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Employer PAYE Reference: payeref

September 2008

Are you filing your PAYE in-year forms online?

We received 4.6 million employee starter and leaver forms over the Internet last year.

If you are not already sending PAYE in-year forms online (forms P45, P46 and some pension information) and you are acting on behalf of an employer with 50 or more employees, you must send this data online from 6 April 2009.

If you are acting on behalf of an employer with fewer than 50 employees, we expect these employers to file their in-year forms online from 6 April 2011. We recommend that you start filing online sooner to get the benefits more quickly. Filing online is quick, secure and convenient.

From April 2009 there will be penalties if an employer with 50 or more employees sends in-year forms to us on paper. But we want to help employers get it right so we are not planning to charge these penalties straight away. After April 2009 if a form is sent on paper, when it should have been sent to us online, we will write to your client to remind them that they should have filed online. We will also offer guidance and support if they need it.

If we continue to receive paper forms after the end of the third quarter in 2009–10, we may charge your client a penalty. From 2010–11 we may charge a penalty whenever we receive a paper form that should have been sent online.

Upgrading our Online Return and Forms – PAYE service

This section only applies to you if you are using our free Online Return and Forms – PAYE service. You are not affected if you use third party software, Electronic Data Interchange (EDI) or paper.

We are making improvements to our Online Return and Forms – PAYE service to cope with increased volumes. There will be a period at the end of October when you or your clients will not be able to send us in-year forms online. We plan to withdraw the service for approximately five days between 22 October 2008 and 27 October 2008. We recommend that you check the Service Availability page on our Internet site nearer the time. This gives details of our online services and tells you about any interruptions to them.

While the service is unavailable, please do not send any forms online. We recommend, and it will be quicker in the long run, that you store any online forms until the service is restored. If your submission is urgent and must be made during this period please send it to us on paper.

If you use third party payroll software, EDI or paper, you and your clients will be able to carry on sending information to us as usual.



What you need to do before we start our upgrade

When we upgrade our Online Return and Forms – PAYE service, we will be **deleting**:

- any data you have sent that relates to a period before April 2005 from the employer's part of the online application
- all unsubmitted data irrespective of the date it was created.

Once this data is deleted you and your clients will no longer be able to access it. We strongly recommend that you, or your clients, review all pre-6 April 2005 information, and any unsubmitted information currently held on our product. You or your clients will need to decide whether you want to:

- **archive submitted information** – by saving it to your own system or printing it off, or
- **send unsubmitted data to us.**

After the upgrade all pre-6 April 2005 submitted information, and any unsubmitted information that you do not archive or submit, will be lost.

After our Online Return and Forms – PAYE product is restored Changes to P9D and P11D Returns for 2007–08

P9 and P11D Returns for 2007–08 should have been submitted to us by 6 July 2008. The facility to use our Online Return and Forms – PAYE service to file P9D and P11D Returns for 2007–08 will now be withdrawn on 22 October 2008, instead of April 2009. Very few employers should be affected but if, exceptionally, an employer still needs to file P9D and P11D Returns for 2007–08 they must do so by early October.

Again, P9D and P11D Returns sent by third party software and EDI are not affected. You will be able to file P9D and P11D Returns for 2008–09 using our Online Return and Forms - PAYE service from April 2009.

Changes to Employer Annual Return 2004–05

Additionally, you or your clients will no longer be able to send any outstanding 2004-05 Employer Annual Returns (P35 and P14s) using our Online Return and Forms – PAYE service from October. Very few employers should be affected.

If you or your clients have an outstanding Annual Return for 2004–05, you must file it by early October 2008.

Any employer who wants to make a 2004–05 submission using our Online Return and Forms – PAYE service after 21 October 2008 will not be able to, and will instead have to make the submission on paper.

The facility to file Employer Annual Returns for 2005–06 onwards will still be available when the service is restored. This service should be restored by 27 October 2008.

Changes to stationery Printing out completed P45s on plain paper

After the upgrade of our Online Return and Forms – PAYE service you or your clients will be able to use the service to print P45s online. Parts 1A, 2 and 3 can be printed on plain A4-sized paper instead of using our pre-printed stationery (although you can carry on using our pre-printed stationery if you want to). Third party payroll software that has been updated will also allow you to do this.

This improvement means that the P45 can be printed off as and when needed, so you will no longer need to keep significant stocks of pre-printed P45s. But you may want to keep a few for contingency purposes.

New A4 size P45

From October 2008, the new A4-size stationery will run alongside the current A5-size stationery until 5 April 2009. The new A4-size versions must be used from 6 April 2009 when the existing pre-printed stationery will be withdrawn.

Some employees may be uncomfortable about the changes to the P45 as they will be very familiar with the look and feel of the existing version. We have tried to give employers ample notice and guidance about the changes we are making so that they can explain to their employees what has happened. You should reassure your clients, and employers should reassure their employees, that although the new P45 looks different, it still has the same purpose.

New form P46 (Expat) from April 2009

In April 2009 we will introduce a new version of the P46, the P46 (Expat). This should only be used for foreign nationals who have been seconded to work in the UK, whilst remaining employed by an overseas employer. You or your clients will be able to send this form online using our Online Return and Forms – PAYE service, third party software, EDI or on paper. However, employers with 50 or more employees will get a penalty if they file on paper.

Employees do not have to complete the pre-printed stationery. Instead, they can provide the information in other ways, including by email, provided that:

- the new employee supplying the information electronically provides exactly the same information as required by the P46 (Expat)
- the employer puts in place adequate safeguards to confirm that it was the in-bound expatriate, and no one else, who provided the information
- an adequate audit trail is maintained and is available to HMRC in support of any future query or compliance visit.

This new form must not be used by UK employers for migrant workers and we do not intend to make the paper form available from the Employer Orderline. Employers will be able to get the paper form from our website, go to www.hmrc.gov.uk There will also be a link provided in *CWG2 Employer Further Guide to PAYE and NICs* which will be included on the 2009 Employer CD-ROM. Some general guidance for employers was also provided in the August 2008 edition of the *Employer Bulletin (Issue 30)*.

Withdrawal of bulk P6 and P9 information by paper list

We will no longer provide bulk tax code changes (P6 and P9 notices) on paper lists after September 2008.

We will send you, or your clients, separate P6 or P9 notices for each individual on paper. However, we strongly recommend that you consider using an online alternative instead. Receiving notices and reminders online is quick, secure and more environmentally friendly.

What online options are open to you and your client?

You can get P6 and P9 Notifications online by using:

- your own payroll software, if it can receive notices online. Also, check with your payroll software provider to see what will be available in the future
- our Data Provisioning Service (DPS). Go to www.hmrc.gov.uk/dps for more information
- EDI. This is a secure way of filing large amounts of information online using a private communications link. It is best suited to employers with tens of thousands of employees, or employers who have a high turnover of employees.

Bulk coding notifications by magnetic media

HMRC currently sends P6 and P9 Annual and Budget Coding data using Magnetic Media to a limited number of agents and employers. Following consultation with agents, employers and software developers, this service will also be withdrawn from April 2009.

There is no change to incoming data on Magnetic Media and you or your clients can continue to submit Employer Annual Returns using this method. However, we do not treat submissions by Magnetic Media as being 'online' and an employer with 50 or more employees who fails to submit an online Employer Annual Return will be charged a penalty.

We will continue to provide you with bulk P6 and P9 data on Magnetic Media until 5 April 2009. That means that you will receive any bulk issue of codes following the Chancellor's announcement to increase the Personal Allowance for 2008–09 and also the annual coding information in March 2009 for 2009–10. But we will not provide magnetic media notifications for any bulk P6 Budget run in April or May 2009.

We strongly recommend that if you or your clients currently receive coding notices by Magnetic Media, you take this opportunity to consider receiving notices using an online option instead.

If you need more help

All the details you need, as well as help and advice about filing in-year forms online, are available on our website. Go to www.hmrc.gov.uk/inyear