



Welcome

Elite Payroll Newsletter

ISSUE NO. 1

JULY 2010



Welcome to the latest news bulletin from Monahans Elite Payroll Bureau.

Designed to keep you informed of the latest news and legislation relating to payroll.

Margaret Chittock

Director of Payroll Services

National Minimum Wage rates to increase

From the 1st of October 2010 the National Minimum Wage rates will increase. I have set out below the revised rates for your information. There are two significant changes to be aware of from 1st October 2010.

21 and over	£5.93
18 – 20	£4.92
16 – 17 (above compulsory school leaving age)	£3.64
Accommodation Offset	£4.61 per day

Apprentice Rate

The Government has accepted a recommendation from the Low Pay Commission to introduce a new Apprentice minimum wage which is £2.50 per hour

The new rate will apply to:

- Apprentices under 19
- Apprentices aged 19 and over, but in their first year of apprenticeship

Adult Rate

The other change is the adult National Minimum Wage rate has been extended to 21 year olds from October 2010. Previously the qualifying age was 22.

PSA (Payment Settlement Agreement)



If you make expense payments to your employees or give them benefits, and you include these in a PAYE Settlement Agreement with H M Revenue &

Customs, any Class 1B liability arising is due to be paid no later than 19th of October 2010

Budget Changes in brief

Tax – Change to Personal Allowance

The personal allowance for people aged under 65 will be increased by £1,000 in April 2011 from the current 647L to 747L.

National Insurance - Change in National Insurance Contributions

National insurance contributions in respect of employee, employer and self employed will increase by 0.5% from April 2011 in addition to the 0.5% increase announced in 2008.

Employee contribution – Increase from 11% to 12% from 6th April 2011

Employer contribution – Increase from 12.8% to 13.8% from 6th April 2011

Further detailed information regarding the changes for 2011/2012 will be sent to you later in the year.



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Statutory Redundancy Payments

The maximum statutory redundancy rate will be frozen at £380.00 per week until February 2011.

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Payment of PAYE - Reminder

Earlier in the year I wrote to you detailing the new penalty to be imposed by H M Revenue & Customs if you do not pay your PAYE/NIC liability due each month on time.

H M Revenue and Customs intend to implement penalties for late payments due for the 2010/2011 tax year. The payment will apply to all employers.

Penalties

The penalties will be a percentage of the amount you pay late. The percentage levied will range from 1% to 4%, depending on the number of late payments in a year. There are also penalties of 5% if any of the PAYE due is still not paid after 6 months.

You will not get a penalty if you have a reasonable excuse for being late, or if you are only late once in a tax year (unless that payment is more than 6 months overdue).

If you do not have anything to pay

If there is a nil liability for a month/quarter please complete and forward the relevant slip from your yellow payslip booklet to the Accounts Office.

Otherwise, telephone 0845 366 7816 quoting your Accounts Office Reference Number.

Making payment of your PAYE via BACS

As a BACS Approved Payroll Bureau we are able to submit payment of PAYE/NIC via BACS submission for those employers who are registered with BACS.

For further information on payment of PAYE/NIC via BACS or to register as a new BACS user please contact Margaret Chittock on 01793 818300.

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