



## Welcome

### Hello and welcome to October's edition of the Employer Bulletin.

There's an assortment of information that may be of interest to you in this edition. You'll find an update on the changes to the valuation of Benefits in Kind on page 2. There's a couple of articles covering the importance of reporting accurate information in your submissions to HMRC – one covering payroll data on page 3 and the other about Construction Industry Scheme submissions on page 4.

Some of you may also be interested in a new support service for growing mid-sized businesses that has recently be launched by HMRC. You can find more details in the article on page 5.

We will continue to use the Employer Bulletin to tell you about new products and changes which may affect you and to give you access to further information if you need it. With that in mind I'd also like to encourage you to sign up to receive an email alert from us each time a new edition of the Employer Bulletin is published. The email alert system is no longer tied to a PAYE reference number meaning that it's no longer just employers who can sign up and there are no restrictions on the number of individuals per company who can receive the alert.

So make sure you don't miss any future updates by signing up to receive one of our [new email alerts](#). You can also follow us on twitter [@HMRCBusiness](#)

And finally our aim is to be able to deliver clear, consistent and timely information which is appropriate for employers and helps you to meet your payroll obligations to HMRC. So, if you have any comments or suggestions about any of the content of the Employer Bulletin or would like to see a specific topic covered, please drop me a line at [Alison.bainbridge@hmrc.gsi.gov.uk](mailto:Alison.bainbridge@hmrc.gsi.gov.uk) Your feedback is always most welcome.

Alison Bainbridge  
Editor

### Content

- 2 Valuation of Benefits in Kind - updates to the P11D and P46 (Car)
- 2 Changes to Business Tax Account for employers
- 3 Data matters - Your payroll submissions
- 3 Paying HMRC
- 3 Paying HMRC at the Post Office

- 4 Construction Industry Scheme
- 4 Student Loans
- 5 Apprenticeships benefit your business
- 5 New support service launched for mid-sized businesses
- 6 The Pensions Regulator: New employer workplace pension duties
- 6 Digitisation of the VAT Retail Export Scheme

# Valuation of Benefits in Kind - updates to the P11D and P46 (Car)

In the [August edition](#) of the Employer Bulletin we told you that the way Benefits in Kind are valued had changed where there is an Optional Remuneration Arrangement (OpRA). This is when the Benefit in Kind (BiK) is provided rather than a cash allowance, as part of a flexible benefit package with a cash option, or with a salary sacrifice arrangement. Where there is an OpRA, the taxable value is now the higher of the cash foregone or the taxable value under the normal BiK rules. This applies to all BiKs, including currently exempt BiKs. Please refer to the [Employment Income Manual](#) for further information.

Arrangements entered into before 6 April 2017 retain their old treatment, but arrangements entered into since 6 April 2017, or arrangements which have been varied or renewed are taxed under the new rules.

## Changes to P11D and P46 (Car) data

To accommodate these changes we are making some changes to the data you submit and you should ensure your payroll software is updated before 6 April 2018. Please check with your software provider if you need to confirm this.

### P11D

Some of the descriptions on the P11D data you submit will change:

- ‘cost to you’ (or similar) descriptors will read ‘cost to you or amount foregone’. If you are using an OpRA, and the amount of cash foregone is higher than the cost to you, you should enter the cash foregone
- ‘cash equivalent’ descriptors will read ‘cash equivalent or relevant amount’. If you are using an OpRA, and the amount of cash foregone is greater than the cost to you (as above), then you should enter the taxable amount (known as the relevant amount).

The making good field title will not change.

For example, if you provide a service which costs you £280 to provide, but there is a salary sacrifice of £300 you previously entered ‘£280’ in the cost to you and ‘£280’ in the cash equivalent fields. This will now be ‘£300’ and £300’.

A new version of the P11D will be available to view shortly. There are no additional boxes. The online version will be available from 6 April 2018.

### P46 (Car)

The P46 (Car) data you submit will have a new field “cash foregone”. This is the cash foregone for the car only (excluding fuel, maintenance or any other attributable service). This should be completed whenever there is an OpRA.

A new version of the P46 (Car) will be available to view shortly.

### Real time information

HMRC will not be asking for any cash foregone figures for OpRA cases in the RTI submission.

### Car data reporting

We will soon be issuing a short technical consultation paper containing draft amendments to the PAYE Regulation. The amendments will explain what information employers who have registered for voluntary payrolling of car benefits are required to report and how it should be submitted to HMRC. They will also clarify the taxable amounts that need to be reported under OpRA. The consultation will remain open for a period of 4 weeks.

---

## Changes to Business Tax Account for employers

In the [August edition](#) of the Employer Bulletin we told you about the staged roll out of changes to the Business Tax Account (BTA) to improve the accuracy and design of employer PAYE liabilities and payments information.

We built on these changes in September and October when we introduced new monthly and annual statement pages, which all employers should now be able to see. The changes include the Apprenticeship Levy now being viewable within the BTA monthly breakdown.

We have received a range of feedback and we have made changes based on what you’ve told us so far. These include the addition of payments information and looking into how interest is displayed. Please continue to provide your feedback through the links on the BTA pages so we can ensure that future changes work for users.

## Data matters – Your payroll submissions

The RTI payroll data you submit plays a critical role in keeping your employees' tax and National Insurance records up to date. Accurate information, sent on time, helps us match your payroll submissions to the correct record. You should always submit your data to HMRC on or before your employee's payday. If you file your submissions after payday and your employees are receiving Universal Credit, they may not receive the amount they were expecting, potentially causing cash-flow difficulties for them.

HMRC is striving to make tax digital. This means your employees will expect to see what you pay them reflected in their personal tax accounts in real time. Payroll errors and late payroll can lead to increased and unnecessary contact for you from government departments and your employees.

You can avoid these issues by taking the following steps:

- Submit your payroll on or before your employees' payday
- Record all employees on your payroll submission, including those who earn less than the lower earnings limit
- Submit accurate and up to date employee information. This includes full name, date of birth, National Insurance number and address
- Please ensure you provide leaving dates for employees who leave your employment.
- Check for success or rejection messages following your submission. Make sure you re-send your information if you need to
- If you make internal changes such as updating payroll IDs, following a change to your payroll software for example, make sure you complete all relevant fields. (You may need to confirm with your old provider that there were no payroll IDs built into their software).

## Paying HMRC

### Don't overlook your December payment

The December payment deadline is a little way off but will soon be upon us.

Any electronic payment for the tax period ended 5 December 2017 must clear into the HMRC account by 22 December. If you pay by cheque in the post, payment must reach the Accounts Office by 19 December.

If you shut down early for Christmas we want to remind you to pay on time or make arrangements to ensure your payment will be made on time.

If you pay the right amount at the right time and use your 13 character Accounts Office reference you won't incur interest and Late Payment Penalties.

To find out more about paying HMRC see [Pay employers' PAYE](#).

---

## Paying HMRC at the Post Office

If you currently use the Transcash service at the Post Office to pay HMRC you need to be aware that this service is being withdrawn from December 2017 and you need to find a different way of submitting payments to us.

HMRC's guidance [Paying HMRC](#) provides both general and specific information about paying HMRC.

We are encouraging all customers to pay using one of the following ways:

- Direct Debit
- Online or telephone banking, which includes Faster Payments, Bacs and CHAPS
- Debit card online or by telephone.

The benefits of paying this way are:

- It's more secure
- It'll save you time and the expense of going to the Post Office or Bank.

Find out more about [paying us electronically](#).

# Construction Industry Scheme

## Do you report Construction Industry Scheme (CIS) deductions on an Employment Payment Summary (EPS)?

Are you aware that **only** limited company subcontractors who do **not** have [gross payment status](#) should declare an entry for CIS deductions on their EPS?

We've recently updated our [payroll reporting guidance](#) including [software developers' guidance](#), to make this clearer.

Five key points to remember:

- If you are a limited company subcontractor, report the total value of CIS deducted from your company's income as a subcontractor, during the year to date
- If you are also a contractor, don't include deductions from payments you've made to subcontractors each month. These should be reported on your CIS return, through HMRC's CIS online service or commercial CIS software. See [what you must do as a contractor: file your monthly returns](#)
- File your EPS by the 19th of the following month, off-setting your company's deductions against any other PAYE liabilities where possible
- If your business is not a limited company, or has gross payment status and therefore has not had deductions taken from payments within CIS, you should not report any CIS deductions on the EPS
- Non-limited companies should report their CIS deductions on their Self Assessment or Partnership returns.

## Correct any EPS reporting errors

If you have reported CIS deduction by mistake, or reported the wrong figures, you should [correct your EPS](#) by submitting a further EPS for the relevant tax year with the correct total year to date figures.

If you need to submit a revised EPS for an earlier tax year, and your software doesn't allow this, you should use HMRC's Basic PAYE Tools to do so.

## CIS for subcontractors webinar – Friday 27 October at 09:00

For further support and advice about working as a subcontractor, including reporting and gross payment status, you can [register online](#) to join a live broadcast of the CIS for subcontractors webinar in October 2017. You can learn more about the basics of CIS for subcontractors, and receive answers to your questions about CIS during the live broadcast.

You can also [sign up for future webinars and emails](#) about CIS, and watch recorded versions of both the CIS for subcontractors and CIS for contractors webinars online at [Webinars and emails on the Construction Industry Scheme](#).

# Student Loans

## Student Loan Plan 1 and Plan 2 threshold increase applying from 6 April 2018

The thresholds for Student Loans are increasing from April 2018. The current thresholds for the tax year ending 5 April 2018 are

- Plan 1 – £17,775 and
- Plan 2 – £21,000.

The Department for Education have confirmed that from 6 April 2018 the threshold for

- Plan 1 loans will rise to £18,330 and
- Plan 2 loans will rise to £25,000.

This will apply to all current and future borrowers when employers make student loan deductions.

## Operating the correct student loan plan type threshold

Student loan start notices (SL1s) will show the correct plan type for your employee, this will either be plan 1 or plan 2. You should always use the correct threshold for the plan type your employee is on to make all student loan deductions.

If there are any changes in your employee's plan type you will not be sent a student loan stop notice (SL2) but you will receive a new SL1 showing the new plan type.

## Apprenticeships benefit your business

Apprenticeships can be of huge benefit to your business. By taking on apprentices, thousands of businesses across the country are seeing an increase in growth and return on investment, able to fill their skills gaps and solve recruitment challenges by injecting new creativity and talent into their workforces. With trailblazing employers leading the continuous development of the new apprenticeship standards training and assessment, you can be confident in the quality and relevance of the training that your apprentices will receive.

August was a decisive moment for thousands of students across the UK as they received their exam results. With so many individuals still considering their options and next steps, now is an ideal time for employers to engage with apprenticeships and explore opportunities.

[Find apprenticeship training](#) will help you to find the right training for your business. You can search for apprenticeship training available, view information on specific courses, and find the training providers able to deliver them.

If you are ready to recruit, then [Recruit an apprentice](#) is a free to use online platform for posting apprenticeship vacancies. These vacancies will appear in [Find an apprenticeship](#) which is a free recruitment search tool used by thousands of individuals. The vacancies are also channelled through to other popular recruitment sites allowing you to reach even more candidates.

### Don't lose your apprenticeship funds

If you are a levy-paying employer, you must be [registered on the Apprenticeship service](#) to be able to access your apprenticeship funds and spend them on apprenticeship training. Registering an account on the apprenticeship service is a quick and simple process.

Once you have registered an account on the apprenticeship service:

1. Sign your agreement so you can spend levy funds
2. Register additional organisations to your account
3. Register additional PAYE schemes to your account
4. Decide the other team members you're going to add to your account
5. Work with your chosen training provider to add your apprentices to your account.

## New support service launched for growing mid-sized businesses

HMRC has recently launched a dedicated tax support service for growing mid-sized businesses. A mid-sized business is classed as having a turnover of more than £10 million or at least 20 employees.

The new Growth Support Service will offer a dedicated support service tailored to the needs of businesses, helping to ensure they get the information and support needed as they grow.

This could include:

- helping with tax queries about their growing business
- discussing reporting requirements, compliance and governance risks
- supplying accurate information and coordinating technical expertise from across HMRC
- supporting them to get their tax right first time and access relevant incentives or reliefs.

Mid-sized businesses who meet the eligibility requirements, based on our criteria for significant growth, can apply online and will be contacted by a dedicated growth support specialist to discuss their circumstances.

The service is not designed to help with speculative queries or provide advice on tax avoidance or how the business should grow.

To find out more about the service and check to see if your business is eligible for this support go to – [Get help with tax as a growing mid-sized business](#).

If you're not experiencing one of the types of growth mentioned, you may be able to get support from the [mid-sized business Customer Engagement Team](#).

## The Pensions Regulator: New employer workplace pension duties

Every employer in the UK must put certain staff into a workplace pension and contribute to it. This is called automatic enrolment.

If you've employed staff for the first time, since 1 October 2017, your automatic enrolment duties will have begun on the day your first member of staff starts work.

### Have you recently employed your first member of staff?

If you have recently employed someone for the first time then you may have already received a letter from The Pensions Regulator about automatic enrolment. Don't ignore it – you have legal duties to meet.

TPR has online information that will help you – take 5 minutes to complete [TPR's duties checker](#) to find out what tasks you need to complete and by when.

### Are you thinking about starting a new business and taking on a member of staff? Don't forget you have automatic enrolment duties

If you are starting a new business and taking on a member of staff then as well setting up a PAYE scheme and deciding what to pay, you'll need to assess them to see if you need to put them into a workplace pension scheme. This is called automatic enrolment and it's a legal duty.

You should start preparing early to work out what you'll need to do. The Pensions Regulator has produced a short video in their '[James Explains](#)' series to help you.

## Digitisation of the VAT Retail Export Scheme

The VAT Retail Export scheme (VAT RES) also known as Tax Free Shopping is being digitised following the Government's announcement in their Autumn Statement 2016. The scheme allows non-EU visitors to recover VAT on goods they buy in the UK and take home in their personal luggage. The current paper based system is being digitised to improve the efficiency for both retailers and travellers and also to help reduce fraud.

HMRC is keen to identify key stakeholders to work with us. We are already aware of larger retailers and refund providers who use the scheme but would like to identify any retailers who operate VAT RES on a small scale, to help us understand their needs.

If you would like to help us develop this system and be included on our stakeholder list for updates please complete this [short survey](#) to let us know your preference for future contact.

You can also contact the project team direct using the following email address – [resconsultation.idt@hmrc.gsi.gov.uk](mailto:resconsultation.idt@hmrc.gsi.gov.uk)