

Do it online

Your online
filing choices
– a pull-out and
keep handy guide

Can you qualify for
up to £825 tax-free?
See inside!

About this guide

For more – go to

This pull-out guide gives you a quick and easy summary of the two ways of filing your end of year PAYE returns online.

'Online filing' means sending information straight to our computer, cutting out paper.

This guide will help you choose the online filing way that suits you best, and tells you what you will need.

www.inlandrevenue.gov.uk/payeonline

If you have 250 or more employees, you must file online starting with your 2004-05 end of year return (due by 19 May 2005).

If you have fewer than 50 employees, you do not have to start filing online yet. But you can get **up to £825 tax-free over five years** – enough to buy a computer – if you file online early. To qualify, file online for 2004-05 or any later year up to 2008-09. Start from 2004-05 to get the maximum. (Go to www.inlandrevenue.gov.uk/825 for more.)

For more details about online filing:

- go to www.inlandrevenue.gov.uk/payeonline
- read *Do it online: Your guide to filing PAYE returns and paying electronically* or the more detailed *Do it online: Online filing and electronic payment handbook*. (Both are on your *Employer's CD-ROM 2004 (Budget Edition)*, the Internet, or you can get a free copy by dialling 0845 7 646 646).



YOUR ONLINE FILING OPTIONS

You can choose how to do your online filing. The options are:

- **an agent or payroll bureau**, who will file online for you

or our secure **PAYE Online for Employers** service which lets you file online using:

- the Internet or
- Electronic Data Interchange, which sends information to us over a secure phone line.

Magnetic media (magnetic tapes, open reel tape, CD-ROMs and cartridges) are not an online filing option. If you are using magnetic media now, you will need to switch to online filing.

AN AGENT OR PAYROLL BUREAU

An agent or payroll bureau can file online for you.

Ideal for:

- anyone who prefers to let someone else run their payroll.

Why it might be the best option for you:

- your agent or payroll bureau will run your payroll and file online for you
- you do not need a computer or an Internet connection

- if you have fewer than 50 employees, you can still get up to £825 tax-free for filing online early if an agent or payroll bureau does it online for you.

Things to think about:

- you need to pay for the service you get. But this may cost a lot less than you think
- you are still responsible for making sure that your end of year return is complete and filed online.

■ THE INTERNET

Ideal for:

- most employers!

Why it might be the best option for you:

- secure, quick, convenient, efficient and reliable
- cuts down on paper, storage space, post and administration
- send and receive a whole range of Revenue forms online
- fewer mistakes because information passes between computers
- if you have fewer than 50 employees, you can get up to £825 tax-free for filing online early
- secure mailbox for things like Coding notices
- get an instant acknowledgement that we have got your return.

Things to think about:

- unless you get an agent or payroll bureau to do it online for you, you will need a computer, Internet access, and time online. Internet packages start from around £10 a month
- you will need computer software to file online. You can find out more about the software products you can use, including our free Online Return and Forms – PAYE product, at www.inlandrevenue.gov.uk/efiling/payee/payee_software_forms.htm

For more:

- go to www.inlandrevenue.gov.uk/payeeonline
- see your *Employer's CD-ROM 2004 (Budget Edition)*.

■ ELECTRONIC DATA INTERCHANGE

Ideal for:

- employers who have thousands of employees, or a high turnover of staff
- employers who already use Electronic Data Interchange in their business
- payroll and pension bureaux
- contractors in the construction industry.

For more:

- go to www.inlandrevenue.gov.uk/edi