

Pensioner Payroll Standard



The Pensioner Payroll Standard helps pension payers to identify payroll software products or services with the essential features necessary to calculate PAYE and to perform a range of other payroll functions.

Payroll software developers can apply to have their products or services tested against the Pensioner Payroll Standard. Products or services that successfully pass the test and receive accreditation can display the HM Revenue & Customs (HMRC) Pensioner Payroll Standard logo on their marketing material. The accreditation is free and a summary of the process is on page 4 of this document.

Employers who want to buy accredited software should note that the Pensioner Payroll Standard:

- is a minimum requirement and some products or services may exceed the requirements listed in this document
- does not include every possible payroll function and accreditation is not a guarantee that a particular software product or service will suit your business (please read this document in full before purchasing an accredited product)
- does not assess how easy a product or service is to use or what costs are involved.

Pension payers can find out which payroll products or services have been accredited by visiting our website, go to www.hmrc.gov.uk/ebu/acclist.htm

The Pensioner Payroll Standard is updated periodically to show changes in legislation and is available to view and download from our website, go to www.hmrc.gov.uk/ebu/payroll.htm

The requirements of the Pensioner Payroll Standard, as shown on pages 2 and 3, must be satisfied before a payroll product or service can be accredited.

The Pensioner Payroll Standard has been introduced to allow accreditation of products or services designed to pay pensions and annuities. Payroll products or services that can only pay pensions and annuities are not suitable for paying employees, but you may find some that can do both.

Guidance for software developers

References are made to technical specifications in the standard. These technical documents and their locations are:

- *Validation rules* - Online Services: Quality Standard Validation Specifications, go to www.hmrc.gov.uk/ebu/qual_stand.htm
- *Payroll tests* - Online Services: Payroll Test Data, go to www.hmrc.gov.uk/ebu/testdata.htm Use these tests to check if you will meet the Payroll Standard requirements
- *PAYE specification* - PAYE Tax Tables Routine, go to www.hmrc.gov.uk/ebu/ebu_paye_ts.htm as amended by later issues of Notes for Payroll Software Developers, go to www.hmrc.gov.uk/comp

- CWG2 - *Employer Further Guide to PAYE and NICs*, go to www.hmrc.gov.uk/guidance/cwg2.pdf
- *Technical specifications* - PAYE Online for Employers, go to www.hmrc.gov.uk/ebu/ebu_paye_ts.htm and Online Services: User Guides, Technical Specifications and Notes for Software Developers, go to www.hmrc.gov.uk/ebu/ebu4.htm
- *Attachment Orders guide* - Attachment Orders, a guide for employers, go to www.hmrcourts-service.gov.uk/courtfinder/forms/aehandbook_e.pdf

1 General

The software must:

- 1.1 support monthly pay frequencies
- 1.2 provide the information needed to support monthly/quarterly payments made to HMRC as shown on form P32
- 1.3 allow the creation of new starters in any pay period
- 1.4 allow a person to be made a leaver in any pay period (while retaining leaver details until the end of the tax year) and meet P45 requirements
- 1.5 provide the details for the P14 return for all relevant people (including leavers)
- 1.6 provide payroll related data/figures for the P35 return
- 1.7 provide each person on the payroll at 5 April, who has a completed form P11 or equivalent record, with a certificate form P60
- 1.8 carry forward data on the record of everyone who is on the payroll at 5 April and is not a leaver to enable the payroll to be reset for the start of the new tax year
- 1.9 provide a record of payments and deductions in a form suitable for a compliance review by HMRC compliance/assurance staff
- 1.10 allow payroll data to be aligned correctly on Government issued pre-printed forms and payslips
- 1.11 include built-in checking to ensure that statutory returns cannot be created with invalid data
- 1.12 provide on-screen help, online help or phone helpline services under the conditions set out in the Software Licence Agreement. There must be no additional charge to disabled customers for these services (in accordance with Section 19(1)(d) of the Disability Discrimination Act 1995)
- 1.13 The marketing material must specify how annual updates are made and any charges involved.

Payroll software developers should refer to the *Validation rules*, CWG2 and *Payroll tests*. See page 1 for further details.

2 PAYE

The software must be able to:

- 2.1 calculate, deduct (or refund) and record tax in accordance with PAYE regulations
- 2.2 input all valid tax code numbers, including the Scottish Variable Rate indicator if and when it is introduced
- 2.3 handle specific tax codes on a month 1 and cumulative basis
- 2.4 record and action in-year tax code changes including tax code uplifts.

Payroll software developers should refer to the *PAYE specification*, CWG2 and *Payroll tests*. See page 1 for further details.

3 Electronic returns

The software must be able to make electronic returns to HMRC using the internet and/or by Electronic Data Interchange (EDI).

- 3.1 The software must:
 - have recognition from the HMRC Software Developers Support Team (SDST) for the return of a single complete end of year return which includes P14s and the corresponding P35or, where it is not possible for the software to collate all the P14/P35 data, for example when the data from separate payrolls for the same pension paying organisation is not available, then the following is acceptable:
 - have recognition from SDST for the return of end of year P14s in parts plus recognition for either the return of a single P35 part submission or the ability to provide the figures that are required to complete a P35.
- 3.2 Accredited products or services must have recognition from SDST for the latest versions of the online P45(1) and P46(PEN).
- 3.3 The marketing material must:
 - where there are additional charges for the provision of electronic filing services, specify the charges that will be made
 - indicate whether internet or EDI is used for electronic returns
 - indicate if the P35 cannot be filed by the software.

Payroll software developers should refer to the *Validation rules* and *Technical specifications*. See page 1 for further details.

4 Statutory deductions

The software must be able to record and deduct all types of attachment/arrestment orders and Deduction from Earnings Orders.

Payroll developers should refer to the *Attachment Orders guide* and *Payroll tests*. See page 1 for further details.

Support for Pensioner Payroll Standard

Free payroll test data is available on our website, go to www.hmrc.gov.uk/ebu/testdata.htm This data is similar to the test data used during the accreditation process. Developers can use this data to test changes to their software and assess whether their products or services meet the requirements of the Pensioner Payroll Standard shown on pages 2 and 3.

HMRC actively promotes the Pensioner Payroll Standard to employers and lists accredited software products on its website, go to www.hmrc.gov.uk/ebu/acclist.htm.

Support and technical advice will be provided on all Pensioner Payroll Standard requirements to help developers through the accreditation process.

The Pensioner Payroll Standard Accreditation Scheme

The Pensioner Payroll Standard Accreditation Scheme is free and operated by HMRC. Registration forms for the scheme are available on our website, go to www.hmrc.gov.uk/ebu/payroll_accred.htm

On receipt of the completed registration form an accreditation test pack will be issued to the software developer. The completed tests should then be returned for checking. Time will be given to correct any errors before we visit the developer's premises to run further tests on the payroll software. The time taken to complete the accreditation process will depend on how quickly the developer can successfully complete these tests. When the software satisfies the Pensioner Payroll Standard requirements the Pensioner Payroll Standard logo is awarded. Full details of the accreditation process can be found on our website, go to www.hmrc.gov.uk/ebu/payroll_accred.htm

Any software developer can apply to have their payroll product or services tested, whether or not it is used by small employers, a large corporation or a bureau. Employers who have developed their own payroll software in-house can also apply.

HMRC does not accept any responsibility for incorrect use of accredited payroll products or services.

The Pensioner Payroll Standard logo may be awarded on any date during the year and is valid for 12 months from that date. Accredited products or services must be retested after 12 months to retain their accredited status.

The software developer is responsible for keeping their accredited payroll software up to date with changes to legislation, the Pensioner Payroll Standard and other HMRC guidance during the period of accreditation. This is in accordance with the terms and conditions of the Pensioner Payroll Standard Accreditation Scheme.

For help and advice

For advice on the Pensioner Payroll Standard and accreditation scheme go to www.hmrc.gov.uk/ebu/payroll_accred.htm

For general enquiries about our online services contact the Online Services Helpdesk:

- phone **0845 60 55 999**
open from 08.00am to 08.00pm, seven days a week including bank holidays (except Christmas Day, Boxing Day and New Year's Day), or
- email helpdesk@ir-efile.gov.uk

For help and advice on the online filing requirements of the Pensioner Payroll Standard, contact the Software Developers Support Team:

- phone **01274 539 666**
open from 09.00am to 05.00pm, Monday to Friday, or
- email SDSteam@hmrc.gsi.gov.uk

Your rights and obligations

Your Charter explains what you can expect from us and what we can expect from you. For more information go to www.hmrc.gov.uk/charter