

## **2021 PAYROLL NEWSLETTER**

After quite a busy year in the payroll department, we have summarised some key changes below for your information. If you wish to discuss any of these further please do not hesitate to contact Kelly Cummings, Payroll Manager, at our Ledbury office.



### **Welcome Will!**

With such a busy year, Will, who is normally based in our Twynning office, has been working one week a month in our Ledbury office, helping to process some of our payrolls. He is a great addition to our team, and we really appreciate the extra support he provides.

### **National Living Wage and National Minimum Wage (NLW & NMW)**

On 1 April 2021, both the NLW and NMW 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, (except for any furlough they are being paid for). Please note that the NLW rates will now apply to those aged 23 and over, not 25 and over! The new hourly rates are as follows.

	Apprentice	Under 18	18-20	21-22	23 and over
April 2021	<b>£4.30</b>	<b>£4.62</b>	<b>£6.56</b>	<b>£8.36</b>	<b>£8.91</b>

### **Employment Allowance**

There are no changes to the employment allowance for the 2021/22 tax year. As per 2020/21, employers with class 1 Employers NI, over £100,000 or more in the preceding tax year, will no longer be eligible for Employment Allowance. The amount remains the same at £4,000.

However, please note, that unlike previous tax years the claim does not automatically carry over to the new tax year. Therefore, an EPS must be made in order to claim this for 2021/22.

### **Tax Free Personal Allowance**

The standard personal tax allowance is increasing from £12,500 to £12,570 as from 6 April 2021.

### **National Insurance**

	Weekly	Monthly	Annually
Lower Earnings Limit	£120	£520	£6,240
Employee NI – 12%	£184	£797	£9,568
Employer NI - 13.8%	£170	£737	£8,840

## **Automatic Enrolment – Re-Enrolment**

Payroll clients are now starting to approach the third anniversary of their Auto-Enrolment Staging date, which means they need to re-enroll. This involves a similar process to first setting up the pension scheme, where all employees must be assessed and if they meet the right criteria, enrolled onto the pension scheme, even if those employees had previously opted out. Employees do have the chance to opt out again if they wish to. The minimum contribution levels have remained the same as last year, being employer minimum 3% and employee 5%.

## **Statutory Sick Pay**

The same weekly SSP applies to all employees, however, the amount you pay an employee for each day, depends on the number of qualifying days they work a week. The SSP for April 2021 onwards, will be £96.35 per week.

## **Furlough – Coronavirus Job Retention Scheme (CJRS)**

As announced in the budget, the furlough scheme will be extended until the end of September 2021. This will continue to pay employees 80% of their pay, or to the cap for the hours they could not work due to the pandemic. The employers are still responsible for paying the employers NI and pension contributions.

Employers will be expected to pay 10% towards the hours the employees do not work in July and then this increases to 20% in both August and September, as hopefully the easing out of lockdown opens the economy.

## **Key Payroll Dates**

19th of each month	Deadline to pay PAYE/NI/CIS to HMRC by non-electronic method Last date to submit RTI EPS and CIS returns
22nd of each month	Deadline to pay PAYE/NI/CIS electronically
31st May	Employees must receive their P60 before today
6th July	Filing deadline for P11Ds and give forms to employees
19th July	Deadline to pay Class 1 A NIC by non-electronic method
22nd July	Deadline to pay Class 1 A NIC electronically

**QDOS EMPLOYMENT LAW HELPLINE - 0116 243 7891**

**This is free for clients, please contact Kelly if you require our reference number**

<b><u>Ledbury Office</u></b>	<b><u>Cheltenham Office</u></b>	<b><u>Pershore Office</u></b>	<b><u>Twynning Office</u></b>
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