Keytime

Payroll Year End

Hello.

Please read these instructions before attempting year end.

Enclosed
Keytime Payroll 2016-17 Year End CD

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

Online at support.keytime.co.uk
Email us at support@keytime.co.uk
Call us on 0161 484 3500

Extended opening hours
We'll be running extended opening hours again this year - for up to date details, check support.keytime.co.uk

Changes for 2016-17

personal
allowances

Personal allowances have been uplifted this year, so you will need to update the personal allowances for code L, M and N before processing your first pay period of 2016/17.

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. National Insurance

From April 2016 employers with employees under the age of 25 enrolled onto qualifying apprenticeship schemes are no longer required to pay class 1 secondary NICs on earnings up to the upper earnings limit for those employees. NI category H should be used in these circumstances.

A new **Apprentice** flag has been introduced to the financial definition tab in employee records, when ticked and **Apprenticeship End Date** must also be entered. When the pay date is after this date and the employee is over 21 the NI category will automatically revert to A. If the employee is under 21 the NI category will change to M.

Contracted-out NI categories D, E, L, I and K have been removed, any employees on these categories will automatically be moved as part of the year end process. D changes to A, E changes to B, L changes to J, I changes to M and K changes to Z.

2. Tax

The software has been updated to accept a tax code prefix of S, which is the Scottish Tax Regime Indicator.

3. Employment Allowance

The Employment Allowance is available again for the year April 2016/17 and, if you are eligible, you could reduce your Class 1 NICs by up to £3000 in the 2016/17 tax year. If you claimed in the 2015/16 year, the claim will be automatically brought forward to the new tax year; there is no need to submit the claim again.

From 6th April PAYE schemes where the director is the sole employee will no longer be able to claim the allowance. Please note that it is your responsibility to cease the claim if the scheme is no longer eligible; the option to cease can be found in the Employer Payment Submission (EPS), the cessation will apply to the *next* pay period processed.

4. Additional Statutory Paternity Pay

All references to Additional statutory paternity pay (ASPP) have been removed or replaced with ShPP. ASPP has been abolished from 6th April 2016. OSPP is now referred to as SPP.

5. Student Loans

Student loan plan type 2 has been introduced with effect from 6th April 2016. The employee details financial definition tab has a student loan indicator, if the box is ticked a drop down box appears where plan 1 or plan 2 can be selected. On installation of the update all existing employees with student loans will automatically default to plan type 1.

6. DEA

A new higher rate DEA type has been added to the attachments list in employee records.

Install the update

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

Keytime Payroll 2015 *(for 2015-16, and year end processing)* **Keytime Payroll** *(for processing 2016-17 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 2015/16 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 2015-16 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 2015-16 if the actual day on which you pay your staff is either Monday or Tuesday (2016 is a leap year).
If your payment date is correctly set in the system as Monday or Tuesday week 53 will run automatically.

In line with legislation, Keytime Payroll calculates the extra period on a week 1 / month 1 basis. Please bear in mind that this could cause staff to be underpaid for the year ended 5 April 2016.

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 2016.

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 2016** to ensure HMRC allocate recovery amounts to the correct period and tax year.

Final FPS

Open your 2015-16 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 2016.

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 2016 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 (see page 4).

2   Complete any outstanding processing for 2015-16, and close the last period as usual. If you normally use an icon on your desktop to start Payroll, use the new Keytime Payroll 2015-16 icon instead.

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   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 2015-16 payroll, using the Payroll 2015-16 icon.

You can now run the year end. This will create your data in the 2016 version of the software.

In the 2015-16 version of Payroll click Payroll > End of year > Process end of year

6   Close Payroll 2015-16, and re-open it using the Keytime Payroll icon. The tax year (bottom right) should now read 06/04/16 - 05/04/17, 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.

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 2016-17)
2. Go to Payroll > End of year
3. Select change tax code
4. Type L to change the L code
5. Enter 40 for the amount to change
6. Type M to change the M code
7. Enter 44 for the amount to change
8. Type N to change the N code
9. Enter 36 for the amount to change