

Inland Revenue Notes for Payroll Software Developers

SERIES 10 – NUMBER 6

September 2001

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1. Employer Stationery

1.1 Forms P11 and P14/P60 for 2002/2003

The form layouts in use for 2001-02 will **not** be changed for tax year 2002-03.

For several months, we have been looking at ways of cutting down the amount of information that needs to be recorded and reported by employers on forms P11 and P14/P60. We were hoping to simplify the layouts for 2002-03 but have now concluded that it would be preferable to defer any changes to 2003-04. This decision was made because the introduction of Statutory Paternity Pay and Paid Adoption Leave from 6 April 2003 (as announced in the March 2001 Budget Statement) is likely to affect 2003-04 layouts. In view of this, it makes sense to co-ordinate design changes in one year.

P14/P60 box sizes and positions will therefore remain unchanged for 2002-03. The P11 recording columns will also remain unchanged, except for the minor revision to the Student Loan Deductions column mentioned at 7.1 below.

In response to requests that forms P11 and P14/P60 should be easily distinguishable (e.g. colour-coded) for each tax year, the following visual features will be prominently displayed at the top of the **2002-03 forms**

- the **tax year** in large type
- **pale blue** colour-bands (*the 2001-02 forms have **orange** colour-bands*).

As forms P11 and P14/P60 are year related, the 2001-02 versions will **not** be usable for 2002-03.

Specimen copies of the 2002-03 forms (labelled 'For information only') are available to download from the Inland Revenue web site at: www.inlandrevenue.gov.uk/comp/index.htm#a. The P11 and P14/P60 forms can be ordered from the Employer's Orderline as follows:

- P11 (2002-03) – available from January 2002.
- P14/P60 (2002-03) – available from April 2002.

Substitute forms P14/P60 for 2002-03 will need to be year updated and colour-coded to match the official forms. Inland Revenue's Forms Unit will contact all authorised substitute stationery producers about this in due course.

1.2 Form P11D for 2001-02

The form P11D for 2001-02 has now been finalised. There are no changes to the box numbering and general layout for 2001-02. A copy of the form is included at **Annex A**.

The only change to note is the addition of some instructional text at Section F, adjacent to the 'Dates car was available' boxes. We have discovered that in some cases these boxes are being completed incorrectly. An entry is required in the 'from' and 'to' boxes **only** where the car was first made available and/or ceased to be available in the year of return.

Example

Car first made available to employee on 1 June 2001 and still available at 5 April 2002. An entry '01/06/01' is required in the 'Dates car was available from' box. No entry is made in the 'to' box because the car is still available at 5 April.

Central Approval of Substitute Forms P11D

Please note that the central approval service for substitute forms P11D is no longer handled by Electronic Business Unit (Shipley). Applications for central approval of substitute forms for 2001-02 and subsequent years should be sent to:

Rita Patel
Inland Revenue
Forms and Information Delivery
4th Floor
Melbourne House
Aldwych
London
WC2B 4LL

Telephone: 020 7438 4264
Fax: 020 7438 6807

1.3 Form P11 – Use of 'NI' in the Tax Code Box K

It is apparent that some confusion has arisen regarding the use of the 'NI' notation referred to in the CWG1 Employer's Help Cards (Card 4 & Card 5) and also in the CWG2 Booklet page 67 paragraph 110. The 'NI' notation is applicable in instances where an employee is not liable to income tax but for whom a P11 Deductions Working Sheet requires completing for National Insurance purposes.

When the circumstances detailed in these instructions apply, the employer should continue to follow the guidance given. However, it would appear that the instructions in the CWG1 Employer's Help Cards (Card 4 & Card 5) to enter 'NI' in the code box and in the CWG2 to enter 'NI' in the code space on the P11 are causing confusion for some employer's and software developers.

In order to clarify this issue, please note that the employer should enter 'NI' in the Tax Code Box K of form P11 and future guidance in the CWG1 Employer's Help Cars and the CWG2 will be enhanced to reflect this. 'NI' should not, however, be shown in the code filed on the end of year return form P14/P60.

It is important to point out that 'NI' is not actually a tax code but rather a notation to use on the P11 in the circumstances detailed.

2. **Taxing Car Benefits from 6 April 2002**

Full details of the reforms in respect of car taxation, which apply equally for tax and for Class 1A NICs are provided in Booklet 480(2001) appendix 1A available from the Employer Orderline. It is recommended that you read the following in conjunction with the 480 information and subsequent information provided in Notes series 10 numbers 2, 3, 4 and 5.

2.1 **Employer Mailing**

Thank you for all your help in providing the software to enable employers to send us details of the carbon dioxide (CO₂) emission levels in respect of company cars brought into use before April 2001. A number of employers have now fully responded to the June 2001 mailing and those that have not will get a reminder in the September 2001 Employer Bulletin which is currently going out to employers. A copy of the mail shot can be obtained from the Employer Orderline or the IR web-site www.inlandrevenue.gov.uk/cars/company_cars.htm

2.2 **Calculation of the Benefit in Kind**

Calls received by IR indicate there is some confusion about vehicles first registered before January 1998. The Benefit in Kind for these cars will be based on the engine size of the vehicle.

2.3 **Form P46(car)**

From April 2002, a new form P46(car) is being introduced. Employers will be told of this change in the Employer Annual Pack that will be issued in January 2002. From February 2002 employers will be able to get supplies of this form from the Employer Orderline. For your information there is a copy of the form at the end of these Notes at **Annex B**. You can also download a PDF version of the 'P46(car)(New) for use from April 2002' from the IR web-site at : www.inlandrevenue.gov.uk/menus/otherforms.htm. You will note that we have introduced a new fuel type category 'L' for Euro IV standard diesel cars, and removed the anticipated business mileage reporting requirement.

From April 2002 employers will be able to submit forms P46(car) electronically by either electronic data interchange or via the Internet.

2.4 **Car Fuel Scale Charge**

In his Budget speech in March 2001 the Chancellor announced that the car fuel scale charge is being reviewed. It is likely that a new system will be introduced from April 2003. We cannot, at this stage, say what changes, if any, this will mean for the P46(car).

3. Re-imbursed motor mileage for use of own vehicle

3.1 Changes from April 2002

In April 2002 the arrangements for the tax treatment of any reimbursement of payments made to employees to cover the cost of business motoring when using their own car, van, motorcycle or bicycle are also to change.

From that date we will be introducing a statutory scheme – Approved Mileage Allowance Payments. Full details of the new arrangement will be included in an updated booklet Employer's Further Guide to PAYE and NICs (CWG2(2002)) which will be available from the Employer Orderline in February 2002.

Under the new rules, there will be an exempt amount that employers can pay to employees using their own vehicles for business travel. This amount is expressed in terms of pence per mile, and is as follows:

		Per mile
Motor Cars/Vans	Up to 10,000 business miles	40p
	Over 10,000 business miles	25p
Motor cycles		24p
Bicycles		20p

There are two main conditions for payments to qualify for exemption from tax.

- They must be paid in respect of use by the employee of his or her own car, van, motor cycle or bicycle for business travel
- They must not exceed the amount that is equal to the number of business miles multiplied by the appropriate mileage rate.

Payments that meet these two tests are known as approved mileage allowance payments (AMAPs).

3.2 Planned changes for NICs

In addition to the introduction of the new statutory scheme for tax our intention is to introduce a similar scheme for NICs. The NICs scheme will:

- align, as far as possible, the NIC treatment of mileage allowance payments with the new approved mileage allowance payments (AMAP) scheme for tax
- place on a statutory basis the current administrative arrangements for dealing with NICs on mileage allowances.

Draft regulations to introduce this change have been placed on our website at www.inlandrevenue.gov.uk/drafts/mileall.pdf for consultation. The closing date for comments is 31 October 2001.

The draft regulations mean that mileage allowance payments that employers make to employees who use their own cars for business travel will be disregarded from earnings on which Class 1 NICs are due so long as they do not exceed the approved rates set out for income tax. The regulations also introduce for NICs the 10,000 business miles breakpoint, the new passenger rate and the new motor cycle and bicycle rates.

Amounts paid in excess of the prescribed rates will continue to be added to any other earnings received by the employee in the earnings period in which the mileage allowance payment is made and NICs calculated on the total earnings. The introduction to NICs of the 10,000 miles breakpoint means that employers will need to keep details of reimbursed business mileage on a cumulative basis. This will allow them to identify in which earnings period the lower mileage rate needs to be applied to the NICs calculation.

Further guidance on these changes will be in the 2002 issue of booklets CWG2 available early next year.

3.3 More than one employment

Normally the 10,000 business miles per annum limit will apply separately to each employment. But where an employee has more than one employment with the same employer, or with associated employers, the business miles travelled in the employee's own vehicle will need to be aggregated across all these employments.

3.4 Dispensations

From 6 April 2002 dispensations in relation to mileage payments for travel in employee's own vehicle will cease to be valid and employers will not be able to apply for any new dispensations for business motoring expenses in employees own vehicles.

All other aspects of the dispensation arrangements will be unaffected, so that where a dispensation applies partly to mileage expense payments and partly to other payments, it is only the part relating to mileage expenses that ceases to apply at 5 April 2002.

There will be nothing to report on form P9D or P11D where the payments for the expense of business travel in an employee's own vehicle do not exceed the amount of the AMAP.

Where the payments that the employer makes in respect of the expenses of business travel exceed the amount of the AMAP the employer will only need to report to the Revenue the excess over the AMAP. Part E of form P11D and form P9D will be amended for 2002/03 to reflect this change.

None of these changes affect dispensations for business mileage payments (normally based on fuel costs) to employees with company cars.

3.5 Passenger payments

From 6 April 2002, there will be an exemption from tax and NICs for payments that employers make to employees travelling on business journeys who carry fellow employees, for whom the journeys are also business travel. The maximum exempt amount will be 5p a miles per fellow employee travelling as a business passenger. As this is an exemption there is again no need for any dispensation. But employers should keep adequate records to demonstrate that payments made satisfy the conditions for exemption.

3.6 Withdrawal of existing arrangements

The new arrangements replace

- the 'actuals' basis for calculating employee's allowable travel expenses
- existing administrative arrangements such as the Fixed Profit Car Scheme described in the Employers Further Guide to PAYE and NICs (CWG2(2001))
- the voluntary use of the Inland Revenue Authorised Mileage Rates for calculating the tax position on business travel in an employee's own vehicle,
- The Car Allowance Enhanced Reporting Scheme (CAERS) described in Booklet 480(2001) para 16.5.

The last reports under these existing arrangements will be for the year to 5 April 2002.

3.7 Records

In respect of all motor mileage and passenger payments the employer will still need to maintain records of the payments made and the business journeys they are for. **Profit amounts** will have to be reported on form P11D or P11D lists.

For 2002/03 and later years, employers will still be able to make separate optional reports of **negative amounts**, that is where the allowance paid is less than the approved rate. The new optional reporting scheme is called Mileage Allowance Relief Optional Reporting Scheme (MARORS). The arrangements for reporting information under MARORS are similar to those for CAERS, except that only "negative" amounts can be reported under MARORS. These reports can be made electronically. Booklet EEC1 'Expenses and Benefits Returns on Magnetic Media' for 2002/03 will be suitably updated.

4. Cyclists Breakfasts

From 6 April 2002 employers will be able to provide to their employees who cycle to work, on designated 'cycle to work' days, up to 6 breakfasts per year free of tax and NICs. The breakfast is in recognition of the employee having used a cycle to commute. If an employee has more than 6 breakfasts provided in a year the cost to the employer of further breakfasts will need to be reported on form P11D or P9D.

5. Works Buses

From April 2002 there is an extension to the existing exemption from tax and Class 1A NICs where an employer uses a works bus or minibus to provide a commuting service for employees. The new exemption will apply where that works bus or minibus is also used to take employees from the workplace to shops or to the local amenities during the lunch break.

6. Increase to the Minimum Wage

The youth rate of the National Minimum Wage will increase to £3.50 per hour from 1 October 2001 this year and subject to the economic conditions at the time to £3.60 from 1 October 2002. Workers aged 22 years and over who start a new job and do accredited training, can be paid the accredited training rate of minimum wage. This rate will also increase to £3.50 per hour from 1 October 2001. The accredited training rate can only be paid for the first six months of employment.

The Government announced that it would accept these recommendations made by the Low Pay Commission in the second volume of their third report published in June 2001. The Government also accepted the recommendation to increase the maximum amount, which can be offset for accommodation from £2.85 per day (or 50p an hour) to £3.25 per day (or 57p an hour), on 1 October 2001.

In the first volume of the third report the Low Pay Commission recommended that the main rate of minimum wage should be increased to £4.10 per hour from 1 October 2001 and subject to economic conditions increased to £4.20 from 1 October 2002. The Government accepted these recommendations.

Up to the minute information about the minimum wage can be obtained from the helpline on 0845 6000 678 or by visiting the DTI's minimum wage website at www.dti.gov.uk/er/nmw. Interactive guidance is available from www.tiger.gov.uk.

7. Collection of Student Loans

7.1 Interaction with other deductions: Rounding Down

Under the current rules, the amount of student loan repayment is calculated as 9% of earnings above the threshold, rounded down to the nearest pound. All of the relevant forms assume that student loan deductions will not include odd pence. But where the calculated, rounded amount is restricted because other deduction orders take priority, the net effect can be that the amount actually deducted does include odd pence. This creates problems for payroll reconciliation.

The regulations will be changed so that as from 6 April 2002, the net amount of any student loan deduction, after restriction by reference to priority court orders, must also be rounded down to the nearest pound.

Example:

Monthly salary	1550.00
Monthly threshold	<u>833.33</u>
Excess above threshold	716.67 @ 9% = 64.50, rounded down to 64.00

Net attachable earnings after priority orders applied (say):	986.43
Protected earnings level (say):	<u>950.00</u>
Scope for student loan deduction:	36.43

Deduct the lesser of 64.00 and 36.43, i.e. 36.43. From 6 April 2002 onwards, round down 36.43 to 36.00.

7.2 Interaction with other deductions; Income Support Deduction Notices

Income Support Deduction Notices (ISDNs) are issued to employers by the Department of Work and Pensions. They require employers to make deductions from pay, to recover amounts of Income Support paid to the employee in the period immediately following a return to work after a trade dispute. The notices set a protected level of earnings, and specify the total amount to be deducted. Employers continue to make deductions each pay day until the total has been reached.

At present there are no rules to determine how ISDNs interact with student loan deductions. It has been decided that student loan deductions should be suspended while an ISDN is being implemented.

From 6 April 2002, employers will be required **not** to make student loan deductions from an employee's pay in any pay period in which they must make deductions from that employee under an ISDN. They must start (or restart) deducting student loan repayments when the ISDN has been paid off.

The effect of ISDNs on student loan deductions will therefore be the same as the effect of Council Tax and Community Charge Attachment of Earnings Orders, and Scottish court orders.

8. Statutory Sick Pay and Statutory Maternity Pay

8.1 New Regulations affecting the issue of form MATB1

On 28th September 2001 new regulations were introduced to allow doctors and midwives to issue the Maternity Certificate, form MATB1, earlier.

The change means that the certificate can be issued from the 20th week before the Expected Week of Confinement (EWC) instead of the 14th week before the EWC. For example, a woman expecting a baby on 3rd March 2002 can get her certificate from the 14th October 2001 instead of waiting until the 25th November 2001.

Employers can now accept certificates issued from the 20th week. This replaces the instructions on Page 8 of the Employers Manual on Statutory Maternity Pay (CA29). There is no change to the timescale for paying SMP or for a woman submitting her certificate to her employer.

The change has been made so that Doctors and Midwives can issue the certificate at the same time as an antenatal appointment instead of having to make a separate appointment just to issue the certificate.

8.2 Technical Specification on Statutory Sick Pay (SSP)

The technical specification on SSP is now available at:
www.inlandrevenue.gov.uk/ebu/ebu_paye_ts.htm

The current values for the IR data are:

IR data				
	Description of data	Abbreviation used	2001/02 Values	
A1	The maximum number of days used to link PIWs	Max_Link_PIW	56	
A2	The Lower Earnings Limit for National Insurance Contributions purposes which is also the minimum level of average weekly earnings for entitlement to SSP to arise	LEL	£72.00 from 06/04/01	
A3	The weekly rate of SSP payable	Weekly_Rate	£62.20 from 06/04/01	
A4	Number of qualifying days at the start of a PIW for which SSP is not due (waiting days)	Waiting_Days	3	
A6	The maximum number of weeks for which SSP is payable	Max_Weeks	28	
A7	See table:	QD_Dec_Frac	See table	
	Number_Qual_Days			QD_Dec_Frac
	7			0.143
	6			0.137
	5			0.2
	4			0.25
	3			0.334
	2			0.5
1	1.0			
A5	Percentage Threshold Scheme recovery rate	PTS_Rate	13% from 06/04/01	

8.3 Technical Specifications on Statutory Maternity Pay (SMP), Statutory Adoption Pay (SAP) and Statutory Paternity Pay (SPP)

In his budget announcement in March 2001 the Chancellor announced changes to rules on payment and leave for maternity and the introduction of two new statutory pay and leave schemes for paternity and adoption.

It is expected that the two new payments will largely mirror the arrangements for SMP.

The Inland Revenue will publish technical specifications on SMP and the new payments as soon as the detail is settled. But advance notice will be available when the draft legislation has been published.

8.4 Payroll Standard

Calculation of SSP is not included in the current version of the Payroll Standard but SSP test data is available from the Additional Test Data file on the IR web site at: www.inlandrevenue.gov.uk/ebu/testdata.htm

9. **Employees seconded abroad – Earnings paid by the overseas Company**

From April 2002 an employer with employees seconded abroad will, in certain circumstances, be able to apply to defer reporting and accounting for the NIC's due on payments made by the overseas company.

Under these arrangements any residual secondary NIC not on the main P35 can be reported and accounted for on a separate P35.

The date for filing this return will be the 31st January following the end of the tax year.

The arrangement will only apply where the following conditions are met: -

- The employee is not liable to UK tax and has been given an NT code
- The Class 1 NIC's and earnings entered on the employees P14 are equivalent to the maximum Class 1 NIC's payable and the upper earnings limit for the relevant tax year.
- The only payments covered by this scheme are those that the employer cannot find out about in time to include them on the main return.

Payments not covered by this scheme are: -

- Any earnings paid in the UK, and/or
- Known regular earnings paid overseas or
- Estimates of overseas earnings.

These should still be paid and accounted for in the normal way on the employers main P35 and P14's.

Employers wishing to use these arrangements have to make formal application by the 30th November in the first year. An additional reference number to use when submitting the P35 and payment will then be allocated.

This scheme must not be used to correct errors and omissions in the main return.

10. Magnetic Media submissions for End of Year 2001/2002

Following publication of the CA51/52 technical specification in April 2001, additional information and amendments have been made as follows:

Amendments:

- a) **Page 21 Record Type 2 - Important Note 8** - This note should be deleted. SSP and SMP shown in the Employee record should be the amount paid and not the amount recovered.
- b) **Page 26 Record Type 2 - Field 28 (SSP)** - All text after 'PENGE' should be deleted.

Acceptable Media:

Following a review of the types of media that can be used for submitting End of Year tax and NI information, a revised list has now been produced to include more advanced types of media. The list is shown at **Annex C** to these notes.

The CA51/52 technical specification has been updated to include the above information and is available on the Inland Revenue web site:

www.inlandrevenue.gov.uk/ebu/ebu_paye_ts.htm

11. Errors in payroll software

Even though a considerable number of employers have computerised payroll systems, this does not prevent an inordinate amount of errors being submitted at tax year-end. Consequently, the Inland Revenue has been incurring increasing costs in overheads every year by having to correct poor quality data recorded and sent to them by employers on P14 end of year summaries. This has a knock on effect on employers who have to field increasing number of enquiries from the department in their efforts to correct the erroneous data received at tax year end.

Some of the most basic errors found in payroll software are listed below:

- **Validation allows the National Insurance Number (NINO) to be omitted and the entry of an invalid NINO**
- **Validation allows the Employers Contracting-Out number (ECON) to be omitted despite contracted-out NIC being paid and the entry of an invalid ECON**
- **Validation allows the Scheme Contracted-Out number (SCON) to be omitted despite contracted-out NIC being paid and the entry of an invalid SCON**
- **Incorrect calculation of NIC following a retrospective change to employee details**
- **Incorrect allocation of a NIC category**
- **Incorrect setting of NIC/PAYE parameters**

It is clear from the errors listed above that a vast number of errors currently being created at tax year-end are simply due to a lack of validation in the software that is being used by the employer in operating their payroll. When the data is transmitted to IR systems it is either rejected or creates an error that has to be manually corrected by IR, as it does not comply with IR validation rules.

A simple way of improving the data sent on P14s would be for the validation contained within payroll software programs to be improved so that any invalid data entered at the “front end” via the employer’s payroll software does not find its way onto their end of year submissions.

Appropriate cross referencing within fields will let the user know that an error has been made and prevent the erroneous data from being sent at year-end e.g. reduced-rate NI contributions entered for a male employee.

To help software developers improve validation rules within payroll software, IR provide an extensive list of the NI validation routines that should be included in payroll software programs. These validation routines have been designed to reduce the number of errors received from employers submissions and are included in the NI Guidance for Software Developers, which is available on the IR website: www.inlandrevenue.gov.uk/comp/ni2001.pdf

Inland Revenue has also introduced a formal testing and accreditation service for the software developer called the Payroll Standard Accreditation scheme. You may want to consider using this service to have your software formally evaluated against the Inland Revenue Payroll Standard to ensure that your software satisfies IR requirements. Details are available on the IR website: www.inlandrevenue.gov.uk/ebu/payroll_accred.htm

In built error checking incorporating the validation routines listed in the NI Guidance for Software Developers is a key requirement of the Payroll Standard and have been included in the Payroll Standard test data available on the IR website: www.inlandrevenue.gov.uk/ebu/testdata.htm

If you would like further information on either the validation routines documented in the NI Guidance or the Payroll Standard, please contact the Payroll Support Unit on 0845 91 59146.

12. Internet Service for PAYE

Employers and their authorised agents can send the following PAYE forms over the Internet:

- P35 - Employer's Annual Return for 2000/20001
- P14 - End-of-Year Summary for 2000/20001
- P38A - Employer's Supplementary return for 2000/20001
- P11D - Return of expenses payments and benefits for 2000/20001
- P11D(b) - Return of Class 1A National Insurance Contributions due for 2000/20001
- P46 - PAYE Employers notice to tax offices

To help software developers produce on line services and software for these forms using the Internet, User Guides and Technical Specifications are available on our website at: www.inlandrevenue.gov.uk/ebu/payee_techpack

Thousands of End of Year returns have been received over the Internet for the 2000/2001 year. Customers tell us that they find the IR Online forms easy to navigate and smaller employers say they are happy to use them. Others tell us they would prefer to use their commercial payroll package to send returns to us by Internet.

We have recently introduced information to enable testing for the following forms:

- Works Number Update
- P45(1) – Details of Employee Leaving Work – copy for tax office
- P45(3) – New Employee Details for completion by new employer
- PENNOT – Pension notification form

User Guides and Technical Specifications are now available for these forms so that software products can be developed.

Later this year we plan to introduce the following forms:

- P6 – Notice of Coding issued to Employers
- P9 – Annual Coding issued to Employers

User Guides and Technical Specifications will be available shortly. Please keep checking www.inlandrevenue.gov.uk/ebu/payee_techpack for the latest information.

We have on our Electronic Business Unit, a team dedicated to support software developers and help them test their products. Contact us on tel: 01274 534666 or email us at: SDSTeam@ir.gsi.gov.uk

13. PAYEE – Electronic Data Interchange (EDI)

An updated **Message Implementation Guidelines (MIG) Issue 3.3** will be released shortly. Amongst other things this will contain updates for the Forms P14, P11D, P35, P38A, P38(S) and P11D(b) for the next tax year.

- The CONTRB message is updated to handle Forms P14 for the tax year 2001-2002.
- The BENFIT message is updated to handle Forms P11D for the tax year 2001-2002.
- The DECLAR message is introduced to handle Forms P35/P38A/P38(S) and P11D(b) for the tax year 2001-2002.

An entry will be made on the 'What's New' section of the IR website www.inlandrevenue.gov.uk as soon as this document is available.

To register to use EDI, or resolve any questions you have, please contact the Electronic Business Unit Helpdesk.

14. Next issue of these Notes

The next issue of these Notes is scheduled to follow the Chancellors Pre-Budget announcement in November 2001.

15. Mailing List for these Notes

Requests to be included on (or deleted from) the mailing list and notifications of address changes should be put in writing and sent to:

**“Inland Revenue Notes for Payroll Software Developers”,
PO Box 1460,
Bristol BS99 3NW.**

Or you can email: irnotes@reply.co.uk

16. Contacts for enquiries

*If you require further information about any of the subjects included in these Notes, please ring the Helpline numbers quoted **before** contacting the Electronic Business Unit.*

Any other query you have about the contents of the “Specification” or the “Inland Revenue Notes for Payroll Software Developers” should be made to:

Electronic Business Unit,
Crown House,
Victoria Street,
Shipley,
West Yorkshire BD17 7TW.

Telephone: **0845 60 55 999**
Fax: **01274 534618**
E-mail: **helpdesk@ir-efile.gov.uk.**

General payroll enquiries should be directed to your local Inland Revenue Office or to the Employer’s Helpline whose number is **0845 7 143 143**

Please note, that EBU cannot deal with change of mailing address information, which should be directed to ‘PO Box 1460’ as detailed above.

Note to employer

Complete this return for a director, or an employee who earned at a rate of £8,500 a year or more during the year 6 April 2001 to 5 April 2002. Do not include expenses and benefits covered by a dispensation or PAYE settlement agreement. Read the P11D Guide and booklet 480, Chapter 24, before you complete the form. Send the completed P11D and form P11D(b) to the Inland Revenue office by 6 July 2002. You must give a copy of this information to the director or employee by the same date. The term employee is used to cover both directors and employees throughout the rest of this form.

Note to employee

Your employer has filled in this form. Keep it in a safe place as you may not be able to get a duplicate. You will need it for your tax records and to complete your 2001-02 Tax Return if you get one. Your tax code may need to be adjusted to take account of the information given on this P11D. The box numbers on this P11D have the same numbering as the Employment Pages of the Tax Return, for example, 1.12. Include the total figures in the corresponding box on the Tax Return, unless you think some other figure is more appropriate.

Employer's details

Employer's name

PAYE tax reference

Employee's details

Employee's name

If a director tick here

Works number /department

National Insurance number

Employers pay Class 1A National Insurance contributions on most benefits. These are shown in boxes which are brown and have a 1A indicator

A	Assets transferred (cars, property, goods or other assets)	Cost/ Market value	Amount made good or from which tax deducted	Cash equivalent	
	Description of asset	£	£	1.12	£
B	Payments made on behalf of employee			1.12	£
	Description of payment			1.12	£
	Tax on notional payments not borne by employee within 30 days of receipt of each notional payment			1.12	£
C	Vouchers or credit cards	Gross amount	Amount made good or from which tax deducted	Cash equivalent	
	Value of vouchers and payments made using credit cards or tokens	£	£	1.13	£
D	Living accommodation			Cash equivalent	
	Cash equivalent of accommodation provided for employee, or his/ her family or household			1.14	£
E	Mileage allowance	Gross amount	Amount made good or from which tax deducted	Taxable payment	
	Car and mileage allowances paid for employee's car	£	£	1.15	£
F	Cars and car fuel	If more than two cars were made available, either at the same time or in succession, please give details on a separate sheet			
		Car 1	Car 2		
	Make and Model	<input type="text"/>	<input type="text"/>		
	Date first registered	<input type="text"/>	<input type="text"/>		
	Dates car was available	From <input type="text"/> to <input type="text"/>	From <input type="text"/> to <input type="text"/>		
	<i>Only enter a 'from' or 'to' date if the car was first made available and/or ceased to be available in 2001-02</i>				
	Business mileage used in calculation	2,499 or less <input type="checkbox"/>	2,500 to 17,999 <input type="checkbox"/>	18,000 or more <input type="checkbox"/>	
	<i>Tick only one box for each car. If the car was not available for part of the year, the business mileage limits are reduced proportionately.</i>				
	Enter engine size and tick type of fuel	Engine size in cc <input type="text"/> cc	Engine size in cc <input type="text"/> cc		
	<i>only if there is a car fuel scale charge</i>	Petrol <input type="checkbox"/> Diesel <input type="checkbox"/>	Petrol <input type="checkbox"/> Diesel <input type="checkbox"/>		
	List price of car	£ <input type="text"/>	£ <input type="text"/>		
	<i>If there is no list price, or if it is a classic car, employers see booklet 480; employees see leaflet IR172</i>				
	Price of optional accessories fitted when car was first made available to the employee	£ <input type="text"/>	£ <input type="text"/>		
	Price of accessories added after the car was first made available to the employee	£ <input type="text"/>	£ <input type="text"/>		
	Capital contributions (maximum £5,000) the employee made towards the cost of car or accessories	£ <input type="text"/>	£ <input type="text"/>		
	Amount paid by employee for private use of the car	£ <input type="text"/>	£ <input type="text"/>		
	Cash equivalent of each car	£ <input type="text"/>	£ <input type="text"/>		
	Total cash equivalent of all cars available in 2001-02			1.16	£
	Cash equivalent of fuel for each car	£ <input type="text"/>	£ <input type="text"/>		
	Total cash equivalent of fuel for all cars available in 2001-02			1.17	£

G Vans Cash equivalent of all vans made available for private use **1.18** £ **1A**

H Interest-free and low interest loans
If the total amount outstanding on all loans does not exceed £5,000 at any time in the year, there is no need for details in this section.

	Loan 1	Loan 2
Number of joint borrowers (if applicable)	<input type="text"/>	<input type="text"/>
Amount outstanding at 5 April 2001 or at date loan was made if later	£ <input type="text"/>	£ <input type="text"/>
Amount outstanding at 5 April 2002 or at date loan was discharged if earlier	£ <input type="text"/>	£ <input type="text"/>
Maximum amount outstanding at any time in the year	£ <input type="text"/>	£ <input type="text"/>
Total amount of interest paid by the borrower in 2001-02— enter "NIL" if none was paid	£ <input type="text"/>	£ <input type="text"/>
Date loan was made in 2001-02 if applicable	<input type="text"/> / <input type="text"/> / <input type="text"/>	<input type="text"/> / <input type="text"/> / <input type="text"/>
Date loan was discharged in 2001-02 if applicable	<input type="text"/> / <input type="text"/> / <input type="text"/>	<input type="text"/> / <input type="text"/> / <input type="text"/>
Cash equivalent of loans after deducting any interest paid by the borrower	1.19 £ <input type="text"/> 1A	1.19 £ <input type="text"/> 1A

I Private medical treatment or insurance

	Cost to you	Amount made good or from which tax deducted	Cash equivalent
Private medical treatment or insurance	£ <input type="text"/>	£ <input type="text"/>	1.21 £ <input type="text"/> 1A

J Qualifying relocation expenses payments and benefits
Non-qualifying benefits and expenses go in N and O below

Excess over £8,000 of all qualifying relocation expenses payments and benefits for each move **1.22** £ **1A**

K Services supplied

	Cost to you	Amount made good or from which tax deducted	Cash equivalent
Services supplied to the employee	£ <input type="text"/>	£ <input type="text"/>	1.22 £ <input type="text"/> 1A

L Assets placed at the employee's disposal

	Annual value plus expenses incurred	Amount made good or from which tax deducted	Cash equivalent
Description of asset <input type="text"/>	£ <input type="text"/>	£ <input type="text"/>	1.22 £ <input type="text"/> 1A

M Shares
 Tick the box if during the year there have been share-related benefits for the employee

N Other items (including subscriptions and professional fees)

	Cost to you	Amount made good or from which tax deducted	Cash equivalent
Description of other items <input type="text"/>	£ <input type="text"/>	£ <input type="text"/>	1.22 £ <input type="text"/> 1A
Description of other items <input type="text"/>	£ <input type="text"/>	£ <input type="text"/>	1.22 £ <input type="text"/>
Income tax paid but not deducted from director's remuneration			1.22 £ <input type="text"/> Tax paid

O Expenses payments made to, or on behalf of, the employee

	Cost to you	Amount made good or from which tax deducted	Taxable payment
Travelling and subsistence payments	£ <input type="text"/>	£ <input type="text"/>	1.23 £ <input type="text"/>
Entertainment (trading organisations read P11D Guide and then enter a tick or a cross as appropriate here) <input type="checkbox"/>	£ <input type="text"/>	£ <input type="text"/>	1.23 £ <input type="text"/>
General expenses allowance for business travel	£ <input type="text"/>	£ <input type="text"/>	1.23 £ <input type="text"/>
Payments for use of home telephone	£ <input type="text"/>	£ <input type="text"/>	1.23 £ <input type="text"/>
Non-qualifying relocation expenses (those not shown in sections J or N)	£ <input type="text"/>	£ <input type="text"/>	1.23 £ <input type="text"/>
Description of other expenses <input type="text"/>	£ <input type="text"/>	£ <input type="text"/>	1.23 £ <input type="text"/>

Use from April 2002 onwards

Employer's name

Employer's phone number

Employer reference number

Employee's or Director's name

Employee's or Director's National Insurance number

You must complete this form if there is a change that affects car benefits for an employee earning at the rate of £8,500 a year or more or a director for whom a car is made available for private use. Complete and return this form within 28 days of the end of the quarter to 5 July, 5 October, 5 January or 5 April in which the change takes place. Part 1, below, shows the changes that you must report on this form.

Part 1

1 to 5 below: ✓ whichever applies

1 We provided the employee or director with a first car, which is available for private use.

2 We replaced a car provided to the employee or director by another car, which is available for private use.

- If the employee has more than one car available for private use, please give details of the car that has been replaced

Make

Model

Engine size cc

3 We provided the employee or director with a second or further car, which is available for private use.

4 The employee has started to earn at the rate of £8,500 a year or more or has become a director.

5 We have withdrawn a car provided to the employee or director and have not replaced it.

• Date withdrawn / /

- Please give details of the car withdrawn

Make

Model

Engine size cc

- ▶ If you have ticked box 5, there is no need to complete Parts 2, 3, 4 and 5. Go straight to the Declaration at the bottom of the next page.

Please turn over

Part 2 Details of the car provided: make, model and fuel type

- Make and model
- Engine size cc
- Please one of these boxes to show the category into which the engine size falls
 - up to 1400cc
 - 1401 - 2000cc
 - 2001cc or more
 - no engine size
(for example, electric car)
- Date first registered / /
- Type of fuel or power used

Type	Key letter
- Petrol	P
- Diesel	D
- Euro IV emissions standard diesel <i>See car registration form</i>	L

Alternative fuel/power types

- Hybrid electric
A hybrid electric car combines a petrol engine with an electric motor. H
- Electricity only E
- Bi-fuel
*For a gas and petrol car that had an approved CO₂ emissions figure for **gas** at first registration.* B
- Conversion or older bi-fuel
*For a gas and petrol car that only had an approved CO₂ emissions figure for **petrol** at first registration.* C

Enter the appropriate key letter (one of the above) in this box for the type of fuel or power used

If you think that the car uses a type of fuel that is not mentioned here, please contact your Inland Revenue office.

Part 3 Carbon dioxide (CO₂) emissions

- If the car was first registered on or after **1 January 1998**, give details of the **approved** CO₂ emissions figure at the date of first registration
 grams of CO₂ per kilometre
- If you have not filled in a figure for approved CO₂ emissions, please show the reason
 - Car was first registered before 1998
 - 1998 or later car for which there is no approved CO₂ emissions figure
(for example, some personal imports from outside the European Community)

Part 4 Details of car provided: price and employee contributions

- Price of the car (*not the price actually paid, but the price for tax purposes - normally the list price at the date of first registration*) £
- Price of accessories not included in the price of the car £
- Date the car was first made available to the employee / /
- Capital contribution (if any) made by the employee towards the cost of the car and for accessories £
- Sum that the employee is required to pay (if any) for private use of the car £
 - a week
 - a month
 - a quarter
 - a year

Part 5 Fuel for private use

- Is fuel for private use provided with this car?
Tick 'Yes' if the employee is provided with any fuel at all for private use, including any combination of petrol and gas, or the provision of petrol for a hybrid electric car. Do not tick 'Yes' if only electricity is provided.

Yes No

If yes, must the employee pay for all fuel used for private motoring **and** do you expect them to continue to do so?

Yes No

Declaration

I declare that the information I have given is correct according to the best of my knowledge and belief.

Signature

Capacity in which signed

Date / /

CA51/52 (2001/2002) – Acceptable Media

4mm DAT

DDS-1 (2/4GB)
 DDS-2 (4/8GB)
 DDS-3 (12/24GB)

8mm Exabyte

8200 (2.3GB)
 8200C (5GB)
 8500 (5/7GB)
 8500C (10/14GB)

1/4" QIC (DC600)

QIC-24 (60MB)
 QIC-120 (120MB)
 QIC-150 (150MB)
 QIC-250 (250MB)
 QIC -525 (525MB)
 QIC-1000 (1GB)
 QIC-2GB (2.5/5GB)
 QIC-4/8GB
 QIC-12/24GB
 QIC-13/26GB
 QIC-16/32GB
 QIC-20/40 GB
 QIC-25/50GB
 QIC-30/60GB

1/4" QIC (DC2000)*

QIC-40 (40MB)
 QIC-80 (80-250MB)
**Supported by third-party Windows software only*

1/2" 9-track ORT

800 bpi
 1600 bpi
 3200 bpi
 6250 bpi (150MB approx)

Digital Linear Tape/DEC TK

DEC TK50 (50MB)
 DEC TK70 (70MB)
 DLT 2000 (10/20GB)
 DLT 4000 (20/40GB)
 DLT 7000 (35/70GB)
 DLT 8000 (40/80GB)

IBM 3590

128-track (10/20GB)

IBM 3480/90

3480 18-track (220MB)
 3490 18-track compressed (1GB)
 3490E 36-track compressed (2.2GB)

Flexible (floppy) disks

3.5"
 5.25"
 8"

InterMedia can read most common disk formats. However as there are currently over 4,000 it is not possible to list them all.