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UPDATES, SUPPORT, NETWORKING FOR THE PAYROLL COMMUNITY

Welcome to March's PayrockPayroll update. Coming up in this month's edition…

COVID-19 update
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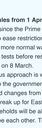
PayrockPayroll update



Hi Mark.

COVID-19 update

Changes to shielding rules from 1 April
It's less than four weeks since the Prime Minister unveiled the government's roadmap to ease restrictions across England and provide a route back to a more normal way of life. Each step would be assessed against four tests before restrictions eased, starting with the return of schools on 8 March.
And, it seems, the cautious approach is working, with infection rates continuing to fall, so the government is continuing with its plan to introduce further limited changes from 29 March, the week in which most schools will break up for Easter. Outdoor gatherings of either 6 people or 2 households will be allowed, providing greater flexibility for families to see each other. This includes in private gardens.
Outdoor sports facilities, such as tennis and basketball courts, will be allowed to reopen, and people can take part in formally organised outdoor sports.
At this point, the Stay at Home order will end, although many lockdown restrictions will remain. And this has prompted Public Health England (PHE) to issue new guidance to those categorised as extremely clinically vulnerable.

In a letter to those who have previously been advised to shield, PHE states that, from 1 April 2021, they are no longer advised to shield (and will no longer be eligible for SSP or similar benefits as a result of being advised to shield). It states: *"Everyone is currently advised to work from home where possible. If you cannot work from home, you should go to work."*

The letter reminds recipients that they should still obey applicable lockdown laws, and reminds them of basic protective measures such as hands, face, space.
For employers this means that from 1 April 2021 they must stop paying SSP to any employees who have previously been shielding.

Benefit-in-kind easements relating to COVID-19
In January's update I told you about the Cycle to Work easement, in which the government has temporarily removed the 'qualifying journeys' condition for employees who joined and received their cycling equipment on or before 20 December. As a consequence, employees who joined a Cycle to Work scheme on or before 20 December 2020 will not be liable for a benefit-in-kind charge. This tax easement will remain in place until 5 April 2022.
Since then the government has announced that two more COVID-19 related benefit-in-kind easements will continue for tax year 2021-22.

The first is the income tax exemption for employer-reimbursed coronavirus antigen tests. There will be no income tax liability for the employee or employer in either 2020-21 or 2021-22 for payments that an employer makes to an employee to reimburse for the cost of a relevant coronavirus antigen test.

The second is the continuation of the home office equipment expenses easement introduced for the 2020-21 tax year. This allows employers to reimburse employees, free from income tax and Class 1 NICs, for the cost of home office equipment deemed necessary to work from home as a result of the COVID-19 outbreak. The exemption was due to end on 5 April 2021 but will now be extended until 5 April 2022.

Budget 2021

There was speculation before the Budget on 3 March that the Chancellor would raise taxes as the first step on the road to repaying some of the huge debt incurred as a result of the pandemic. But it seems the slow and cautious approach of the Prime Minister's roadmap is reflected in the Chancellor's approach to tax rises.
As an alternative to directly raising taxes this year, instead the Chancellor has frozen the Personal Allowance and tax thresholds for the next five years.
For an industry used to dealing with constant change, this move brings a level of unaccustomed certainty to the payroll profession.
The following are frozen at 2021-22 values until 2026

- Personal Allowance
- Income tax bands
- Higher rate threshold
- Pension lifetime allowance

The following are frozen at 2020-21 values until at least 2022-23

- Employment Allowance
- Apprentice levy off-set allowance
- Apprentice levy percentage

You can find all the rates, limits and thresholds for 2021-22 on the MBKB website.

Assessing employment status

As the date fast approaches when the off-payroll working rules will be extended to the private sector, we received a timely reminder this week of the importance of assessing the status of workers.
After a long running case involving four court defeats, Uber has this week agreed to reclassify its UK drivers as workers, following the Supreme Court ruling in February 2021 that Uber drivers are workers when they are logged into the ride hailing app.

From 17 March, 70,000 drivers will be paid the appropriate National Minimum Wage, receive holiday pay and be automatically enrolled into a pension scheme.

Uber had argued that its drivers were independent contractors, not workers as the court has determined. But, important as this case is, it is crucial to note that this judgement only affects individuals who brought the claim. It does not apply to the entire Uber workforce, nor does it apply to the wider gig economy. And the categorisation of the individuals as workers only affects their employment rights, it does not change their status for tax purposes.

This is because the test for determining status for employment rights is different to the employment status test for tax. So whilst these Uber drivers are now considered to be workers, entitled to minimum rates of pay, paid holiday and enrolment into a pension scheme, they are still considered to be self-employed for tax purposes.

And, ahead of the extension of off-payroll working next month, it is this misalignment that makes it so very important for you to assess very carefully the status of anyone providing their services through a limited company. Don't make any assumptions, and consider using HMRC's CEST tool to help you come to the correct status determination.

Listen to MBKB's webinar from January 2021 for more information about off-payroll working.

No more informal payrolling of benefits

In February's Employer Bulletin, HMRC confirmed that the option of informally payrolling benefits will be removed for the new tax year.

Informal payrolling means that an employer hasn't registered to use the online service for payrolling benefits by the start of the tax year, but has instead made an informal agreement with HMRC to payroll benefits for that tax year.

There are now only a small number of employers doing this, mainly as a legacy from before the online service was introduced.
However, HMRC has advised that from 2021-22 this will no longer be an option, and employers who previously chose to informally payroll benefits can now only payroll benefits if they formally register to use the online service prior to the start of 2021-22.
Registration must be completed by 5 April 2021, at the very latest.
You can find out more about the payrolling of benefits in the MBKB P11D training course. Details coming up next…

PayrockPayroll Update

MBKB – Your training Your way
As the end of the tax year gets nearer and nearer, we are pleased to announce that we have launched two new payroll training courses to give you all the information you need about the changes coming in from April 2021, and how to report your expenses and benefits for 2020/21.

Firstly we have **P11Ds – Taking the mystery out of expenses & benefits**, which is a CPD accredited six hour course, delivered online.

If you want to be confident processing P11Ds, or need to know more about how to report expenses and benefits, or if you have been wondering whether payrolling benefits is for you, then this course will give you the knowledge you need to manage your expenses and benefits processes, produce accurate, timely returns and avoid costly penalties.

Furthermore, **we tailor each training course to you**. Let us know, at the time of booking, the areas or benefits you want to cover and we will ensure we include those topics.
Places are going fast, find more information or book your place on our website.
Dates
12th March 201 - Sold out
23rd March 2021 - Limited spaces available
28th April 2021 - Limited spaces available
27th May 2021

The **Payroll Legislation Update 2021/22**, is also a CPD accredited six hour course, delivered online, covering topics including:

- UK Budget 2021
- Impact of COVID
- Income tax
- Childcare vouchers in the UK
- Termination payments
- IR35 and off-payroll working
- OpRA and salary sacrifice
- National Insurance
- Real Time Information
- Statutory payments
- National Minimum Wage
- Student loans
- Expenses and benefits
- Pensions

Dates
9th March - Sold out
31st March - Sold out
12th April
30th April - Limited spaces available
10th May
This course is also proving very popular, find more information or book your place on our website.

Payroll support helpdesk available to PayrockPayroll members
As payroll processing gets ever more complicated, we know that, much as we would like to, none of us can know everything, and here at PayrockPayroll we want to help. As a PayrockPayroll member you have access to our payroll support helpline. Several of you have already used this service, all you need do is email your query to payrollsupport@mbkbgroup.com but please remember to write your membership number in the subject line, it was included in your membership pack email.

As a reminder, your Tier 2 PayrockPayroll membership includes:
• Payroll Update sessions – Online monthly
• PayrockPayroll e-newsletter – Monthly
• Payroll helpdesk / support - 10 queries
• 1 x short course delivery
• PayrockPayroll - Annual Industry Festival

Payroll Assistant Manager Level 5 Apprenticeship
We tend to think of apprenticeships as being for younger colleagues or those new to the profession, so we are delighted to be able to deliver the new level 5 apprenticeship for payroll. It is ideally suited to those who have worked in payroll for a while and would like to progress their career.
A level 5 apprenticeship is equivalent to a Foundation Degree, and as this can be funded through the apprentice levy it could be a very cost effective way for an employer to support and develop their more experienced staff members. Smaller employers who do not pay the apprentice levy may still be able to access 95% of the cost of the qualification. Enrolments are now open for this exciting new apprenticeship. If you would like to know more about what is involved, or about how to access funding for the Payroll Assistant Manager level 5 apprenticeship, please email train@mbkbgroup.com.

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