12PAY

By IRIS

12Pay

Release Notes

Tax Year: 2021/2022

Version: 21.90

Contents

Release Notes

Welcome to your software update. These notes provide information on all the improvements to the software; for detailed information on legislative changes, see the Legislation Guide on **www.12Pay.co.uk** in the **Help** section. If you encounter any difficulties, please visit: **support@12Pay.co.uk**.

12Pay Release Version 21.90

Smart Pension - PAPDIS

We have added a new **Smart Pensions – PAPDIS** option to the available pension output files in the **Payments/Deductions | File Output** list.

This file only includes individuals if they are in a **Smart Pensions – PAPDIS** Pension Fund and have pension contributions in the selected period.

myePayWindow Indicator

On the **Employer Form | Publish** tab, we have changed the setting of the **Use myePayWindow** indicator to no longer select as default for new companies.

12Pay Release Version 21.60

Absence Reports on OpenSpace

All reports uploaded to OpenSpace now show the absence type in the title.

NOW Pensions Contribution File

For employees who have opted into the NOW Pension Scheme, when creating the NOW 1.3 contributions file, the following columns populate with the employee's opt-in date:

- ENROL DATE (Column M)
- OPTIN (Column AA)

Holiday AWE

In light of legislative changes made to Average Weekly Earnings for holiday pay increasing to 52 weeks from April 2020 onwards, on the **Employee Form | Current Period tab | Add Payment/Deduction | Holiday Pay** screen, we have amended the **Holiday Rate** to calculate employees' AWE using 52 weeks or 12 months of payment history.

Holiday AWE Calculation

The Holiday Rate figures used in the calculations are as follows:

- 52 relevant weeks of payment history for weekly, 2-weekly and 4-weekly paid employees
- 12 months of relevant payment history for monthly paid employees

- Where there is no full payment history of 52 weeks or 12 months available, existing payment history is used to calculate the average
- Any pay periods that include statutory payments where the employee received no pay will be excluded from the 52-week payment history

ShPP Report and Import

ShPP Absence Menu Item and Report

To enable you to report on Shared Parental Pay in the same way as other absences, on **Payroll | Reports | Absences**, we have added a new menu item under SPBP titled **ShPP**. Select the ShPP option to open the **Report Requested...** screen and then click **Continue** to display the new **Shared Parental Report**.

Exporting Data

When navigating to **Employer | Export** and creating a **P11 Tax** export with the **Basic Data Only** field unticked, the export file will generate with two new **ShPP** and **ShPP Compensation** columns.

Recovery and Compensation

We have updated the calculation used for SMP, SPP, SAP, ShPP, and SPBP statutory payments to ensure the software adds the value of each statutory payment type for the tax month together and calculates the recovery/compensation on the total values where applicable.

The updated calculations are as follows:

- If the **Employer | Small Employer** field is <u>not</u> ticked, the recovery value will be valued at 92% of the total value of SMP, SPP, SAP, ShPP, or SPBP payment paid to the employee(s) in the tax month. No compensation will be calculated if the **Small Employer** field is unticked
- If the **Employer Form | Small Employer** <u>is</u> ticked, the recovery value will be calculated at 100% of the total value of SMP, SPP, SAP, ShPP, or SPBP Payment paid to the employee(s) in the tax month
- If the **Employer Form | Small Employer** field <u>is</u> ticked, the compensation value will be calculated at 3% of the total value of SMP, SPP, SAP, ShPP, or SPBP payment paid to the employee(s) in the tax month

myePayWindow

MEPW Process

12Pay is moving from the IRIS OpenPayslips/OpenEnrol facility to integration with the myePayWindow payroll self-services portal.

MyePayWindow is a secure document exchange platform that delivers payroll information to employers and employees, such as payslips, P60s, P45s and Pension letters, each payroll period. Employers and employees can view the published documents, in a secure online portal, using their own separate login details.

Note: Once you have switched to myePayWindow, this cannot be undone. All data from OpenPayslips and OpenEnrol will be available to download when you have migrated over to myePayWindow. However, you must first download the documents to view them.

myePayWindow Guide

For your assistance, on the **Employer Form | Publish** screen, we have added a link to the **myePayWindow Guide**.

MyePayWindow Menu Item

To cater for the integration of the myePayWindow platform, on the **Employer form** between **Export** and **HMRC Data**, we have added a new **myePayWindow** menu item with two options, **Website Login** and **Error Log**. The **Website Login** menu item opens https://www.myepaywindow.com and **Error Log** displays the **myePayWindow Error Log** screen.

Note: The **myePayWindow** menu item is disabled by default. To enable it, navigate to the **Employer | Publish** screen and tick the **Use myePayWindow** field.

myePayWindow Error Log Screen

When selecting any of the following menu items, **Publish Payslips**, **Publish P45s, Publish P60s,** or **Publish Pension Communications**, an error message will display if the system detects any issues with the data submitted during transmission to EPW. To view the errors, click the

option on the message. The **myePayWindow Error Log** screen will open showing where and why the error/s occurred.

After closing the error message, from the **myePayWindow | Error Log** menu item, you can access the data displayed on the **myePayWindow Error Log** screen. The screen clears and repopulates with new data following every submission to MEPW.

P45 Menu Item

Functionality has been added to the software to enable you to publish P45s when navigating to the **Payroll | Reports | P45** menu. You will see a new option below **P45 (Laser-Sheet) Portrait** named **Publish P45s**. Click the **Publish P45s** option to start the publishing process to myePayWindow.

MEPW Registration

When publishing to myePayWindow for the first time, on the **Employer | Publish** tab, you will need to enter the login credentials (**Username** and **Password**) that you registered on myePayWindow.

Note: You cannot publish any payslip, P60, P45, or pension communication data until saving your credentials onto the system.

Employer Form

Publish Tab

For existing employers, on the **Employer** form **| Publish** tab, we have made the following changes to the screen:

- Moved the **OpenEnrol/OpenPayslips Details** frame to below the **OpenSpace Details** frame
- Removed the **Link to OpenEnrol** indicator and **Warn if Outstanding for** field and added them to the **Employer | AE tab**
- Added a **myePayWindow** frame above the **OpenSpace Details** frame

For new employers, only the **myePayWindow** and **OpenSpace Details** frames display.

When ticking the **Use myePayWindow** field, on the **Employer | AE** tab, the **Publish Pension Letters** field selects automatically.

AE Tab

On the **Employer | AE** tab, we have added the following to the **AE Details** frame:

- **Publish Pension Letters** tick box

- **Warn if Outstanding for** field and label

AE Config Tab

On **Employer | AE Config | Automatic Enrolment Configuration Tool – Step 3**, we have renamed the **Link to OpenEnrol** field to **Publish Pension Letters**.

Employer Tab

On the **Employer Form | Employer** tab, next to **Tax Reference**, a **Tax District** field has been added.

Advanced Tab

The **Employer Form | Advanced** tab now has an **Employer Contact Details** frame and two new fields, **Email Address** and **Telephone Number**.

Publish Date

Under **Payroll | Payslips | Publish Payslips | Report Requested…** screen, we have added a **Publish Date** label and dropdown, enabling you to submit a publishing date for payslips to myePayWindow. The system records the date and only allows employees to view their payslips from the date entered. If the **Publish Date** is left blank, the system defaults to the current date and employees can view their payslips immediately.

Note: The **Publish Date** field caters for one pay frequency only. When publishing payslips for multiple pay periods, you must submit each one separately if the publish date is different for each period.

Holiday Balance

myePayWindow caters for the publishing of holiday units in both hours and days.

Payslip Message

When publishing payslips and including a comment on the **Payroll | Reporting, Payslips Message** field, the information added sends to myePayWindow and displays within the **Note** field in the system. The field has a 2000-character limit.

Rewind to Redo

The improved **Rewind to Redo** process ensures accurate information is used when calculating an employee's payroll. On the **Employee Form | PAYE | Rewind** button, in addition to the fields that are populated in the temporary payroll, the fields on the **Payroll Form | Payroll, Advanced, Reporting,** and **Variations** tabs, now configure with the same information originally copied from the payroll.

BACS Standard 18 – Modulr Export

BACS Standard 18 – Modulr Export File

System updates include the addition of a new bank export file layout. To cater for this, on the **Payroll form | Payroll | Pay Employees Using** dropdown, below BACS18, we have added a new **BACS Standard 18 – Modulr** option.

DEAs

We have modified the system to ensure the correct DEA% rate applies when attachable earnings are a fraction of a pence. Previously, the system was rounding the attachable pay value up to the next pence when establishing which deduction rate % to use, resulting in an incorrect deduction applying.

Aviva Pension File

On the Aviva Joiners Pensions file, when using an employee's qualifying earnings in their auto-enrolment assessment, Early Pensionable Earnings (column P) now subtracts the upper limit from the lower limit if set up as a % AE deduction.

Release Version Numbers

To standardise and align our products to make it clearer for support and users alike, we have changed the way we issue the release numbers for our desktop payroll products.

For example:

21.60   (21 = tax year, 6 = Tax month, 0 = patch)

21.61   (21 = tax year, 6 = Tax month, 1 = patch)

21.111 (21 = tax year, 11 = Tax month, 1 = patch)

Example

Planned Release	Tax Calendar Month	Patch 1	Patch 2

September 2021	21.60	21.61	21.62
October 2021	21.70	21.71	21.72
November 2021	21.80	21.81	21.82
December 2021	21.90	21.91	21.92
January 2022	21.100	21.101	21.102
February 2022	21.110	21.111	21.112
March 2022	21.120	21.121	21.122
April 2022	22.10	22.11	22.12
May 2022	22.20	22.21	22.22
June 2022	22.30	22.31	22.32
July 2022	22.40	22.41	22.42
August 2022	22.50	22.51	22.52

Please note that the above figures are an illustration of the release version numbers for each month and may not be accurate.

Pension Communication Audit

On the **Employer | Export | Pension Communications** screen, we have made the following changes to the Publish Pension Communications audit:

- All published pension letters now save on the system, including ones generated and published for a pay period that is then removed and recalculated to allow for a new pension letter to generate and publish
- When **View** is set to **Published**, the **Delete** button will be disabled, and you will not be able to delete any published letters (you can still delete unpublished letters)
- During the Move to the New Tax Year process, published letters over 6 years old will automatically delete to comply with GDPR legislation

Other Improvements

Search Function

On the **Help** menu, we have removed the **Search Employees** option and replaced it with a new **Search** function, allowing you to easily find all items in the system.

Leavers

At the bottom of the list of current employees for each payroll, we have added a new **Leavers** subfolder.

Clone Employee

Right-clicking on an existing employee's profile and selecting the new **Clone Employee** option allows you to duplicate some of their information and copy it to a new employee's profile.

Sort Order

Accessed by right-clicking on the main menu, the new **Sort Order** function enables you to change the order of how Payments/Deductions and Employees display.

Government Rates

Tabs on the Employer Form, including **Tax, NI, Pension, Absence** and **CIS**, have been moved and placed within a new **Rates** folder which is displayed on the main menu.

12Pay April 2021 Patch Release 1.22.*

Furlough Extension

The software/spreadsheet has been updated to incorporate the extension of the CJRS until 30th September 2021.

Please see the 12Pay COVID-19 Furloughed Employee & Job Retention Scheme Payroll Processing Changes Guide for further information.

12Pay April 2021 Patch Release 1.22.73

Pension Deductions

The issue with pension calculations when the special pension method is set to none, rather than qualifying earnings, where pensions are being added has been resolved.

Employer Payment Summary (EPS)

The EPS can now be sent with any State Aid option selected.

P32 Payment Summary

The P32 Payment Summary now reflects Postgraduate Student Loan values in the totals.

IRIS. Look forward

12Pay April 2021 Release 1.22.71

PAYE Legislation

Student Loan Thresholds

The annual thresholds have been updated in line with legislation for 2021/2022.

- Plan Type 1 increased from £19,390 to £19,895
- Plan Type 2 increased from £26,575 to £27,295
- Plan Type 4 is new for April 2021 and has a threshold of £25,000
- Postgraduate Student Loans remains at £21,000

Tax Code Changes

In line with legislative changes, moving into the new tax year (2021/2022) will automatically uplift tax codes, if required.

Updates to Tax, NI, Statutory Payments, NMW/NLW, AE Rates and Parameters

Tax, NI, SSP, SMP, SAP, SPP, ShPP & SPBP

The rates for tax, NI and statutory payments have been updated for 2021/2022.

AE Parameters

The AE Parameters have been updated in line with legislation for 2021/2022.

Starter Checklist

Employee Form

In light of changes made by HMRC to the Starter Checklist, on the **Employee | Startup Document | Starter Checklist**, we have added **Student Loan Plan 1**, **Student Loan Plan 2**, and **Student Loan Plan 4** tick boxes to the frame, thus replacing the existing **Student Loan** field.

Following the updates to the **Employee Form** we have renamed the following:

- In the Startup Document frame, the Employee Statement label is now Starter Checklist
- Employee Statement frame is now Starter Checklist

We have changed statements **A**, **B** and **C** to:

a. **Statement A**

This is my first job since 6 April and have not received benefits or a state, works or private pension

b. **Statement B**

I have had another job or received benefits since 6 April. I have not received a state, works or private pension

c. **Statement C**

As well as my new job, I have another job or receive a state, works or private pension

Note: When selecting more than one Plan, for example, **Student Loan Plan 1** and **Student Loan Plan 2**, the software will save the Plan containing the lowest figure. In this case, it would be **Student Loan Plan 1**.

Employee Statement

All references in the software to **Employee Statement** have been changed to **Starter Checklist**.

Audit

To cater for the addition of **Student Loan Plan 2** and **4** on the Starter Checklist, we have renamed the following descriptions on the **Audit Trail**:

a. StatementFilledIn is now ChecklistFilledIn
b. StatementTickedOption is now ChecklistTickedOption
c. StatementStudentLoan is now ChecklistStudentLoan1

Starter Checklist Report

We have updated the **Starter Checklist** report in line with the new layout provided by HMRC.

Student Loans Scotland

Student Loan Thresholds

Following the introduction of **Student Loan Plan Type 04 Scotland** which has a threshold of £25,000 and a 9% deduction rate for tax year 2021/2022 onwards, we have updated the **Employer | Tax** tab to include the following new columns:

- SL Threshold (Plan Type 4)
- SL Rate (Plan Type 4)

Employee Form

On the **Employee | Tax and NI** frame, we have added **Type 4** to the **Plan** drop-down. **Note: Plan Type 04** will only be active from tax year 2021/2022 onwards.

HMRC determines who should be on Plan Type 04, and they will issue instructions in the usual way through the DPS.

Paste Employee Data

When using **Paste Employee Data** or when Pasting from an Excel spreadsheet via **Paste Employee Data** from the **PlanType** field, it is now possible to import **Plan Type 04** from tax year 2021/2022 onwards.

Payroll Calculations

Although the threshold differs when calculating **Student Loan Plan Type 4**, there is no change to the rate or method when calculating student loan deduction.

Example

Plan Type 4 (using 2021/2022 monthly thresholds)

Student Loan Plan Type	4
NIable Pay	2,500
Annual Threshold	25,000
Monthly Threshold	2083.33
Deduction Rate	9%
Student Loan Deduction	2,500 – 2,083.33 * 9% = £37 (rounded down to nearest £)

Calculate with Explanation

In the **Student Loan** section of the **Pay Calculation Commentary**, we have changed the wording to indicate whether the threshold for **Student Loan 04** will be used for the calculation. For example, before the update **Plan = Type 4**, now it is **a. Student loan Plan Type threshold =**.

Reports

To cater for **Student Loan – Plan Type 4**, we have updated the reports.

IRIS. Look forward

RTI

RTI submissions have been updated to include all **Student Loan Plan** types. **The FPS Student Loan Year to-date** value will be a combination of **Plan Type 01**, **02** and **04** deductions where all, or either, have existed in the current year.

Audit

We have added Student Loan Plan Type 04 to the Audit.

Off-Payroll Working

Following the last-minute announcement by the Government, in light of the COVID-19 outbreak, the legislation for implementation of the Off-Payroll Working (IR35) in the private sector was delayed until April 2021

Off-payroll working rules are more commonly known as IR35. This legislation allows HMRC to collect additional payments, where a worker provides their services through an intermediary to another person or entity. The intermediary, in this case, is another individual, a partnership, an unincorporated association or a company. Off-payroll working rules changed from 6th April 2020.

All public sector clients and medium or large private sector clients are now responsible for deciding a worker's employment status. This includes some charities and third section organisations.

If the off-payroll working rules apply, the fee payer (the public authority, agency or other third-party who is responsible for paying the worker's intermediary) must:

- Calculate a deemed direct payment to account for employment taxes associated with the contract
- Deduct those taxes from the payment to the worker's intermediary
- Report taxes deducted to HMRC through RTI, Full Payment Submission (FPS)
- Pay the relevant NIC

Here are some useful links with further HMRC guidance on Off-payroll working:

Understanding-off-payroll-working-ir35
Fee-payer-responsibilities-under-the-off-payroll-working-rules
Private sector off-payroll working for intermediaries
Public sector off-payroll working for clients
Preparing-for-changes-to-the-off-payroll-working-rules-ir35

Deemed Direct Payment

The deemed direct payment is the amount paid to the worker that should be treated as earnings for the purposes of the off-payroll rules.

To calculate the deemed direct payment, you must:

1. Work out the value of the payment to the worker's intermediary, having deducted any VAT due
2. Deduct the direct costs of materials that have, or will be used in providing their services
3. Deduct expenses met by the intermediary, that would have been deductible from taxable earnings if the worker was employed
4. The result is the deemed direct payment. If this is nil or negative, there is no deemed direct payment

Off-payroll Worker Tick Box

To cater for **Off-payroll Worker** legislative changes, on **Employee | Personal**, we have added a new **Off-payroll Worker** tick box, below the **Dormant** field.

Report Off-Payroll Worker with FPS

We have added an **Off-payroll Worker** flag to the **FPS**.

Employee Card

On the **Employer | Payroll | Reports | Employees | Employee Card** screen, we have added an **Off-payroll Worker** field.

Reports

We have updated all necessary reports in line with **Off-payroll Worker** legislation.

Export

Under **Employer | Export**, we have added **Off-payroll Worker** to the list of fields.

Report Writer

On the **Report Designer | Columns | Add New Columns | Employee** section, we have added **Off-payroll Worker** to the list of columns.

Audit

Any changes made to the **Off-payroll Worker** indicator will be recorded in the **Audit**.

RTI

Earlier Year FPS

It is now possible to send a Full Payment Submission (FPS) for a previous tax year and after 19th April in the current tax year. From 2020/2021 onwards, you can no longer send an Earlier Year Update (EYU) to correct any mistakes made in the previous tax year. To enable you to submit an Earlier Year FPS, we have added a new menu option, **File Earlier Year FPS to** the software.

Note: The **File Earlier Year FPS** menu item will only be visible in the software from the 2020/2021 tax year and can only be used from 2021/2022 and subsequent tax years to correct data from the previous year.

Sending an Earlier Year FPS for an Existing Employee:

1. From the **Employee Form**, select the current period (3rd tab across)
2. Choose the **Reports menu** and select **File Earlier Year FPS**
3. A confirmation message will be displayed, click **Yes** to continue
4. From the **Year Ending 5th April**, select the relevant Tax Year
5. Click **Continue** to open the **Earlier Year FPS to be Filed with HMRC** screen
6. The **Adjustments to File** tab will open by default
7. Complete the listed fields, as required
8. If required (the employee had more than one NI rate in the tax year) choose the **Multiple NICs** tab
9. The **Earlier Year FPS to be filed with HMRC – Multiple NICs** screen will display – complete the fields, as required
10. If you require a hard copy of the **RTI Earlier Year FPS report**, click **Print**
11. When complete, choose the **Submit** tab and select **Submit FPS**

Earlier Year FPS – Employee not on payroll

To send an Earlier Year FPS where a company is new to 12Pay and has no knowledge of employees that left whilst on another payroll:

1. Select **Create new payroll** (this is to create a new payroll for the employee(s) that you want to submit the EYFPS for. It is better to keep them separate from your active payrolls)
2. Select the relevant pay frequency and then click **Advanced Payroll Setup**
3. Click **Add New Employee**
4. Ensure you complete the following fields:

   - Surname
   - Forenames
   - Title
   - Gender
   - NI Number
   - Joined
   - Born
   - Left – this field is needed as it advises HMRC that this individual has left
   - Tax Code
   - NI Table – this will default to A but can be amended if required
   - Address Lines, Post Code and Country
   - E'ee Number – enter here the employee's previous employee code, if known. If you do not know the number, leave the suggested value to avoid clashes with current employees

5. Click **Save**
6. Choose the **Reports menu** and select **File Earlier Year FPS**
7. A confirmation message will be displayed, click **Yes** to continue
8. From the **Year Ending 5th April**, select the relevant Tax Year
9. Click **Continue** to open the **Earlier Year FPS to be Filed with HMRC** screen
10. The **Adjustments to File** tab will open by default
11. Complete the listed fields (ALL values must be completed as they will not be pre-populated)
12. If required, (the employee had more than one NI rate in the tax year) choose the **Multiple NICs** tab
13. The **Earlier Year FPS to be filed with HMRC – Multiple NICs** screen will display – complete the fields, as required
14. If you require a hard copy of the **RTI Earlier Year FPS report**, click **Print**

> If you are sending an EYFPS for employee(s) who were receiving occupation pension, these will need setting up in their own Payroll, with **Pensioner Payroll (RTI)** ticked under **Payroll | Reporting tab | Other Settings**

> When sending an EYFPS for an 'employee not on the payroll', it is important to ensure that you do not enter 0.00 in a field (unless this is the correct value) as this will overwrite the value HMRC hold.

Pending

When opening the software, you will see the **Earlier Year FPS to be filed with HMRC | Adjustments to File** screen if you have any outstanding Full Payment Submissions. The system will prompt you to either send or delay the pending FPS before proceeding with a new submission.

FPS Changes for 2021/2022

Student Loan Plan Type 4

The **FPS** schema has been updated for tax year 2021/2022 in line with government legislation.

EPS Changes for 2021/2022

We have updated the **EPS** schema for submissions relating to tax year 2021/2022.

From the **Employer** tab**| State Aid | De Minimis State Aid** screen, we have renamed the **Industrial** field to **Industrial/Other**.

Other Improvements

Scottish Widows Contributions File Changes

The Scottish Widows Contributions file has been updated in line with their specification. The following fields have been added:

- Employee pensionable salary for pay period
- Employee net regular contribution percentage
- Employer regular contribution percentage

P60 Changes for 2020/2021

We have updated the P60s for year-end 2020/2021 and to include **Statutory Parental Bereavement Pay** (SPBP).

Useful numbers

HMRC online service helpdesk	HMRC employer helpline
Tel: 0300 200 3600 Fax: 0844 366 7828 Email: helpdesk@ir-efile.gov.uk	Tel: 0300 200 3200 Tel: 0300 200 3211 (new business)

Contact Support

Your Product	Phone	E-mail
IRIS 12Pay	N/A	support@12pay.co.uk
IRIS PAYE-Master	0344 815 5661	payroll@iris.co.uk
IRIS Payroll Business	0344 815 5661	ipsupport@iris.co.uk
IRIS Bureau Payroll	0344 815 5661	ipsupport@iris.co.uk
IRIS GP Payroll	0344 815 5681	gpsupport@iris.co.uk
IRIS GP Accounts	0344 815 5681	gpaccsupport@iris.co.uk
Earnie or Earnie IQ	0344 815 5671	earniesupport@iris.co.uk
IRIS Payroll Professional (formerly Star)	01273 715300	payroll-support@iris.co.uk

IRIS. Look forward