



Evolution M

Real Time Information (RTI)

Training Notes

Issue 2

Contents

1 INTRODUCTION TO REAL TIME INFORMATION (RTI)	1
2 - HMRC - FREQUENTLY ASKED QUESTIONS	2
2.1 What RTI Will Do and Why the PAYE System Needs to Change	2
2.2 How will RTI Operate?	3
2.3 What will not Change Using RTI?	5
2.4 Employee Information	5
2.5 RTI and Individual Employees	7
3 EXPECTED RTI BENEFITS	8
3.1 To Employers	8
3.2 To HMRC	8
3.3 RTI Processes	8
4 RTI DATA VALIDATION	9
5 RTI SUBMISSION TYPES	10
5.1 Employer Alignment Submissions (EAS)	10
5.2 Full Payment Submission (FPS)	10
5.3 Employer Payment Summary (EPS)	10
5.4 NINO Verification Request (NVR)	10
6 EVOLUTION M PAYROLL RTI ENHANCEMENTS	11
6.1 RTI Setup Prior to Going Live	11
7 SOFTWARE CHANGES	12
7.1 Utilities > Parameter Maintenance > Company	12
7.2 Masters > Value Maintenance	13
7.3 Masters > Tax Office Maintenance	15
7.4 Employee Details > Employee Maintenance & Enquiry	16
7.4.1 View	16
7.4.2 Main Tab	16
7.4.3 Tax Tab	18
7.4.4 RTI Tab (New)	19
7.5 BACS output	22
7.6 Starters and Leavers	24
8 REAL TIME INFORMATION MENU	25
8.1 Submission Types	26
8.1.2 Full Payment Submissions (FPS)	28
8.1.3 NVR (NINO verification request)	30
8.1.4 Employer Payment Submissions (EPS)	30
8.1.5 Earlier Year-End Update (EYU)	31
8.1.6 HMRC Submission Enquiry	31
USEFUL LINKS	32
RTI CHECKLIST	33

1 INTRODUCTION TO REAL TIME INFORMATION (RTI)

The main purpose of RTI is to collate and transmit the PAYE data online when the payroll is run rather than transmit it annually.

RTI system is a mandatory change and must be implemented by all employers by October 2013, but will be compulsory for most employers for the beginning of the 2013-14 tax year. The employers' duty is to make sure that their employee data is accurate and all departments (Payroll, HR, IT and Accounts) understand the implications of the RTI change.

The payroll data is verified by HMRC every time the payroll is processed and submitted. The monthly PAYE payments are also to be reconciled by HMRC. Hence, more attention and due care must be given to the accuracy of the payroll data (Payroll Department) and payments made (Accounts Department) assuring full PAYE compliance.

The RTI system is expected to make it easier to deal with individual employee queries and easier for employers and HMRC to operate it. The collated data will help HMRC identify and correct mistakes on a monthly basis rather than at the end of the year and in the reconciliation of employers' monthly payments. The PAYE data collected under RTI will also be used in supporting the Universal Credits starting in October 2013 by providing the DWP with up to date information about claimants' employment income.



RTI is expected to improve in-year payroll processes; eliminate year-end P14s/P35, decrease queries from employees and HMRC reducing operational costs and improving PAYE compliance.

Notes

2 - HMRC - FREQUENTLY ASKED QUESTIONS

RTI Submission References

EAS = Employers Alignment Submission

EPS = Employers Payment Submission

FPS = Full Payment Summary

EYU = Earlier Year Update

2.1 What RTI Will Do and Why the PAYE System Needs to Change

Q: What will RTI do?

A: Using RTI, employers and pension providers will tell HM Revenue & Customs (HMRC) about tax, National Insurance contributions (NICs) and other deductions when or before the payments are made, instead of waiting until after the end of the tax year.

The introduction of RTI will:

- Make the PAYE process simpler and less burdensome for employers and HMRC; for example, by removing the need for the end of year return (forms P35 and P14) and simplifying the employee starting and leaving processes
- Make PAYE more accurate for individuals, over time reducing the number of bills and repayments sent after the end of the tax year
- Enable HMRC to pursue late payments more effectively
- Support the payment of Universal Credit
- Reduce Tax Credits error and fraud

Employers and pension providers will send this information to HMRC online for payments made to all their employees including those paid below the National Insurance Lower Earnings Limit (LEL).

Q: Does RTI apply to the self-employed?

A: No - it is for the operation of PAYE only.

Notes

2.2 How will RTI Operate?

Q: Will forms P35, P14 and P38A be needed after joining and using RTI?

A: No - end of year returns (forms P35 and P14) or P38A supplementary return will not be needed as employers will tell HMRC about all payments made during the tax year each time their payroll is run.

Q: Why does an FPS include the hours worked?

A: The hours worked is required for the purposes of calculating Tax Credit payments.

Q: How soon after the Employer Alignment Submission (EAS) will the employer be permitted to send in their first RTI submission?

A: Once the EAS has been successfully submitted the employer is considered to have joined RTI. The EAS should be submitted at least 24 hours before the first FPS.

Q: How will HMRC treat statutory payments shown on an Employer Payment Submission (EPS)?

A: If you have claimed an advance of statutory payments then the amount you report on an EPS will be set off against the PAYE due as reported on an FPS. If a credit remains this will be set-off against any advance you have claimed, and any remaining credit will be used against any other amount due, or if nothing is due you can contact HMRC and claim a repayment or reallocation.

Q: Will I have to make a RTI submission even if I haven't paid anyone?

A: If you are registered with HMRC as an employer who pays HMRC quarterly, we will know to expect quarterly payments from you without you needing to do anything further.

All employers need to send an FPS every time they pay their employees, whether they pay HMRC monthly or quarterly. If you haven't made any payments to any employees in a tax month, you should send HMRC an EPS showing 'No payment due as no employees or subcontractors paid in this pay period' within 14 days following the end of the tax month. This also applies to employers who pay HMRC on a quarterly basis - if you do not, then HMRC will specify an amount due for that month, and pursue this at the end of the relevant quarter.

Q: Can I advise HMRC that I am not going to have any employees for a specified period?

A: Yes. You can submit one EPS to advise us of your 'period of inactivity'. HMRC will not expect any other return, nor any payment, for the period(s) reported.

Q: How will the system cope with an employee who resigns and is rehired in the same month with two corresponding payslips (two separate contracts)?

A: The system will count the two employments as separate by operating on the information submitted by the employer. The last payment from the first employment should have a date of leaving. The first payment from the new employment should include the starting information including start date and should not take into account pay and tax information from the previous contract of employment when calculating the year to date figures. If the

Notes

employer is using payroll IDs they must ensure the second contract is set up using a different payroll ID, i.e. employee number.

Q: When will I be expected to report PAYE in real time?

A: Employers and pension providers will be required to report PAYE information (via an FPS or EPS) in real time 'on or before' payment is made to employees or pensioners for the vast majority of payments that they make.

Q: What would happen if an individual had five positions with the same organisation (for example) and ceases four but keeps one of these positions? How should this be reported?

A: Assuming that the five positions are treated as separate employments and tax and National Insurance are calculated separately for each employment, as each finishes a leaving date should be sent as part of the relevant FPS. HMRC will, if necessary, issue a code each time.

If the earnings from all five jobs are accumulated and tax and National Insurance are calculated as one employment (i.e. there is one tax code in operation) no additional action needs to be taken until the last employment ceases.

Q: Reclaiming tax in previous tax years - can you clarify the use of Earlier Year Updates (EYUs) against the FPS for a previous tax year? What would you expect for reclaims greater than two years? For six years following implementation will we still need to do P14 submittals for the non-RTI years which can be claimed on?

A: The EYU is needed to correct details of previous RTI years - you will only be able to use it for the tax years where you were required to operate PAYE using RTI. An FPS can only be sent up until 19th April following the end of a tax year - after this any corrections need to be made on an EYU.

Non-RTI years will still be corrected via amended P35/P14s as per the existing PAYE arrangement.

Q: Reclaiming overpayment of tax - will we still need to do adjustments for previous years at the end of each tax year or can this be done throughout the year? Each time we do a mini adjustment to the employee, how are we reclaiming the tax?

A: Adjustments can be made throughout the year with the final FPS showing the correct Year-To- Date (YTD) figures. If adjustments relate to previous RTI tax years then the EYU is needed to show the correct details.

Q: I have claimed 'CIS deductions suffered' on my EPS. Can I have a refund of any excess?

A: Yes you can have a refund at the year end, and if there are no outstanding debts.

Q: Date of leaving. What date should be entered on the FPS?

A: The date to enter is the date the employment ended. The exact date of this is for the employer to decide.

Notes

2.3 What will not Change Using RTI?

Q: What will not change using RTI?

A: The following will remain unchanged:

- **PAYE** - PAYE remains the same using RTI. It is only the reporting that changes.
- **Coding notices** - using RTI employers will still be able to choose how they receive coding notices; as they do now.
- **Reporting a change to HMRC** e.g. updating employee's new name or addresses for HMRC records - an RTI submission will not update HMRC records. It remains the responsibility of the individual employee to notify HMRC of changes of name, address, etc.
- **HMRC messages to employers using RTI** - HMRC will continue to use the Data Provisioning Service (DPS) and EDI outbound message services.
- **Payment dates using RTI** - payment dates to HMRC will remain the same using RTI.
- **Forms P60** - P60s will remain using RTI.
- **Forms P11D** - HMRC are not planning to change the requirement to complete a deductions working sheet (or electronic equivalent).

Q: Will RTI change the Construction Industry Scheme (CIS) payment and reporting process?

A: RTI is not changing the existing CIS process. Employers will continue to complete and file monthly returns due under the existing CIS arrangements.

2.4 Employee Information

Q: How do I deal with the fact that I don't have a National Insurance number?

A: Evolution M will allow for the National Insurance number field to be left blank if the National Insurance number is not known, but you must provide the employee's address. However where possible, you should ensure that you obtain the correct National Insurance number for your payroll records.

Q: Is a default date of birth, (01.01.1901), in such scenarios is still acceptable?

A: You should not use a default date of birth. You should make every effort to obtain the correct date of birth for the individual, especially for new pensions coming into payment. Where, despite these efforts, it's not been possible to obtain the correct details, please continue to use the date of birth currently held on the payroll.

Q: What guarantees can HMRC provide about the accuracy of National Insurance number information that they will send to providers?

A: HMRC will attempt to validate National Insurance numbers provided by checking with the DWP. In cases where there is a discrepancy, or where the employer has not provided a National Insurance number, HMRC will inform the employer.

If the annuitant (a person who is entitled to receive benefits from an annuity) queries the National Insurance number provided by HMRC, the annuitant should contact HMRC to resolve the query.

Notes

The more accurate and comprehensive employee data the employer gathers and maintains, the more likely it is that the National Insurance number provided will be correct.

Q: Whilst employers and pension providers may request sight of a passport occasionally to verify age, do I now need to request to see the passport number?

A: The passport number will only have to be provided if the employer or pension provider collect it as part of their checks that the employee or pension recipient is entitled to work in the UK or receive a UK based pension.

Q: Why is it important to check the details I hold about my employees are accurate?

A: It has always been important to make sure the information that you send HMRC about your employees is accurate to help ensure that your employees pay the correct Income Tax and NICs. Improving the accuracy of the information you hold and send to HMRC will help match the information to the correct HMRC record. This could save you money by helping to reduce the number of employee enquiries you receive.

This is not just important for tax and NICs. From October 2013, RTI will support Universal Credit by providing the DWP (Department for Work and Pensions, formerly the Benefits Agency) with up to date information about claimants' employment income. Ensuring your employee information is correct will help to ensure they receive the right amount of credit.

As part of the process for an employer joining RTI, HMRC will align the records of employees held on the NPS system (National Insurance and PAYE Service, is a single national computer system introduced by HMRC in July to replace the 12 regional databases that previously handled PAYE processing) and the records held by employers.



In the meantime HMRC recommends that you start to prepare for RTI by checking the information you hold.

Notes

2.5 RTI and Individual Employees

Q: How does RTI affect me as an individual?

A: Generally, employees probably won't see much, if any, difference in their working day. However, using RTI, employers and pension providers will need to ensure that their employee records are up to date. They will also send information to HMRC when or before they pay their employees. This better quality, more up-to-date information will mean that, over time, more people will pay the correct tax in-year.

HMRC will also have the RTI needed to support the introduction of the DWP's Universal Credit in October 2013. Universal Credit will update information about employment and pension income from RTI so that the DWP can adjust claimants' welfare payments to reflect their circumstances.

Q: How does RTI support the payment of Universal Credit?

A: RTI will support Universal Credit when it is introduced by providing DWP with up to date information about claimants' employment income.

Q: What happens if I leave my job?

A: Using RTI employers will still give leaving employees a form P45 showing their pay and the tax deducted.

Q: What happens if I start a new job?

A: Using RTI employees still need to give their new employer the form P45 given to them by their previous employer so they can operate the correct tax code. Employees will also need to answer some new starter questions. Getting this information right is paramount as it will help make sure the employee pays right amount of tax is paid, and receives correct amount of credit for the NICs they pay.

Q: What happens if I don't have a P45?

A: This has not changed. The employer will ask employee some new starter questions similar to completing a form P46 so they are able to operate the correct tax code.

Q: What additional information does the employee need to give to the employer?

A: Using RTI there is little change to the information given to your employer. To help get employee's tax right and make sure they get credit for the NICs that they pay, they should provide:

- **National Insurance number** shown on the card or letter issued by the DWP. A National Insurance number consists of two letters followed by six numbers, followed by one letter - A, B, C or D.
- **Full formal name** (surname and forename) must be obtained. It is important that full forename and not just the initials (for example, John Smith and not J Smith), are provided by employees.
- **Date of birth**
- **Gender**



The employer needs to verify the above information from an official source, such as employee's birth certificate, passport, driving licence or official documents from HMRC or the DWP.

Notes

3 EXPECTED RTI BENEFITS

3.1 To Employers

- Simplify and improve PAYE processes
- Reduce HMRC queries
- No more year-end submission of P14s and P35. RTI data transmission will be done before or on the payment date.
- Help improve PAYE compliance procedures and reduce visits from HMRC



All of the above will also help reduce costs.

3.2 To HMRC

- Easier to identify and deal with non-compliant employers, hence reduced costs and manpower
- Easier to detect and deal with employee under and overpayments
- Improve collection of payments, debts and reduce incurred costs
- Identify and pursue late payments more effectively
- Support the payment of Universal Credits (from October 2013)
- Help reduce errors and fraud

3.3 RTI Processes

- Employee information on payroll must be cleansed and aligned with HMRC (see Employer Alignment Submission)
- You should report employee data problems, such as wrong date of birth to HMRC's Employer Helpline as soon as identified
- Once employer's data is aligned with HMRC data, employee codes must not be changed as this will create new employee records on HMRC's system
- Once HMRC is informed of leavers, if the employee returns back to their job, they must be set up on the system with a new employee code



There will be HMRC penalties for late submissions, payment of liabilities or incorrect submissions

Notes

4 RTI DATA VALIDATION

HMRC recommends that all employers validate their employee records prior to any employer alignment submission being carried out ahead of RTI implementation.

The following information must be checked:

- **Full official Name (Mandatory)** - employee's surname and forename must be entered in full. Check for correct spellings and make sure they are entered in the correct places.
- **Current residential address** - confirm the current full address. It is recommended that this is validated against a utility bill, driving licence or any other valid document.
- **Sex (Gender)** - confirm gender 'male or female'
- **Date of birth** - All employees' date of birth must be validated against their birth certificate or passport with an entry format of DD/MM/YYYY
- **National Insurance Number** - must be entered correctly. The number must begin with two letters, followed by six numbers and end with letter A, B, C or D. If at the time of submission the correct NINO is not known, it should be left blank.
- **Establish right to work in UK** - HMRC have said that if a copy of an employee's passport is made as part of the process to establish entitlement to work in UK, then they would like to be informed of the passport number too.



New employees - The above information must also be checked when a new employee starts.

Notes

5 RTI SUBMISSION TYPES

5.1 Employer Alignment Submissions (EAS)

All PAYE Schemes must go through an alignment process before joining RTI. Data alignment is a process to be performed between the employer and HMRC to ensure that their employees' data agree. This is the first step of moving onto the Real Time Information and is known as the Employer Alignment Submission (EAS).

Once the first EAS is sent and received successfully by HMRC it will be considered that the Company has joined the RTI system and no further EAS submissions will be accepted.

If HMRC has an employee record that was not provided with the employer's payroll, the employee HMRC record will be closed down. However, if the employer's payroll shows an employee record that is not currently held by HMRC a new employee record will be created on HMRC's system. All other employee discrepancies identified will be electronically notified to the employer.



Data should be cleansed before the alignment to reduce the chance of any data validation errors on the EAS and subsequent FPS submissions.

5.2 Full Payment Submission (FPS)

At the end of each pay period the company should send an FPS to HMRC with details of the employees paid within the period. This will include all tax and NI details and also deal with new starters and leavers. The FPS should be submitted on or before the date the employees are paid.

5.3 Employer Payment Summary (EPS)

The Company needs to send this report to HMRC to inform them of any recoverable Statutory Payments, NICs compensation on Statutory Payments, CIS deductions suffered and NICs holiday deductions within the tax month. This information will be used by HMRC to check against the figures on FPS submissions. EPS can also be used to notify HMRC of periods of inactivity where no FPS has or will be sent.

An EPS only needs to be submitted after the end of the tax month for those months where statutory payments have been recovered or to inform HMRC if there are no FPS submissions for the previous or future tax periods. For any recovered values to apply to a specific month, the EPS should be submitted before your payment to HMRC is due on the 19th of the following month.

5.4 NINO Verification Request (NVR)

This is sent to verify or obtain a National Insurance number (NINO) for an employee.

Notes

6 EVOLUTION M PAYROLL RTI ENHANCEMENTS

6.1 RTI Setup Prior to Going Live

6.1.1 Employees

- **Date of Birth** (mandatory)
- **National Insurance Numbers** (not mandatory but advisable)
- **Employee Names** are correct including forenames in full and no invalid characters (only allowed characters in names are alpha (A-Z, a-z), hyphen, apostrophe and space (as long as first character is not space))
- **Normal Hours Worked** are set correctly on each employee (See section 7.3.1 for further details)
- **Country** field on the employee's address is only populated if **NOT** UK (if UK, leave this field blank)

6.1.2 Value Codes

Value codes used for *employee pensions deductions* and *benefits paid through the payroll* have a new field setting added which must be set before submitting the first FPS.



See section 7.2 "Masters > Value Maintenance" for further details.

6.1.3 Leavers



All leavers for the previous year (2012-13) should be submitted to HMRC before updating into the 2013-14 tax year.

6.1.4 Tax Office Maintenance

Each Tax Office should have the correct Tax Reference, Accounts Office Ref, UTR and ECON if applicable. Your HMRC Sender ID can also be saved here if required.



See section 7.3 "Masters > Tax Office Maintenance" for further details.

6.1.5 Payroll Master

Each Payroll (Payroll > Masters > Master Maintenance) needs to be set to the correct Tax Office Reference. This will already be the case for Payrolls that have been submitted to HMRC as part of an Evolution M year end.



Any Payroll that you want to exclude from RTI submission (e.g. the Payroll is used for costing only purposes) then the Tax Office Reference on the Payroll Master must be left blank.

Notes

7 SOFTWARE CHANGES

7.1 Utilities > Parameter Maintenance > Company



The RTI submissions are on a switch in Parameter Maintenance. Evolution M will only support RTI submissions from PAYE year 2013-14, so it's important this is not set to Yes until each live payroll within the company has been cleared down into period 01 2014.



When modifying the above screen you will be prompted for a Password. It is not necessary to enter a password, just click Cancel and you will be able to amend the new "RTI in use" field:

Notes

7.2 Masters > Value Maintenance



There is a new field added onto the Value Maintenance screen as highlighted below.

The field will appear once version 6.0 of Evolution M is loaded (even if RTI has not yet been activated in Parameter Maintenance) to allow this to be set on all applicable value codes before you start tax year 2013-14.

This field is used for FPS output only and will not affect any payroll calculations. This must be set on each applicable value code before running the first FPS for 2013-14.

The screenshot shows the 'Value Maintenance - Employee Pension %' window. The 'Value Code' is 'PE'. The 'Main Details' tab is selected. The 'Type' is 'Deduction' and 'Calculation' is '%age of Affect Pension'. The 'Sequence' is '0'. The 'Pre Tax' is 'No'. The 'Affect Pension' is 'No'. The 'Affect NI' is 'No'. The 'Affect Net/Coun Tax' is 'Yes'. The 'Affect Hol Accrual' is 'No'. The 'Applies on Hol' is 'No'. The 'Print on Payslip' is 'Yes'. The 'Print YTD' is 'No'. The 'Clear at EOY' is 'Yes'. The 'Accumulate to' is '0'. The 'Analysis Code' is '0'. The 'Name' is 'Employee Pension %'. The 'Value' is '0.00'. The 'Hours' is '0.00'. The 'Rate' is '0.0000'. The 'Factored by' is '0.0000'. The 'Minimum' is '0.00'. The 'Maximum' is '0.00'. The 'Benefit/Pen for RTI' is 'Pension pre-tax' (highlighted with an orange arrow). The 'Discard Unused' is 'No'. The 'Retain Input' is 'No'. The 'Mandatory Maint' is 'No'. The 'Cost Only' is 'No'. The 'Accrue Shortfall' is 'No'. The 'Audit', 'Previous', 'Next', 'Modify', 'Delete', 'OK', and 'Cancel' buttons are at the bottom.

“Benefit/Pen for RTI” Field

This new field is used for FPS (Full Payment Submission) output only and will not affect any payroll calculations.

Available options are:

- Benefit
- No (This is the default)
- Pension post tax
- Pension pre tax

It is very important that all value codes used for the deduction of employee pension contributions are set to pre or post tax pension using the new field shown above. This will ensure that submissions to HMRC will correctly show the correct pension type. This should not be set on any values codes that are not used for employee pension contributions.

Similarly, any value codes used for payrolled taxable benefits need to have the same field set to benefits, again this is just for submissions to HMRC and does not affect payroll calculations.

Notes

This should only be used where you have a prior agreement with HMRC for payrolling benefits and should not be set on any other value codes.

Paying benefits through the payroll does not negate the need for completion of a form P11D at the end of year end.

Once this new field is set, it should not be changed unless at the beginning of a new tax year. This is because year to date values get submitted to HMRC on each FPS, so the setup of the value code needs to remain the same for the entire year. E.g. If an employee's pension deduction changes from pre-tax to post-tax mid year then a new value code for post-tax pension should be set and the value code used for pre-tax pension should remain the same, although with the deduction value set to 0, for the rest of the tax year.

Notes

7.3 Masters > Tax Office Maintenance

The Tax Office Maintenance screen has been enhanced to store your Accounts Office Reference, Business Type, UTR and Sender ID (the screen already stored your Tax Reference and Contracted out No which are used in year end Submissions).

These fields should be checked and, if required, amended before your first RTI submissions to HMRC:

If you only have one Tax Office setup in the company then the Accounts Office Ref and UTR Reference will automatically be pre-populated with those already used for CIS Submissions to HMRC. If you have more than one Tax Office setup then these fields will need to be manually entered on each.

Business Type This will default to Corporation. If you are not a Limited Company paying Corporation tax then this should be changed to either Self-Assessment or Other if neither of the above applies.

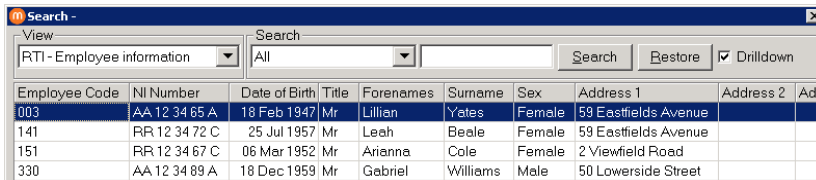
RTI Sender Your HMRC Sender ID can be entered here and will be used as a default for all RTI submission routines. The ID is only stored for RTI submissions and not existing Payroll or CIS submissions.

Notes

7.4 Employee Details > Employee Maintenance & Enquiry

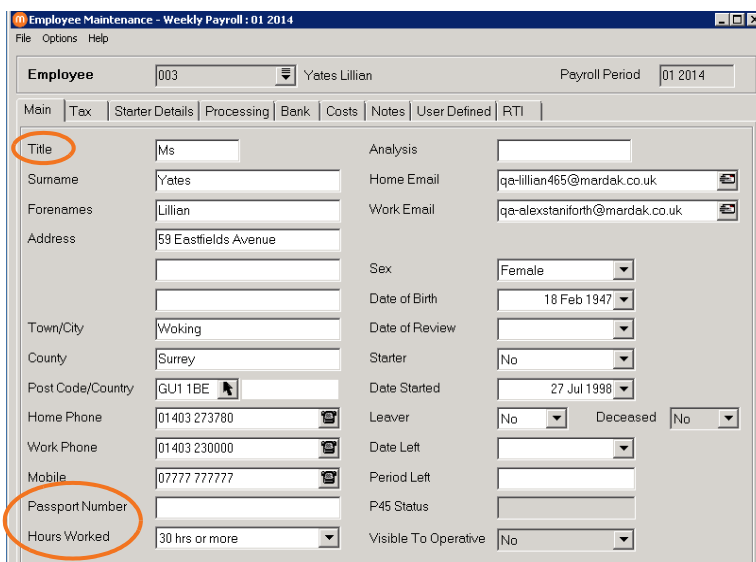
7.4.1 View

A new view has been added called "RTI - Employee information". This displays the common fields used in RTI submissions. This can be used to check the employee details prior to going live with RTI:



Employee Code	NI Number	Date of Birth	Title	Forenames	Surname	Sex	Address 1	Address 2	Ad
003	AA 12 34 65 A	18 Feb 1947	Mr	Lillian	Yates	Female	59 Eastfields Avenue		
141	RR 12 34 72 C	25 Jul 1957	Mr	Leah	Beale	Female	59 Eastfields Avenue		
151	RR 12 34 67 C	06 Mar 1952	Mr	Arianna	Cole	Female	2 Viewfield Road		
330	AA 12 34 89 A	18 Dec 1959	Mr	Gabriel	Williams	Male	50 Lowerside Street		

7.4.2 Main Tab



Employee Maintenance - Weekly Payroll: 01 2014

Employee: 003 Yates Lillian Payroll Period: 01 2014

File Options Help

Main | Tax | Starter Details | Processing | Bank | Costs | Notes | User Defined | RTI

Title: Ms Analysis: []

Surname: Yates Home Email: qa-lillian465@mardak.co.uk

Forenames: Lillian Work Email: qa-alexstanforth@mardak.co.uk

Address: 59 Eastfields Avenue

Sex: Female

Date of Birth: 18 Feb 1947

Town/City: Woking Date of Review: []

County: Surrey Starter: No

Post Code/Country: GU1 1BE Date Started: 27 Jul 1998

Home Phone: 01403 273780 Leaver: No Deceased: No

Work Phone: 01403 230000 Date Left: []

Mobile: 07777 777777 Period Left: []

Passport Number: [] P45 Status: []

Hours Worked: 30 hrs or more Visible To Operative: No

Title This will default to Mr for male and Ms for female on new employees

Passport Number This is not a mandatory field but HMRC would like the passport numbers to be included, where possible.

Notes

Hours Worked

These are the hours most appropriate to this employee for the hours you expect them to normally work in a week. This does not need to be reduced if the employee is on statutory leave or sick etc.

The default is 30 hrs or more but should be changed for any employee that does not normally work 30 hours or more.

Other options are:

0 - 15.99 hrs

16 - 29.99 hrs

Other (This is used for occupational pension schemes)

Notes

7.4.3 Tax Tab

Employee Maintenance - Weekly Payroll : 01 2014

File Options Help

Employee: 003 Yates Lillian Payroll Period: 01 2014

Main Tax Starter Details Processing Bank Costs Notes User Defined RTI

Current Tax Letter: L Start Period: 36 2007

Current Tax Code: 990 Previous Gross: 0.00

Week 1: No Previous Tax: 0.00

Next Tax Letter: Scheme Contract Out:

New Tax Code: 0

Effective Period:

N.I. Number: AA 12 34 65 A

Director: No

Period Director: 0 Tax Week: 0

N.I. Category: C

Period of 1st Change: 0

Period of 2nd Change: 0

Period of 3rd Change: 0

Sender ID: Password:

Submit NINO Verification Request

National Insurance Verification Requests (NVR) are on an individual basis from within Employee Maintenance.



There are two new fields added onto the above screen to allow for the entry of the HMRC ID and Password and to submit an NVR.

Tax Week

This field will appear on monthly payrolls only. It should be populated if an employee changes to a Director mid-year. The existing Period Director field will be populated with the month the change is made and this is used for the NI calculations. The Tax Week should be populated with the week of the change to a Director so this can be informed to HMRC on the FPS. This figure will be cleared at year end.

Notes

7.4.4 RTI Tab (New)

The screen below will appear once version 6.0 of Evolution M is loaded even if RTI has not yet been activated in Parameter Maintenance. This will allow any applicable employee indicators to be set in advance of the EAS.



The screen is split into four sections but only the "Employee Indicators" will be submitted on an EAS, so these can be set in advance. The other sections will only be used from 2013-14, and subsequent years, once RTI is live.

7.4.4.1 Employee Indicators

Being paid Occupational Pension This should be set to Yes if employee is being paid an Occupational Pension.

Receives Irregular Payments Should be set to Yes if employee is paid on an irregular basis e.g. casual/seasonal worker or is on long term maternity or sick leave. It is used to prevent HMRC assuming that they have left their employment after 3 months of non-payment.

If a new starter is to receive irregular payments, or an existing employee changes to receive irregular payments after the EAS is submitted, this should still be ticked so it will be included the next time an FPS is submitted.

Payments made to Non-individual Set to Yes if payments are made to a third party or non-individual e.g. Personal Representative or Trustee.

Earnings are Aggregated This should be set to Yes if earnings from more than one job have been added together to calculate National Insurance contributions.

Notes

Expat (starters pre 2013-14) Set to Yes if the employee is seconded to work in the UK. (New starters seconded to work will be noticed in the starter section).

The other sections will only be used once RTI is live and will be submitted on each FPS when applicable.

7.4.4.2 New Starters

This section will be completed for all new starters from April 2013. The Date Started will need to be entered on the Main tab.

Starting Declaration Every new starter needs to confirm whether:

- A. This is their first job since the start of the tax year
- B. This is currently their only job
- C. They have another job or pension

New occupation pensioners and seconded employees should select "Occ Pension or Foreign" as they should not complete this declaration.

Seconded Employees New starters seconded to work in the UK will need to tell of their intentions to stay in the UK along with whether they are a European Economic Area Citizen and whether this is a EPM6 (Modified) scheme. This information would previously be completed on form P46-Expat.

7.4.4.3 Current Period Only

These should only be used from April 2013 and only when required. These are indicators or values that relate the current pay period only so need to be set before the FPS is submitted. These will be reset, to No or 0, when clearing entries into the next period.

Payment Date This will be populated after running Payment Processing and shouldn't be changed.

Reduced Pay Select if the employee paid for the period has been reduced due to them being on strike or **unpaid absence**.

Unpaid absence should also be set if the employee requests that their contracted hours are reduced to zero for a period of time exceeding one pay period. In this case, **unpaid absence** needs to be selected on the FPS before their unpaid absence.

Notes

Employee Paid after Leaving	Set to Yes when further payment(s) need to be made to a leaver, and is used in conjunction with Leaver = No on the Main Tab, informing HMRC that the employee was paid additional payments after they had left.
New Occupational Pension	Select Yes if this is a new Occupational Pension Scheme for the individual or Partner if they are drawing the pension of a recently bereaved spouse/civil partner.
Annual Value of Pension	Enter the full annual value of the above Occupational Pension.
Trivial Commutation Type	Indicate one of the following if a lump sum is paid in place of a small pension: A. Trivial Commutation lump sums B. Lump sum from personal pension scheme C. Lump sum from occupational pension scheme
Trivial Commutation Lump Sum	Enter the total value of the lump sum indicated above (whole pounds only).

Notes

7.4.4.4 Change of Employee Code

HMRC need to be informed if an employee's code (referred to by HMRC as Payroll ID) changes once RTI is live, even if the change happened at the beginning on a new tax year. HMRC only need to be informed on the first FPS after the change.

Evolution M prefixes the employee code with the payroll number to give a unique ID, so a change in employee's code could occur if they are moving from one payroll to another or, when moving employees from another Payroll System.

E.g. Employee 'SMITH' moving from between Evolution M payroll 01 to 02, their previous code will be 01-SMITH and their new code will be 02-SMITH. Employee '123' from a previous Payroll Software is entered into payroll 01 in Evolution M so their previous code submitted to HMRC is 123 and their new code will be 01-123.

First Period Of Change	Select Yes if this is the first period they are to be paid with their new code. This will automatically be set to No when clearing into the next period.
Previous Employee Code	Enter their code used on previous submissions to HMRC.

7.4.4.5 Partner Details

These details will only need to be entered if an employee has received a payment of Additional Statutory Paternity Pay.

7.5 BACS output

7.5.1 Cash Book > Maintenance

Notes

Standard 18 This is a new field to be used for RTI and should only be turned on if you have your own BACS SUN (Service User Number).

This will then generate a random 4 digit cross reference that will appear on the BACS output file and on the FPS to tie the two submissions together, i.e. one submission to the Bank and the other to HMRC.

If you do have their own SUN reference, then everything must be paid through the payroll (including expenses, etc.), to ensure the net pay in the BACS file agrees with the net pay calculated on the FPS.



If you do require this option then it should only be done once you have activated RTI in Parameter Maintenance and you have completed all payroll BACS payments relating to the 2012-13 tax year.



If you do not have your own BACS SUN then this must remain set to No.

Certain BACS formats produced by Evolution M have been enhanced to accommodate the 4 digit cross reference if the above option is set to Yes.

The BACS formats changed to include this are:

- Albacs-IP
- Allied Irish (euro)
- BACS - IP For Free
- Bank of Scotland
- Barclays B/M
- HSBC

If you have your own BACS SUN and your BACS Output Type specified on Cashbook Maintenance is not one of the above then you will need to contact your Bank or Bacs Approved Software Supplier (BASS).

If you have your own BACS SUN and have set the above option to Yes, we would strongly advise against changing an employees pay once Payment Processing has been run. Doing so could give a difference between what is being submitted to HMRC on the FPS and what is being submitted to your Bank. We would advise that any changes to employees paid should be made in the next payroll period.

Similarly, BACS files once output from Evolution M should not have their values amended before submitting to your bank.

Notes

7.6 Starters and Leavers

These are now dealt with on the FPS submissions, so there is no longer a requirement to do In Year Submissions for P45s or P46s. P45 forms should still be printed for left employees.

In a future release of Evolution M, the screens to submit P45s and P46s details to HMRC will be removed but they still exist at present to allow for the completion of the 2012-13 tax year.



In order to reflect these correctly on the FPS, you will need to make sure the starters and leavers are set at the correct time.

7.6.1 Starters

All of the starter information needs to be submitted on the first FPS for that employee, i.e. the first time they are paid and not before. When adding a new employee, the Starter field (on Employee Maintenance - Main tab) will be set to Yes but this will be automatically set to No when clearing entries into the next period.

Therefore, in order for HMRC to be correctly informed of new starters, the new employee should be setup in the first period they are to be paid and not in an earlier period. Once a starting date has been entered the new starting declaration should be completed on the RTI tab of Employee Maintenance.

7.6.2 Leavers

The leaving date for any employee should be submitted on the last FPS they are being paid rather than in any period after they have left.

In order to set the leaver correctly, in the final period the employee is to be paid, the Date of Leaving should be entered in Enter Pay Details or the Date Left entered in Employee Maintenance (if using Employee Maintenance to enter the date left, the Leaver and Period Left fields should not be changed). This leaving date will then be included on the FPS for the period and HMRC will be informed that this employee is leaving your employment.

A P45 should also be printed and given to the employee but there is no need to submit P45 leaver or starter details separately to HMRC.

Any employee with a leaving date in the current period will be set as a leaver when clearing down into the next period, so they will not appear as a current employee in subsequent periods.

If you need to make a further payment to an employee after you have informed HMRC they have left, it is possible to set them back as a current employee to achieve this. If you need to do this, set the Leaver = No on the Employee Maintenance - Main Tab, and field Employee Paid after leaving on the RTI Tab = Yes. This will inform HMRC on the FPS that this employee is being paid even though a leaving date has been filed with HMRC. This employee will be set as a leaver again when clearing the entries into the next period.



IMPORTANT NOTE: *If a left employee comes back, they should always be setup as a new employee rather than reinstating the left employee.*

Notes

8 REAL TIME INFORMATION MENU

A new menu has been added to payroll for RTI, as follows:



Real Time Information

With the following options:

Payroll / Real Time Information

- Employer Alignment Submission (EAS)
- Full Payment Submission (FPS)
- Employer Payment Summary (EPS)
- Earlier Year-End Update (EYU)
- HMRC Submission Enquiry

The Full Payment Submissions (FPS) has also been added to the Payroll / Processing menu as this routine will need to be run as part of payroll process for each period:

Payroll / Processing

- Login / Change Payroll
- Enter Pay Details
- Calculate Payroll
- Enquiry
- Print Payroll Details
- Print Payslips
- Payment Processing
- Reprint Cheque(s)
- BACS Transfer to PC
- Full Payment Submission (FPS)
- Update Costs / Nominal
- Print Period / Value Maintenance Details
- Payroll Cost Analysis
- Clear Entries and Update Employees
- Logout

Notes

8.1 Submission Types

With all the employee submissions **EAS, FPS and NVR** the employee codes will be prefixed with the payroll number to give a unique ID, as required by HMRC:

For example: Employee SMITH in payroll 1 will be submitted as 01-SMITH and employee SMITH in payroll 2 will be submitted as 02-SMITH.

8.1.1 Employer Alignment Submissions (EAS)

The EAS itself should only be performed when all live payrolls have been updated into 01 2014 and the employees information (Names, NINO, DOB etc.) have been checked. The payroll period will display in the top right corner.



HMRC have said that the EAS should only be submitted on or after 6th April 2013 and should be at least 24 hours before the first FPS.

However, once version 6.0 has been installed, you will be able to validate your data prior to the EAS itself and prior to updating into 01 2014. If you run the EAS routine before activating RTI, the data will be validated and any errors reported, but the 'Submit' option will be disabled.

Evolution M will validate the following and any errors will be displayed and will need to be corrected in Employee Maintenance before an EAS can be sent to HMRC:

- Date of Birth Must be present
- Any name field should only contain letters, apostrophe, hyphen or space (first character cannot be a space)
- If a NINO is not entered then at least the first two address lines should be completed

An example of validation errors

Employee Code	Surname	Submission
003	Yates,	Invalid character in surname
141	Beale	Address lines 1 and 2 must be populated if NINO unknown
151	Cole	No Date Of Birth

Evolution M will submit an EAS for all employees within the current payroll so if you have more than one payroll then each will need to be submitted separately.



HMRC need to know how many EAS parts you will be submitting per tax company, and if there is more than one then each part needs to have a unique ID.

For example: if you only have a single payroll then the number of EAS parts will be 1 and no unique ID is required. If you have two payrolls, (e.g. payroll 1 is weekly, payroll 2 is monthly) then the number of parts will be 2 and the ID may be the payroll number (1 or 2) or a brief description (this example is shown on the next page). If you have two payrolls on Evolution M and a third payroll is done by your accountants, then the number of parts will be 3 etc.

Notes

Once HMRC have received the number of EAS parts specified and each with a different ID then no further EAS will be accepted.



You will need to enter your HMRC ID and Password along with the number of parts and part ID then click Submit to send to HMRC.

EAS for Payroll 1 - Weekly wages

Employer Alignment Submission (EAS) - Weekly Payroll : 01 2014

File Help

Sender ID: Password: Date: Payroll Period:

No of Parts: Unique Part ID:

Employee Code	Surname	Submission
003	Yates	
141	Beale	
151	Cole	
330	Williams	

Submit Cancel

Notes

EAS for Payroll 2 - Monthly salaries

Employer Alignment Submission (EAS) - Monthly Payroll : 01 2014

File Help

Sender ID: Password: Date: Payroll Period:

No of Parts: Unique Part ID:

Employee Code	Surname	Submission
M030	Platt	
M032	Fidler	
M033	Mabbett	
M034	Fernandez	
M035	Reeve	
M036	Pidgley	
M043	Sugden	
M044	Tarrant	
M045	White	
M047	Kipps	
M052	Kowalski	
M054	Merek	
M055	Smith	
M149	Dunning	
M152	Croft	
M157	Carlisle	
M175	Taylor	
M178	Imrie	
M179	Law	
M181	Hell	
M184	Walker	
M202	Jensen	

Submit Cancel

8.1.2 Full Payment Submissions (FPS)

This will be done per payroll and will include all employees paid with the current period; any employees marked as absent or on holiday will be excluded.

Payment processing **must** be run first and the correct date entered as it is the payment date that will output to the FPS. It's important that this date is entered correctly and is within the tax year.



The payroll date cannot be entered anywhere else in Evolution M.

Employees will be validated and the routine will not run if there are employees that have not been paid or calculated, or have invalid characters in the name, or missing DOB etc. Validation errors will show similar to that below and only when all errors have been corrected can you submit the FPS to HMRC:

Employee Code	Surname	no date of birth
003	Yates	not calculated, not paid
151	Cole	no date of birth

If there are no errors then you should enter your HMRC Sending ID and Password and click Submit.

The Last submission field will default to **No**, this should only be changed to **Yes** if this is the final submission (either FPS or EPS) for the tax year. More information will be supplied regarding final submissions towards the end of the 2013-14 tax year.

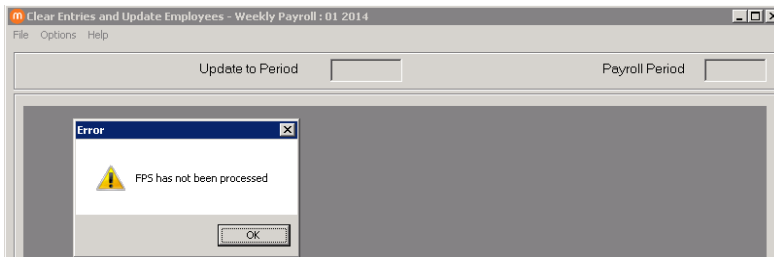


*If you change an employees pay after an FPS has already been submitted for the period, then you need to **resubmit the FPS which will contain all employees paid in the period (not just the amended employees)** and this will overwrite the previous FPS received by HMRC. Re-submitting an FPS for a period will give the message below where Yes can be selected to send to HMRC.*

Notes

8.1.2.1 Clear Entries & Update Employees

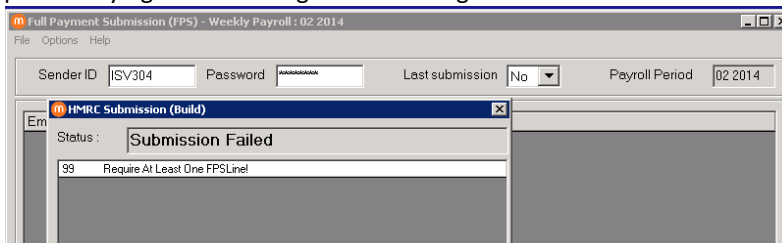
You will not be able to clear entries into the new period unless an FPS has been successful. If you attempt this then you will receive the message as below:



Clicking OK on the above screen will return you to the menu where you should submit your FPS to HMRC. Once the FPS is successful you will be able to update into the next period.

8.1.2.2 Periods where no employees have been paid

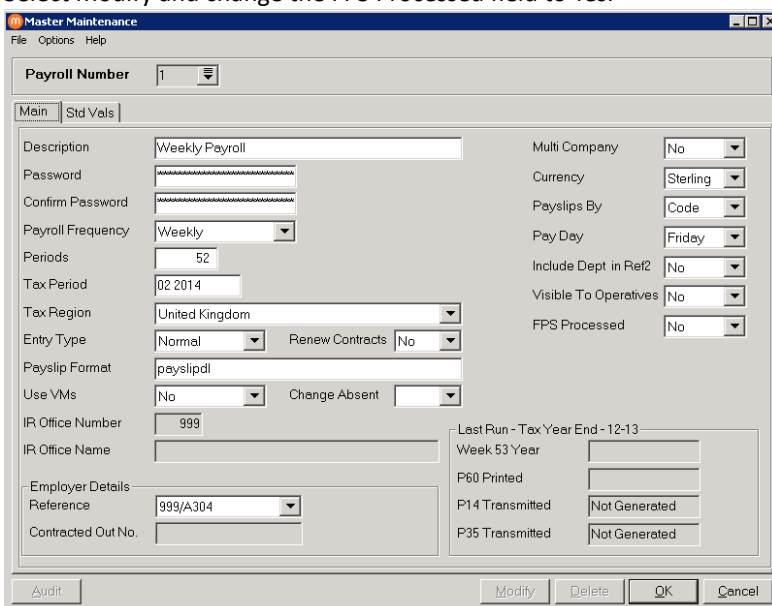
If you have a period when no employees have been (e.g. a holiday week over Christmas) you should not and will not be able to submit an FPS for this period. Trying to do so will give the message below:



In this instance only, you will have to change the Payroll Master to say the FPS has been successful before you will be able to update into the next period.

Select Payroll > Masters > Master Maintenance from your menu and select the necessary payroll.

Select Modify and change the FPS Processed field to Yes.



Click OK and you will then be able to update into the next period.

Notes

8.1.3 NVR (NINO verification request)

This is done on an individual basis from Employee Maintenance rather than a separate item on the menu. Only a request is submitted and nothing is received back from HMRC into Evolution M.

8.1.4 Employer Payment Submissions (EPS)

Employers Payment Submission is not always required, unless there are recoveries, such as SMP, to be made since the last EPS (or a declaration of Future Period of inactivity or No payments in this or previous period to be made to HMRC).

Once the menu option is selected, the following screen is displayed:

Employer Payment Summary (EPS) - Weekly Payroll: 01 2014

File Options Help

Sender ID: ISV304 Password: Password Tax Year: 13-14 Last submission: No

SSP Recovered YTD: 0.00
 SMP Recovered YTD: 1,000.00
 OSPP Recovered YTD: 600.00
 SAP Recovered YTD: 0.00
 ASPP Recovered YTD: 0.00
 SMP Compensation YTD: 0.00
 OSPP Compensation YTD: 0.00
 SAP Compensation YTD: 0.00
 ASPP Compensation YTD: 0.00
 CIS Deductions YTD: 0.00
 NIC Holidays YTD: 0.00

Declarations if final submission

Employment ended: [] End date: []
 Free of tax payments made to employees: []
 Employees given benefits from elsewhere: []
 Non UK worker not included in a RTI submission: []
 Part of employees pay paid elsewhere: []
 P11D forms due for year: []
 IR35 or management service legislation operated: []

Future period of inactivity

Inactivity: [No]
 Date from: [] Date to: []

No payments in this or previous period

No payment: [No]
 Date from: [] Date to: []

Submit Cancel

Values entered will be retained for any future EPS generated, as they are year to date totals.

If you are indicating a future period of inactivity then the dates will be validated that they are not before today's date.

If you are indicating that there have been no payments in this or a previous period then the dates will be validated that they are prior to today's date.

Once the necessary values have been entered along with the HMRC Sending ID, Password and Tax Year of 2013-14 then click Submit to send to HMRC.

The Last submissions will default to No, this should only be changed to Yes if this is the final submissions, either FPS or EPS, for the tax year.



More information will be supplied regarding last submissions towards the end of the 2013-14 tax year.

Notes

8.1.5 Earlier Year-End Update (EYU)

This will be used to send adjusted values to HMRC relating to the previous RTI tax year. As the first RTI year on Evolution M will be 2013-14, the first EYU adjustments will be available from mid-April 2014.



More information regarding EYU will be released towards the end of the 2013-14 tax year.

8.1.6 HMRC Submission Enquiry

This program can be used to view details sent to and received by HMRC. This routine would usually only be required to gather further information should a submission fail and need to be investigated by the Support Department.

This option is not available to users by default. Should you want this adding then please contact the Support Department. Note that your HMRC ID and Password can be seen in each submission so please bear this in mind before you make a request.

Once selected enter a From / To submission date or leave blank to view all:

1. Click OK to display the submission details:

Serial	Submission Type	Description	Status	Message	Recover Status
1,743	RTI EPS Submission	RTI EPS Submission	Error in Request	36 Authentication Failure. The supplied user credentials failed validation for the requested service.	
1,744	RTI EPS Submission	RTI EPS Submission	Received Response		
1,745	RTI EPS Submission	RTI EPS Submission	Error in Request	37 The [DATESCHEMECEASED] must be today or earlier. Please check.	
1,746	RTI EPS Submission	RTI EPS Submission	Error in Request	36 Authentication Failure. The supplied user credentials failed validation for the requested service.	
1,747	RTI EPS Submission	RTI EPS Submission	Received Response		
1,748	RTI FPS Submission	RTI FPS Submission	Received Response		
1,749	RTI FPS Submission	RTI FPS Submission	Error in Request	37 Value 2012-10-31 is too small	
1,750	RTI FPS Submission	RTI FPS Submission	Error in Request	37 Value 2012-10-31 is too small	
1,751	RTI FPS Submission	RTI FPS Submission	Error in Request	37 Value 2012-10-31 is too small	
1,752	RTI FPS Submission	RTI FPS Submission	Received Response		
1,753	RTI EAS Submission	RTI EAS Submission	Received Response		
1,754	RTI NINO Verification	RTI NINO Verification	Received Response		
1,755	RTI NINO Verification	RTI NINO Verification	Error in Request	37 The Date must be today or earlier. Please check.	
1,756	RTI FPS Submission	RTI FPS Submission	Received Response		

2. Double click on a specific line to give further information and access to the Summary, Sent and Received tabs:

00001745 RTI EPS Submission

Summary | Sent | Received

Log Serial: 1745
 Description: RTI EPS Submission
 Submitted By: Lxkey
 Submitted On: 20 Dec 2012 at 09:15:27
 Last Status: Error in Request
 Ifmark: RdgDwHtUwld+LBHtpKd9BtOr
 Correlation ID:
 Recover Status:
 Error Message: 37 The [DATESCHEMECEASED] must be today or earlier. Please check.

00001745 RTI EPS Submission

Summary | Sent | Received

```
<GovTalkMessage xmlns:xsi="http://www.w3.org/2001/XMLSchema-instance" xmlns="http://www.hmrc.gov.uk/xmlschemas/rti/">
  <EnvelopeVersion>2.0</EnvelopeVersion>
  <Header>
    <MessageDetails>
      <Class>HMRC-PAYE-RTI-EPS</Class>
      <Qualifier>request</Qualifier>
      <Function>submit</Function>
      <TransactionID></TransactionID>
      <CorrelationID>C7F6D0D4D124439E9F3605A</CorrelationID>
      <ResponseEndPointPollInterval>"10">https://
      <Transformation>>XML</Transformation>
      <GatewayTimestamp>2012-12-20T09:15:39.7</GatewayTimestamp>
    </MessageDetails>
  </Header>
  <Body>
    <RTISubmission>
      <RTIHeader>
        <RTIHeaderVersion>2.0</RTIHeaderVersion>
        <RTIHeaderType>RTI-EPS</RTIHeaderType>
        <RTIHeaderSubType>RTI-EPS</RTIHeaderSubType>
        <RTIHeaderQualifier>request</RTIHeaderQualifier>
        <RTIHeaderFunction>submit</RTIHeaderFunction>
        <RTIHeaderTransactionID></RTIHeaderTransactionID>
        <RTIHeaderCorrelationID>C7F6D0D4D124439E9F3605A</RTIHeaderCorrelationID>
        <RTIHeaderResponseEndPointPollInterval>"10">https://
        <RTIHeaderTransformation>>XML</RTIHeaderTransformation>
        <RTIHeaderGatewayTimestamp>2012-12-20T09:15:39.7</RTIHeaderGatewayTimestamp>
      </RTIHeader>
      <RTIData>
        <RTIDataVersion>2.0</RTIDataVersion>
        <RTIDataSubType>RTI-EPS</RTIDataSubType>
        <RTIDataQualifier>request</RTIDataQualifier>
        <RTIDataFunction>submit</RTIDataFunction>
        <RTIDataTransactionID></RTIDataTransactionID>
        <RTIDataCorrelationID>C7F6D0D4D124439E9F3605A</RTIDataCorrelationID>
        <RTIDataResponseEndPointPollInterval>"10">https://
        <RTIDataTransformation>>XML</RTIDataTransformation>
        <RTIDataGatewayTimestamp>2012-12-20T09:15:39.7</RTIDataGatewayTimestamp>
      </RTIData>
    </RTISubmission>
  </Body>
</GovTalkMessage>
```

USEFUL LINKS

HMRC, Payroll professionals and employers FAQs. Available at:

www.hmrc.gov.uk/rti/employerfaqs.htm

HMRC, Payroll reporting is changing - operating PAYE in real time.

Available at: www.hmrc.gov.uk/rti/index.htm

Improving your payroll data. Available at:

www.hmrc.gov.uk/rti/dip/index.htm

Notes

RTI CHECKLIST

Your step by step checklist for the successful implementation of RTI.

- ☐ Evolution M Update Installed
- ☐ Cleanse Employee Data
- ☐ Update each live Payroll into the 01-2014 period
- ☐ Set RTI Switch to 'YES' in Evolution M
- ☐ Set BACS Standard 18 (if applicable)
- ☐ Submit Employer Alignment Submission
- ☐ Process First Payroll
- ☐ Submit Full Payment Submission

Notes

Head Office

Integrity Software Systems Ltd

Mere Park

Dedmere Road

Marlow

Buckinghamshire

SL7 1PB

T +44 (0)1628 488900

F +44 (0)1628 488940

W www.integrity-software.net

Support

T +44 (0)1522 887200

E support@integrity-software.net