full Payment Submission.

Payroll Dates for the Diary

Make sure you send your final FPS payroll report of the full year either on or before payday



Update your employee payroll records



Ensure all payroll software has been updated

On or before



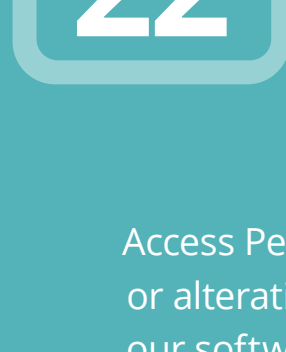
Process and distribute P60 to your workforce

On or before



Report on all employee expenses and benefits that have not been processed through the payroll

On or before



Pay your Class 1A NIC on P11D benefits

Access People pay close attention to any new requirements or alterations to employee and payroll legislation, updating our software accordingly to successfully guide you through payroll year end processing and ensure compliance.

Learn more about how we can ease your payroll pain, visit: <https://www.theaccessgroup.com/hr/software/payroll/>