

# Do it online: Get ready!

Fewer than 50 employees? You will get £250 tax-free if you or your agent send your 2004-05 Employer's Annual Return (P14s and P35) online.

## About this pull-out and keep guide

This guide tells you about getting ready to file your Return online and what to do if an agent or payroll bureau helps you with your payroll.

'Online filing' means sending information direct to our computer. It is secure, convenient and quick.

You do not need to own a computer to file online. An agent who helps run your payroll can file online for you.

[www.inlandrevenue.gov.uk/payonline](http://www.inlandrevenue.gov.uk/payonline)

## Online filing at a glance!

Use this flow chart to see what you have to do.

Will an agent help you send your 2004-05 Employer's Annual Return?

YES

NO

Will your agent send both the P14s and P35 online?

To get your £250 if you have fewer than 50 employees you must:

- register for our online services
- choose commercial software or our free Online Return and Forms - PAYE
- send your Return online.

YES

NO

To get your £250 if you have fewer than 50 employees you must:

- register for our online services
- agree with your agent who will send in what information
- choose commercial software or our free Online Return and Forms - PAYE
- make sure your agent sends their part of the Return online
- send your part of the Return online.

**Remember:** give your agent your payroll records when he or she needs or asks for them.

## Getting ready to file online

Your 2004-05 Employer's Annual Return is due by 19 May 2005.

Employers with 250 or more employees must file online. Employers with fewer than 250 employees can still use paper or magnetic media for 2004-05, but magnetic media is not online filing. If you have fewer than 50 employees you will get £250 only if you file online.

From April 2005, all Returns must meet the same level of quality, however they are sent.

**You can send your Return online using:**

**commercial payroll software -**

[www.inlandrevenue.gov.uk/payrollsoftware](http://www.inlandrevenue.gov.uk/payrollsoftware) has a list of software that you can use to send your Return over the Internet, as well as details of Inland Revenue accredited software that can help you with day-to-day payroll, or **Online Return and Forms - PAYE** - the Inland Revenue's free service. See 'Using Online Return and Forms - PAYE', in this guide.

## Using an agent

You can ask an agent or payroll bureau to file online for you and still get £250 if you have fewer than 50 employees. Your agent must be registered for online filing and be able to send Returns online.

You must check if your agent is going to send the P14s and the P35 online for you. You will need to send some of the information online yourself if they are not and you still want to get £250 (see 'Sending Returns in Parts').

Remember to give your agent your payroll information when he or she needs or asks for it to make sure we get your Return by 19 May 2005.

## Registering for online services

If you want to send all or part of your Return online, or you want to use some of our other PAYE online services, you must register for PAYE Online for Employers - Internet at [www.inlandrevenue.gov.uk](http://www.inlandrevenue.gov.uk). Go to 'PAYE for employers' under 'do it online'.

Registration has five easy steps:

1. 'About you'
2. 'Create Password'
3. 'Enter details' (including your PAYE and Accounts Office references)
4. 'Accept terms and conditions'
5. 'Note User ID'.

The screenshot shows the 'Registration: Online Services for Organisations' page. It features a progress bar with five steps: 1. About you, 2. Create Password, 3. Enter details, 4. Accept T&Cs, and 5. Note User ID. A 'Receive Activation PIN' step is shown as a separate box. Below the progress bar, there is a note: 'When you reach step 5 we will display your 'User ID'. Please make a note of this and keep it safe. We will post you a copy of your User ID and one Activation PIN per service. You should receive your Activation PIN(s) in the post within 7 days. Before you can make full use of the services, for security reasons you will need to login to our Online Services with your User ID and Password and enter your Activation PIN(s). Some of our online filing services are available immediately after registering but you will not be able to submit anything to us until you have received your Activation PIN and activated the service.' Navigation buttons for 'Back' and 'Next' are visible at the top and bottom of the page.

The Accounts Office reference number shown on your paying-in book may include zeros straight after the two letters. If you get an error message when registering saying 'Either the details you have entered are incorrect or you have already enrolled for this service', try re-entering your Accounts Office reference without the zeros.

You will need your User ID and Password to use our online services. Within seven days you will get a User Identity confirmation letter with a card showing your User ID, along with a letter showing your Activation PIN (one for each online service you choose).

**Remember:** to use PAYE Online for Employers - Internet you must activate the service within 28 days of registering. So make sure you register in plenty of time to send your Return by 19 May.

To activate, go to [www.inlandrevenue.gov.uk](http://www.inlandrevenue.gov.uk) and select 'PAYE for employers' under 'do it online'. Enter your User ID and Password. You will be asked to enter your Activation PIN on screen the first time you go into PAYE Online for Employers - Internet after registering.

## National Insurance numbers

Every P14 must show the correct National Insurance number. From 2004-05, your Return will be rejected if the P14s show temporary National Insurance numbers ('TN' plus date of birth and gender).

If you use temporary National Insurance numbers on your software, remember to change them to the correct number before you send your Return.

If you cannot trace the number before sending the Return, leave the National Insurance number box on the P14 empty and put the date of birth and gender in the right boxes. Use 01011901 if you cannot get the date of birth before you send your Return.

Or use the 'NINO not known' box on the Employees Details screen if you are using Online Return and Forms – PAYE.

## Testing your Return

To check if your Return will pass our quality standards (see 'Meeting our quality checks'), we recommend that you test some P14s as soon as you have finished them, while you work on the rest of your Return.

From 6 April 2005, you or your agent can test online Returns before sending them for real, as long as your software lets you.

If you use commercial software you can test any part of the Return when it is ready, even if you want to file in parts or not (see 'Sending Returns in parts').

You can also test part or complete Online Return and Forms - PAYE submissions. But if you test your Return in parts you must send the final Return in parts.

## Using Online Return and Forms - PAYE

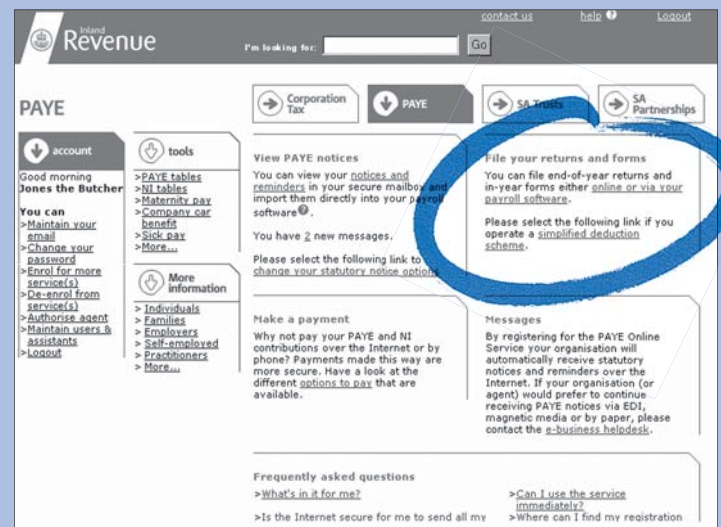
If you send fewer than 50 P14s you can use our free Online Return and Forms - PAYE to send your Employer's Annual Return online. And all employers can use Online Return and Forms - PAYE to send part of a Return (see 'Sending Returns in parts').

From April 2005 you can also:

- send P14 and P35 amendment information
- send cessation information
- send information during the tax year, like P45s and P46s, in batches.

To get to Online Returns and Forms – PAYE:

- go to [www.inlandrevenue.gov.uk](http://www.inlandrevenue.gov.uk)
- click on 'PAYE for employers' under 'do it online'
- enter you User ID and Password
- click on 'online or via your payroll software' (as shown)
- select 'PAYE software'.



To send a Return, build up a list of your employees on screen, then complete their P14s and send them with your P35.

## Sending Returns in parts

You can send Returns in parts from different sources and in various ways. For example, your agent sends your P14s and you send the P35 online or on paper. (Remember you will only get your tax-free payment where you have fewer than 50 employees and you send all of the parts

of your Return online. Parts sent on paper or magnetic media will not count.)

Online Return and Forms - PAYE, or commercial software that lets you file in parts, will ask you for a Unique Identifier before you send a part.

The Unique Identifier can be anything that you find easy to remember. Every part made up of P14s that you send for the same PAYE reference must have a different Unique Identifier.

Whoever sends the P35 must tell us exactly how many P14 parts are being sent in total.

Part Returns sent on paper or by magnetic media must show the Unique Identifier on the cover sheet for that part.

## Meeting our quality checks

2004-05 Returns must pass all our quality checks.

Whoever sends your online Return will get an e-mail saying if your Return has failed our checks and why.

Returns sent on paper or magnetic media will be sent back to you for correction, if they fail our initial quality checks.

To avoid a late filing penalty, you must put right any mistakes and send your Return again by 19 May 2005.

We may also reject paper and magnetic media Returns when we carry out more checks later on. Again, you must put right any mistakes and send your Return back to us quickly.

## Making changes to your Return

You can replace a part Return at any time up to when we accept the whole Return. If you need to make changes after that, you must send a new P14 and P35 showing what the changes are.

From April 2005, you can send amendment information online.

You must write to your Inland Revenue office when you send an amendment, explaining why you have made changes to your Return.

## Getting your tax-free payment

We will write and tell you if you are entitled to £250 where you have fewer than 50 employees. This will happen when we have accepted your online Return for 2004-05.

Your tax-free payment will be automatically credited to your PAYE account. But your letter will tell you who to get in touch with if you would like the tax-free payment back as a repayment.

For 2004-05, the tax-free payment could take until late June to be credited to your PAYE account. In the meantime, you can reduce the amount of tax and National Insurance that you pay over in either May or June 2005 by £250. Do not deduct £250 from any payment made for months eleven, twelve or thirteen of 2004-05.

## Penalties

You could be liable to a penalty if you do not file your Employer's Annual Return by 19 May 2005. And if you must send your Return online, you will face another penalty if any part of your Return comes in on paper or magnetic media.

You may also face a penalty later on if we think that your Return was not complete because of neglect or fraud.

## Getting Help

- Go to [www.inlandrevenue.gov.uk/employers/onlineindex.htm](http://www.inlandrevenue.gov.uk/employers/onlineindex.htm) for *Do it online: Your guide to filing PAYE returns and paying electronically*, which tells you everything you need to get started online.
- Or see our *Do it online: Online filing and electronic payment handbook*, which gives you more information about registering and details of how to send your Return in parts.
- Our booklet '*Finishing the tax year 2005*' (E10) tells you how to complete your Employer's Annual Return.

All are available on your Employer's CD-ROM, along with an online filing video.

- Call our Online Services Helpdesk on 0845 60 55 999.
- Contact a Business Adviser at [www.inlandrevenue.gov.uk/bst](http://www.inlandrevenue.gov.uk/bst)