

12PAY

By IRIS

12Pay

Release Notes

April 2022 – 22.30

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Release Notes

Welcome to your software update for April 2022. 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.

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National Insurance Primary Threshold

In the Spring Statement, the Government announced that from 6th July 2022, an increase in the Primary Threshold at which employees will begin to pay National Insurance will apply and aligns with tax at £12570.

From 6th July 2022, there will be two sets of National Insurance parameters for the 2022/2023 tax year. Those to be used for pay periods between 6th April 2022 and 5th July 2022, and those in use between 6th July 2022 and 5th April 2023. The two sets of National Insurance parameters apply to the tax year 2022/2023 only.

The **Rates | NI | NI Bands** screen displays the National Insurance rates applicable between 6th April 2022 and 5th July 2022; and those valid between 6th July 2022 and 5th April 2023.

The annual Primary Threshold for Directors is £11908 and differs from the standard threshold of £12570 and applies for the entire 2022/2023 tax year. Directors using the annual method will use the new pro-rata annual Primary Threshold of £11908 for pay periods with a pay date between 6th July 2022 and 5th April 2023 and Directors using the alternative method will use the new period Primary Threshold for pay periods with a pay date of 6th July 2022 onwards. The Primary Threshold of £9880 will be used for pay periods with a pay date between 6th April 2022 and 5th July 2022 for Directors, as permitted by HMRC.

The Primary Threshold in use on the actual pay date is used when calculating employees' National Insurance when paying employees in advance e.g., for holidays or paying employees late, including new starters.

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Employment Allowance

We have increased Employment Allowance from £4000 to £5000 for the 2022/2023 tax year.

Please be aware that you must install this update before completing tax month 1 to ensure the correct Employment Allowance value is used.

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PAYE Legislation

National Insurance

NI Holidays for Veterans Employer's NIC Relief

From April 2021, HMRC announced that there would be a reduction in Employer National Insurance contributions for veterans for twelve consecutive months from the first day of their first civilian employment after leaving the regular armed forces. HMRC has introduced a new NI category letter V and the Veteran's Upper Secondary Threshold (VUST) to cater for the relief.

If claiming for this relief from April 2021 to March 2022, this needs to be claimed retrospectively from April 2022 onwards. HMRC requires you to pay the Employer National Insurance contributions for veterans for this period in the usual manner.

From April 2022 onwards, the relief can be processed using the software and reported to HMRC via RTI.

Freeports Employer's NIC Relief

From April 2022, HMRC announced that there would be a reduction in Employer National Insurance contributions for employees working in freeports in their first three years of employment. HMRC has introduced new NI category letters F, I, S, and L, and the Freeport Upper Secondary Threshold (FUST) to cater for the relief.

Following these changes in legislation, we have made the following software amendments:

- Include new NI letters:
 - V – standard category for Veterans
 - F – standard category for employees working in a Freeport
 - I – married women or widows entitled to pay reduced NI working in a Freeport
 - S – employees over state pension age working in a Freeport
 - L – employees entitled to defer paying full NI rate working in a Freeport
- Add new earnings thresholds for Veteran's Upper Secondary Threshold (VUST) and Freeport Upper Secondary Threshold (FUST)
- Add new Date of Veteran's First Civilian Employment date field
- Add Working in a Freeport tick box

NI Rates

We have updated the **Rates | NI** form to include the new NI letters V, F, I, S, and L, along with the parameters for Veteran's Upper Secondary Threshold (VUST) and Freeport Upper Secondary Threshold (FUST).

Employee Form

We have added the following new NI letters to the **Employee** form | **NI Table** drop-down list:

- V
- F
- I
- S
- L

On the **Employee** form | **Personal** tab, a new **Veteran First Civilian Emp'nt** date field and **Freeport Worker** tick box have been added.

The **Veteran First Civilian Emp'nt** date field will only be enabled when the employee's NI Table letter is V.

Freeport Worker will automatically be ticked when the employee's NI Table letter is F, I, S, or L.

Reports

We have updated reports to cater for the new NI Table letters V, F, I, S, and L, along with the parameters for VUST and FUST.

RTI Validation

We have updated RTI submissions to include the new NI letters V, F, I, S, and L.

Health and Social Care Levy

On 7th September 2021, the Government announced a new 1.25% Health and Social Care Levy to fund investment in the NHS and social care. For the 2022/2023 tax year, the new levy; is added to National Insurance contributions for working-age employees, self-employed people, and employers. HMRC recommends that you include the following message on your employee's payslips, where possible:

- 1.25% uplift in NICs funds NHS, health & social care

To add a message to your employee's payslips, go to the **Payroll** form | **Reporting** tab and enter the text in the **Payslip Message** field.

Please be aware that not all payslip styles support the inclusion of messages.

The payslip message is only required for the 2022/2023 tax year. From April 2023, the Health and Social Levy will be separate from National Insurance contributions.

Attachment of Earnings – Council Tax (Wales)

Attachment of Earnings Order

From the tax year 2022/2023, a new Council Tax Attachment of Earnings Order (AEO); is introduced in Wales. The thresholds are higher than the existing Council Tax Attachment of Earnings Orders and apply to Wales only.

The Welsh Government introduced the new Council Tax Attachment of Earnings Order (AEO); to maintain fairness in the system and reflect changes to the cost of living.

To cater for the new Attachment of Earnings Order (AEO), we have added a new **Council Tax (Wales)** option to the **Payment/Deduction** list.

Reports

We have updated selected reports to cater for the new Council Tax (Wales) Attachment of Earnings.

Audit

The Audit will record changes for the Council Tax (Wales) Attachment of Earnings.

Student Loan Thresholds

We have updated the annual thresholds in line with legislation for 2022/2023.

- Plan Type 1 increased from £19,895 to £20,195
- Plan Type 2 remains at £27,295
- Plan Type 4 increased from £25,000 to £25,375
- Postgraduate Student Loans remains at £21,000

Tax Code Changes

Due to all personal allowances remaining at 2021/2022 levels, there is no increase in tax codes for the 2022/2023 tax year.

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

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

We have updated the rates for tax, NI, and statutory payments for the tax year 2022/2023.

AE Parameters

We have updated the AE Parameters, in line with legislation, for the tax year 2022/2023.

RTI

FPS Changes for 2022/2023

The **FPS** schema has been updated for the tax year 2022/2023 in line with government legislation.

EPS Changes for 2022/2023

We have updated the **EPS** schema for submissions relating to the tax year 2022/2023.

Earlier Year FPS Changes for 2021/2022

We have updated the **Earlier Year FPS** schema for submissions relating to the tax year 2021/2022, and submissions will now accept NI letter V.

The **Earlier Year FPS** can be submitted for Veterans employed in the 2021/2022 tax year, which will allow you to claim a refund of the Employer's NI paid from HMRC.

To submit an Earlier Year FPS for 2021/2022 for a Veteran

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 **2022**
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 **NI Details** fields and any other fields requiring amendment
8. If 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 be displayed – 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**

Other Improvements

P60 Changes for 2021/2022

We have updated the P60s for year-end 2021/2022.

Employee AE History

We have added an **AE History** function, accessible from the **Employee** form | **Auto Enrol** tab. Click the **AE History** button to view a summary of an employee's AE history for all pay periods in the current tax year or a selected previous tax year. Highlight a pay period displayed and click **View** to access the **AE History...** screen for the chosen period.

Employee AE History screen displays:

- Pay Period
- Worker Status
- In Pension
- Pension Fund
- AE Date
- Deferral Date

We have added a new **AE History...** screen. It is an alternative way to view information already available in different areas of the software and explains how Auto Enrolment is working.

The new function will assess every employee; each pay period; the automatic enrolment data is recorded and is made available on this screen for you to view and print.

Pension Deductions

An issue with pension calculations when a **Parental Leave – Notional** payment and a separate pensionable payment were included; has been resolved.

CIS VAT Reverse Charge Payment/Deduction

The **Display Only** tick box will be ticked and disabled for all new and existing **CIS VAT Reverse Charge** payments/deductions. These payments/deductions will still be included in reports but will not affect the Total payment/deduction fields or the net pay fields for the subcontractor.

Here are some useful links with further HMRC guidance on **CIS VAT Reverse Charge**:

[VAT Domestic Reverse Charge For Building And Construction Services](#)

[VAT Reverse Charge Technical Guide](#)

Useful numbers

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

Contact Support

| Your Product | Phone | Email |
|--|---------------|--|
| IRIS 12Pay | N/A | support@12pay.co.uk |
| IRIS PAYE-Master | 0344 815 5555 | payroll@iris.co.uk |
| IRIS Payroll Business | 0344 815 5555 | ipsupport@iris.co.uk |
| IRIS Bureau Payroll | 0344 815 5555 | ipsupport@iris.co.uk |
| IRIS GP Payroll | 0344 815 5555 | gpsupport@iris.co.uk |
| IRIS GP Accounts | 0344 815 5555 | gpaccsupport@iris.co.uk |
| Earnie or Earnie IQ | 0344 815 5555 | earniesupport@iris.co.uk |
| IRIS Payroll Professional (formerly Star) | 0344 815 5555 | payroll-support@iris.co.uk |

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