

2018 PAYROLL NEWSLETTER

We have summarised some key changes to payroll below for your information. If you wish to discuss any of these further please contact Kelly at our Ledbury office.

Welcome Ben!

We would like to welcome Ben McDowell to our team, who is our new full-time payroll assistant in the Ledbury office, working alongside Kelly. Ben joined us from a bureau based in Bath at the start of February and has quickly settled into our team.

“I am delighted to be joining Crowthers at such an exciting time for the Company and its clients. I warmly look forward to assisting wherever possible as we look to further develop our comprehensive array of quality services”.

We are now hoping to grow our payroll bureau and so if you are interested in any specific schemes to introduce to your employees, please let us know, including childcare vouchers and cycle to work schemes.

WE ARE GOING GREEN!!

Say goodbye to the hassle of paper payslips - we offer online payslips with no additional costs! This means you no longer have to waste time sorting and handing out paper payslips each pay date. Instead your employee will have access to their payslips 24/7 from a secure website.

It has worked well with those clients who have already set this up – in order to do this you need to supply us with a list of e-mail addresses for your employees and let us do the rest!

As from April, we will be going paperless and we will no longer be posting payslips but uploading them into a new secure online storage facility that we will set up for you to access and print them. Please let us know if you have any queries in relation to this.

National Living Wage & National Minimum Wage (NLW & NMW)

On the 1 April 2018, the National Minimum Wage and National Living Wage rates for all bands will be increased. Please make sure that all employees are being paid at or above the correct level depending on their age. The new hourly rates are as follows;

25 and over	21-24	18-20	Under 18	Apprentice
£7.83	£7.38	£5.90	£4.20	£3.70

Employment Allowance

The Employment Allowance of £3,000 is available again for the 2018/19 year for all businesses and charities to offset against their Employers National Insurance.

Employers are not required to pay Employers Class 1 National Insurance Contributions in respect of wages they pay to employees under 21 years of age up to £892 per week.

Tax Free Personal Allowance

The basic personal allowance will increase for the 2018/19 tax year from £11,500 to £11,850, giving a standard tax code of 1185L. However, Employees National Insurance is paid on income over £8,424 per annum.

Automatic Enrolment (Work place pension)

The majority of clients have now passed their staging date and are successfully complying with the Auto-enrolment requirements. Please note that the minimum contributions level increases as from 6 April 2018 and again on 6 April 2019, your employees should be made aware of this.

<u>Date effective</u>	<u>Employer minimum contributions</u>	<u>Employee contributions</u>	<u>Total minimum contributions</u>
Up to 5 April 2018	1%	1%	2%
6 April 2018 – 5 April 2019	2%	3%	5%
6 April 2019 onwards	3%	5%	8%

PAYE/NI payments due to HM Revenue & Customs

HM Revenue & Customs are trying to make all businesses pay electronically. Please note that if you pay PAYE/NI liability electronically you have until the 22nd of the month, if not then this is shortened to the 19th, where payment needs to be cleared.

Dynamic Coding

In July 2017, HM Revenue & Customs launched ‘Dynamic Coding’. They use RTI (Real Time Information) data sent in from employers to calculate employees’ tax codes in real time. From this any potential underpayments are replaced with in year adjustments of a personal tax code. Previously this was reflected in the following tax year.

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