Recent PAYE announcements

Technical

01 March 2015

Towards the end of December 2014, HMRC made a small but quite significant announcement affecting the end-of-year PAYE submissions. With effect from 6 March 2015, when filing the final Full Payment Submission (FPS) of the tax year, employers will no longer be required to answer the extra questions that had been inherited from the old form P35.

ATT President Natalie Miller said: ‘The removal of the questions from the FPS is something the ATT has been championing for some time now.’ She added: ‘Freed of the requirement to answer these questions, employers should be able to file much quicker.’

The announcement may have come too late for some software providers to update their software. Employers should speak to their individual providers for guidance if they are unable to file the final FPS without answering the questions.

HMRC have also announced that they have decided not to go ahead with plans to introduce regulations that would allow them to delay the issue of a PAYE coding notice to an employee or a pensioner by up to 30 days after it has been sent to the employer or pension provider. When this proposal was first announced last summer, it was met with much criticism. The ATT said that it was likely to lead to payroll bureaux and employers having to deal with more enquiries and complaints from employees and pensioners baffled by the change in their net pay. HMRC have now accepted the potential impact and extra burdens the proposed regulation would have brought.

Both announcements represent positive outcomes arising from HMRC consulting professional bodies, including CIOT and ATT, and shows that such liaison is worthwhile.

To read the ATT press releases issued in response to both announcements go to: www.tinyurl.com/omqpeng and www.tinyurl.com/p8e993z