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

Spring Statement 2022

COVID - 19 update

New 64-8 agent authorisation form

Draft guidance for Right to Work checks from 6 April 2022

PayrockPayroll update



Hi

Well what a hectic few days we've just had here at MBKB!

I delayed writing this month's update until after the Chancellor's Spring Statement, not quite realising the impact this was going to have on payroll so close to the start of the new tax year. Whilst obviously on a personal level I welcome anything that will help ease the cost of living, from a payroll policy perspective it now means changing all the resources that we had prepared ahead of the new tax year, and re-writing the learning material for our payroll apprentices.

I'd also like to take this opportunity to tell you the **exciting news** that this week MBKB has won the Legal, Finance & Accounting Apprenticeship Provider of the Year award at the 2022 FE WEEK & AELP AAC Apprenticeship Awards for our payroll administrator level 3 apprenticeship. These awards are the apprenticeship equivalent of the Oscars, so we are bursting with pride that we have won.

We put our apprentices at the very heart of everything that we do, and we are thrilled that this award recognises that. Well done to our apprentices, their managers and every single person at MBKB, what a fantastic achievement!



Spring Statement 2022

Whilst we were aware of the many pleas to the Chancellor to bring some help to ease the cost of living crisis, few of us expected there to be an increase to the Primary NIC threshold from 6 July 2022, bringing it up to £12,570 per year and aligning it with the income tax threshold.

This means that from 6 April up to 5 July the Class 1 NIC PT for employees will increase to £190 per week (£823 per month and £9,880 per year) as previously announced.

From 6 July the PT will increase again to £242 per week (£1,048 per month and £12,570 per year).

Earnings limits and thresholds	2021-2022		2022-2023		2022-2023	
	£		Up to 5 July 2022		From 6 July 2022	
			£		£	
Lower Earnings Limit (LEL)						
Weekly	120		123		123	
Monthly	520		533		533	
Yearly	6,240		6,396		6,396	
Earnings thresholds	Primary	Secondary	Primary	Secondary	Primary	Secondary
Weekly	184	170	190	175	242	175
Monthly	797	737	823	758	1,048	758
Yearly	9,568	8,840	9,880	9,100	12,570	9,100

Directors in limited companies pay NICs on an annual basis so will be able to earn £11,908 before paying Class 1 NICs in 2022-23. This differs from employees because it accounts for 13 weeks of £9,880 and 39 weeks of £12,570 meaning that the benefit directors will receive in 2022-23 is in line with employees.

Reversing a previous announcement, the Employment Allowance for eligible employers (those whose secondary Class 1 National Insurance liabilities were less than £100,000 in the previous tax year) will increase from £4,000 in 2021-22 to £5,000 from 6 April 2022.

The Chancellor also announced that in April 2024 the basic rate of income tax will decrease from 20% to 19%. This reduction will apply in England and Northern Ireland and we must wait and see whether Scotland and Wales follow suit.

MBKB payroll factcard now available from the MBKB website

Once again we have collated all the payroll facts and figures that you will need for the next tax year into one factcard which is free to download from the [MBKB website](#)

COVID-19 update

With other world events dominating the news recently, it could seem like COVID-19 has disappeared, although nothing could be further from the truth, with infection rates continuing to rise. But despite this, the majority of COVID support provided by the government over the last two years has come to an end.

COVID related SSP

At the beginning of the COVID pandemic in the spring of 2020 the government introduced special SSP arrangements for COVID related absences which meant that SSP was payable from the first day of absence if the employee was absent for four or more days, thus removing the usual Waiting Days. These special arrangements for COVID related absence ended in Great Britain on 24 March 2022 and employers are no longer able to claim back SSP for their employees' coronavirus related absences.

From 25 March 2022 the normal SSP rules apply. This means that employers in Great Britain must revert to paying SSP from the fourth qualifying (or working) day their employee is off work regardless of the reason for their sickness absence.

However, Social Security rules are different in Northern Ireland (which as I'm sure you all know is not part of Great Britain), where it has been decided to retain the Regulations enabling SSP to be paid from Day One for a COVID related absence.

The Statutory Sick Pay Rebate Scheme closed on 17 March 2022 and employers had until 24 March to submit any new claims or amend claims already submitted.

Tax and NIC exemption on COVID tests

There is one exemption that isn't coming to an end. Since the start of tax year 2020-21, employer-provided or employer-reimbursed COVID tests have been exempt from an income tax or National Insurance liability.

This exemption was due to come to an end on 5 April 2022, after which time HMRC would have required that the value of a test be treated as a Benefit-in-Kind or earnings, however the exemption has now been extended for another year until April 2023.

Given that COVID infection rates are on the increase, and access to free tests is being withdrawn from April 2022, employers may want to continue providing their employees with tests and will welcome this extension.

New 64-8 agent authorisation form

From 31 March 2022 there will be a new form 64-8 which clients will need to use to authorise agents to deal directly with HMRC on their behalf. Existing clients will not need to re-authorise their current relationship.

The new form can be accessed on GOV.UK from 31 March by searching for "Tax agents and advisers: authorising your agent (64-8)".

The new version of the agent authorisation form allows customers to state which tax regime they want their agent to be able to access. The form also includes new guidance for customers on how to fill in the form correctly and what data they are agreeing to share with their agent.

The current form 64-8 will be phased out from Autumn 2022, after this date HMRC will only accept the new version of the 64-8 agent authorisation form and reject any authorisation requests sent using older versions of the form.

Draft guidance for Right to Work checks from 6 April 2022

Brexit (remember that?) and COVID have played a significant role in changing the way that Right to Work checks will be conducted from now on.

The Home Office has issued a draft version of the **guidance** which will come into effect from 6 April. The most significant updates relate to:

- Changes in the way Biometric Residence Card, Biometric Residence Permit (BRC/BRPs) and Frontier Worker Permit (FWPs) holders prove their right to work
- Changes to the lists of acceptable documents
- The removal of current documents issued by the Home Office to a family member of an EEA or Swiss citizen, which indicated that the holder had permission to stay in the United Kingdom.
- Amendments to List A and B
- Information on sponsored work and student categories
- Changes and further guidance to enable employers to use Identity Service Providers (IDSPs) to carry out digital identity verification as part of a right to work check
- Extension to the COVID-19 temporary adjusted right to work checks until 30 September 2022

PayrockPayroll Update

Apprenticeship Ambassador event

Would you like to help shape the future of apprenticeships?

We are looking for individuals who are, or have previously been, an apprentice with MBKB and can spare a couple of hours every two months to help us establish our ambassador programme.

The programme will provide additional support to all apprentices, support the Board of Governors, and oversee and monitor MBKB's performance, all whilst providing engaging career development for you and your fellow apprentices.

If you would like to find out more, please use this [link](#) to register for the no obligation introduction event on 21 April at 2pm.

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

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