



# Payroll Year End

Hello.

Please read these instructions before attempting year end.

## **Software Update**

Keytime Payroll 2018-19 Year End

## **Getting Help**

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

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

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

**Call us** on 0161 484 3500

# Changes for 2018-19

## **Personal allowances**

Personal allowances have been uplifted this year, so you will need to update the personal allowances for codes L, M and N before processing your first pay period of 2018/19.

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

## **Employment allowance**

The Employment Allowance is available again for the year April 2018/19 and, if you are eligible, you could reduce your Class 1 NICs by up to £3000 in the 2018/19 tax year. If you claimed in the 2017/18 year, the claim will be automatically brought forward to the new tax year; there is no need to submit the claim again.

## **Scottish rate of income tax**

Additional rate bands come into effect from 6<sup>th</sup> April 2018; new rates of tax have been introduced: 19, 21, 41 or 46% will be automatically applied to employees with an S prefix to their tax code.

## **Company car benefits**

From April 2018, if you choose to payroll company cars, the car information must be submitted via payroll and tax will be collected in real time through a monthly deduction. For employers, this means P11d and P46 cars are no longer required. Employers wishing to payroll benefits need to register before the start of the new tax year.

## Automatic enrolment

Under automatic enrolment, pension contributions are due to increase over time. From April 2018 the minimum total contribution is 5%, with a minimum of 2% coming from the employer. These new rates need to be manually applied to your pension setup (see below).

# Install the update

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

**Keytime Payroll 17** (for 2017-18 and year end processing) **Keytime Payroll** (for processing 2018-19 payrolls)

### Step by step install instructions

1. Ensure that no Keytime programs are running - if they are, close them.
2. Download the update from here:  
<http://www.keytimeonline.co.uk/registrations/Docs/Payrollupdate.exe>
3. Follow the on-screen prompts and allow the update to install.
4. The system will tell you when it has finished.

# 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 2017/18** 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 2017-18 if the actual day on which you pay your staff is Thursday.

If your payment date is correctly set in the system as Thursday 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 2018.

## 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 2018.**

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 2018** to ensure HMRC allocate recovery amounts to the correct period and tax year.

### Final FPS

Open your 2017-18 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 2018.

### 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 2018 to avoid HMRC allocating the recovery amount to the incorrect tax period and year.

# Run the year end

- 1 Install the Payroll Year End update if you haven't already done so.
- 2 Complete any outstanding processing for 2017-18 and close the last period as usual. If you normally use an icon on your desktop to start the Payroll software; use the new Keytime Payroll 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 Using the Keytime Payroll 2017-18 icon go back into your 2017-18 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 2017/18 payroll using the Payroll 2017-18 icon.

You can now run the year end. This will create your data in the 2018/19 version of the software.

In the 2017/18 version of Payroll click Payroll > End of year > Process end of year

- 6 Close Payroll 2017/18 and re-open it using the other icon which will be labelled simply Keytime Payroll. The tax year (bottom right) should now read 2018/19 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 horizontally and/or vertically 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:

1. Open the company in Keytime Payroll (*for 2018/19*)
2. Go to payroll > End of year
3. Select change tax code
4. Type **L** to change the L code
5. Enter **35** for the amount to change
6. Type **M** to change the M code
7. Enter **39** for the amount to change
8. Type **N** to change the N code
9. Enter **31** for the amount to change

Emergency tax code is 1185L

NB these changes are the same for Scottish tax codes.

For further details regarding Tax and tax credit rates and thresholds for 2018/19 please refer to the following:

<https://www.gov.uk/guidance/rates-and-thresholds-for-employers-2018-to-2019>

## **Student Loan thresholds**

If you have ticked the box for a Student loan the annual earnings above which collection will start are as follows:

Threshold for Plan 1 £18,330

Threshold for Plan 2 £25,000

## **Auto enrolment minimum contribution**

Minimum total contribution increases to 5% from 6<sup>th</sup> April 2018. To increase the contribution rate, click the Company menu, select Pension Details, select (click) the pension and click the Details tab. Enter the new rates, note that the minimum contribution for employers is 2%.