



# Payroll Year End

Hello.

Please read these instructions before attempting year end.

Enclosed

Keytime Payroll 2015-16 Year End CD

Getting Help

You can get help with your year end in one of three ways:

**Online** at [support.keytime.co.uk](http://support.keytime.co.uk)

**Email us** at [support@keytime.co.uk](mailto:support@keytime.co.uk)

**Call us** on 0845 456 3103

Extended opening hours

We'll be running extended opening hours again this year - for up to date details, check [support.keytime.co.uk](http://support.keytime.co.uk)

# Changes for 2015-16

## personal allowances

Personal allowances have been uplifted this year, so you will need to update the personal allowances for code L before processing your first period of 2015-16.

You can find instructions on making these changes for each payroll company you process later on in this guide.

There are a few key changes that will effect employers over the next 12 months. These are detailed below:

1. Abolition of employer National Insurance contributions for the under 21s.

From April 2015 every employer with employees under the age of 21 is no longer required to pay class 1 secondary NICs on earnings up to the upper earnings limit for those employees.

There are 4 main new NI category letters: M, Z, I and K. Keytime Payroll will automatically correct the NI category for all eligible employees.

2. Employment Allowance

The Employment Allowance is available again for the year April 2015/16 and, if you are eligible, you could reduce your Class 1 NICs by up to £2000 tax year. The scheme has been extended this year to include those that employ carers.

If you claimed the employment allowance in 2014/15 you don't need to do anything else; the claim will continue into 2015/16. If you are yet to claim the employment allowance all you need to do is tick the employment

allowance box on the EPS and submit it to tell HMRC you are claiming; Payroll will then reduce your Class 1 NICs until the allowance is used up.

### 3. Auto Enrolment

Auto enrolment will start to become a reality during 2015-16 for employers that employ less than 54 members of staff. April 1 is the staging date for those employers with 50-53 members of staff. Auto enrolment continues until February 2018.

### 4. Marriage Allowance

Married couples and civil partners may transfer up to £1,060 of the spouse's personal allowance if their spouse or civil partner is not liable to income tax above the basic rate.

One party will apply on-line to transfer part of their allowance and HMRC will notify the recipient about the subsequent change to their tax code. Two new tax code suffixes are planned to facilitate the transfer, these are M or N.

### 5. Statutory Adoption Pay (SAP)

For placements on or after 5 April 2015 the first 6 weeks of SAP will be paid at 90% of average earnings followed by 33 weeks at the statutory rate of £139.58 per week.

### 6. Shared Parental Pay and Leave (ShPP and SPL)

ShPP is a new entitlement that replaces Additional Statutory Paternity Pay (ASPP). ShPP is available to parents where the child is due, or in the case of adoption, matched or placed, on or

after 5 April 2015. ASPP is still available to parents where the child is due before 5 April 2015.

ShPP is payable on up to 50 weeks of maternity or adoption leave and up to 37 weeks of statutory maternity or adoption pay.

SPL allows both parents to share the leave which can be taken at the same time or separately.

#### 7. Earlier Year Update (EYU)

An earlier year update (EYU) must be processed and submitted to correct a mistake in the previous tax year. April 19<sup>th</sup> is the deadline for FPS submissions for the 2014/15 tax year.

EYU will become available in Keytime Payroll 2014 from 20 April 2015. Please note that it is not possible to submit an EYU prior to this date and that the EYU is accessed in the payroll year to which it relates, i.e. you cannot process an EYU in the 2015/16 version of Payroll.

## Install the update

The year-end update installs two versions of the software onto your PC.

Keytime Payroll 2014 (*for 2014-15, and year end processing*)  
**Keytime Payroll** (*for processing 2015-16 payrolls*)

### Step by step install instructions

1. Ensure that no Keytime programs are running - if they are, close them.
2. Insert the CD into your drive and it will start automatically.
3. Follow the on-screen prompts and allow the update to install.
4. The system will tell you when it has finished.

#### Tip

Make sure you use the right icon to go into the 2014/15 payroll.

## Finish processing

We highly recommend that you take regular backups throughout the payroll year. As well, you should **take a separate pre-year end backup**, and store it separately from your usual backups. It helps to label this backup as a year-end backup.

**You should complete every period for 2014-15** payroll before processing the year end. Payroll will not allow you to process year end whilst a pay period is open.

## Week 53

A week 53 payment will only be required in 2014-15 if the actual day on which you pay your staff is Sunday.

If your payment date is correctly set in the system as Sunday week 53 will be run automatically.

In line with legislation, Keytime Payroll calculates the extra period on a week 1 / month 1 basis. Please bear in mind that for this could cause staff to be underpaid for the year ended 5 April 2015.

Please note that 2016 is a leap year, therefore, pay dates falling on either Monday the 4<sup>th</sup> or Tuesday 5<sup>th</sup> of April 2016 will trigger week 53 in the 2015/16 tax year.

# Filing a Final FPS or EPS

**The final FPS must be filed on or before the date you pay employees and at the latest by 19th of April 2015.**

If you have statutory payments to recover, or you need to tell HMRC that you haven't paid anyone in the final tax month you must file an EPS. Under these circumstances the EPS *must* be filed by **19th April 2015** to ensure HMRC allocate recovery amounts to the correct period and tax year.

## **Final FPS**

Open your 2014-15 payroll, to submit a final FPS click **submit** on the main toolbar in the employee library, click Full Payment Submission.

Select the FPS to be submitted, click Submit. In the FPS wizard, tick (click) the box 'final submission for the year', click next.

Once the pre-filing validations have been completed click Submit to send the FPS; you can send as many final FPSs as necessary up to 19th April 2015.

## **Final EPS**

If you need to send an EPS, for example to recover statutory payments, you can send a final EPS instead of a final FPS (you must still send an FPS for the last period). Click **submit** on the main toolbar in the employee library, click Employer Payment Submission.

Select the EPS to be submitted, click submit. In the EPS wizard, tick (click) the box 'final submission for the year'. Continue with the EPS as normal. It is important to note that if you are recovering statutory payments you *must* submit the EPS by 19th April 2015 to avoid HMRC allocating the recovery amount to the incorrect tax period and year.

# Run the year end

- 1 Install the Year End CD update, if you haven't already done so.
- 2 Complete any outstanding processing for 2014-15, and close the last period as usual. If you normally use an icon on your desktop to start Payroll, use the new Keytime Payroll 2014-15 icon instead.

Windows start > All programs > Keytime > Keytime Payroll > Keytime Payroll 2014-15

- 3 Take a backup of your data, label the backup as your Year End backup, and keep it safely away from your regular backup set.
- 4 Using the Keytime Payroll 2014-15 icon, go back into your 2014-15 payroll and print off your P60s. To do this, make sure you are in the Employees screen (*the employees button in the top-left hand corner will be disabled*).

Reports > Year end > P60s

- 5 Print the reports you need before year end. It is possible to print P60s after closing down the year. To do this, simply log into the 2014-15 payroll, using the Payroll 2014-15 icon.

You can now run the year end. This will create your data in the 2015 version of the software.

In the 2014-15 version of Payroll click Payroll > End of year > Process end of year

- 6 Close Payroll 2014-15, and re-open it using the other icon, which will be labelled simply Keytime Payroll. The tax year (bottom right) should now read 06/04/15 - 05/04/16, and the pay periods will have reset to 1.

# P60 print alignment

All the boxes on the P60 are in fixed positions, which should be correct for all printers.

Please note that the system uses Portrait Laser P60 single sheet forms only. It is not compatible with Landscape forms, Dot Matrix P60s or the P60 Certificate of Pay.

Occasionally, you may need to adjust the prints to fit the forms. You can manoeuvre the entire print up and down, left and right to ensure that it prints within the boxes on the form.

Setup > Configure system. Click the settings tab. You can then adjust the margins to align the P60s.

If you do make a change, we recommend making a note of the original settings, in case your payslip alignment is affected. You only need to make this change in a single company - other companies will use the same settings.

## Tax code changes

*For every company process:*

1. Open the company in Keytime Payroll (*for 2015-16*)
2. Go to payroll > End of year
3. Select change tax code
4. Type **L** to change the **L** code
5. Enter **60** for the amount to change
6. You should now see the **L** code as **1060L**