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

MBKB Self Assessment Presentation/ Employer Engagement

COVID-19 update

NIC relief for employing veterans

Digital "fit note" is introduced

PayrockPayroll update



Hi

So a new tax year is upon us once more, but this year of course we can't simply implement all the new tax year updates and then focus our attention on payroll processing for the rest of the year, because we know that in July the National Insurance contribution rates will decrease, thus prolonging the busiest time of the payroll year by a full three months.

Life in payroll is certainly never dull, but wouldn't it be nice, just for once?

MBKB Self Assessment presentation / employer engagement

First this month is an invitation to join our CEO, Mark Bremner, for the presentation of our latest Self Assessment and Quality Improvement Plan. This is your chance to get involved in the formal review of MBKB's performance, to monitor the service we provide to you all, and to help build our aspirations and engage in the future direction of your training. We will also be hosting a discussion on how we can work with employers to further develop our support and understand and meet your needs.

Join this unique session on 16 May between 14.30 and 16.00. Book your place now on this [link](#)

COVID-19 update

Last month I gave details of the SSP easements which were coming to an end, and this month we have information about the ending of other COVID-19 easements.

Employee home-office expenses

At the beginning of the pandemic, the government advised us to work from home if we were able. Because of this many of us needed to buy equipment which would enable us to work at home. The rules prior to Coronavirus included an exemption that allowed employers to provide employees with equipment to allow them to work from home without incurring a charge for tax or National Insurance. This still remains the case.

However, before the pandemic, where an employee purchased the equipment and was then reimbursed by their employer, the exemption did not apply. Due to coronavirus, an easement was put in place to cover circumstances where employers reimbursed employees buying their own office equipment to enable them to work from home during the pandemic. The easement meant that there would be no income tax or NIC liability arising.

This easement ended on 5 April 2022 because, as UK government restrictions are lifted, working from home is no longer a legal requirement. This means that if an employer reimburses an employee for the cost of equipment, it will once more be considered to be a taxable benefit.

Working from home

The requirement to work from home during the peak of the pandemic meant millions of people across the UK were eligible to claim tax relief on additional household costs incurred whilst they worked from home.

The rules around the eligibility of the tax relief remain unchanged but the lifting of pandemic restrictions means that most will no longer be eligible to claim from April 2022.

Employees who work from home can still use the [online service for claiming tax relief for working from home](#). This microservice was introduced to help speed up the claims process and it remains in place for the 2022-23 tax year.

And employers can still choose to reimburse employees for reasonable additional household expenses that employees incur while carrying out employment duties at home under homeworking arrangements. Employers can pay up to £6 per week tax and NI free, for monthly pay frequencies this can be up to £26 per month. But, where employers choose to make a payment to employees, employees cannot also claim tax relief from HMRC through the online service. This is unless the employer payments are below £6 per week. In this case employees can claim the difference, providing all other eligibility requirements are met.

HMRC has updated its [guidance on claiming tax relief for working from home](#) to:

- Make the eligibility criteria clearer
- Help people understand better what can be claimed and what cannot

Cycle to Work easement

The rules for the Cycle to Work scheme say that employees must use the bike or equipment mainly for "qualifying journeys" or commuting in other words. The lockdown rules of the pandemic meant that most members of the Cycle to Work scheme were unable to use their bikes for commuting as they had been instructed to work from home. Because of this, in December 2020, the UK government announced a time limited easement temporarily removing the requirement to use the cycle mainly for qualifying journeys. The easement was for employees who, on or before 20 December 2020:

- Joined an employer-provided cycling scheme
- Received a cycle or cyclist's safety equipment

Where eligible, employees would not have to meet the "qualifying journeys" condition until after 5 April 2022.

Employees who joined a scheme from 21 December 2020 however would still need to meet all the normal conditions of the Cycle to Work scheme.

The rules of the scheme have not changed. As of 5 April 2022, all employees on an existing cycling scheme need to meet the normal conditions, including the "qualifying journeys" condition.

NIC relief for employing veterans: claims process now live

In April 2021 the government introduced the National Insurance holiday for employers of veterans. This relief allows employers who hire former members of the UK regular armed forces, during the first year of their civilian employment, to apply a zero-rate of secondary National Insurance contributions for up to 12 months.

From 6 April 2022, employers can claim this relief retrospectively for the period April 2021 to April 2022. They can claim through Real Time Information submissions going forward.

[Guidance on claiming National Insurance relief](#) explains the qualifying rules and claims process for both 2021-22 and 2022-23 tax years. Employers are recommended to study this guidance to see if they are eligible to claim the relief.

Digital "fit note" is introduced

Doctors issue fit notes to people to provide evidence of the advice they have given about their fitness for work. They record details of the functional effects of their patient's condition so the patient and their employer can consider ways to help them return to work.

April 2022 sees the launch of a digital fit note. The requirement for the doctor to sign the form in ink has been removed and replaced by the issuer's name and profession being included in the form as a digital form of authorising. There will be a period during which both the new and previous version of the fit notes are legally valid while GP systems are updated.

The fit note tells you whether your employee's doctor thinks they are not fit for any work or whether they may be fit for work but not necessarily at their current job.

The advice in the fit note is about your employee's fitness for work in general, and not specifically about their current job. This gives you maximum flexibility to discuss possible changes to help them return to work (which may include changing their duties for a while). The fit note also tells you whether your employee is likely to need a new fit note when their current one expires.

Government [guidance](#) explains what you need to do if you are given a fit note:

1. Check whether your employee's doctor has assessed that they are not fit for work or may be fit for work
2. Check how long your employee's fit note applies for, and whether they are expected to be fit for work when their fit note expires
3. If your employee may be fit for work, discuss their fit note with them and see if you can agree any changes to help them come back to work while it lasts
4. If your employee is not fit for work, or if they may be fit for work but you can't agree any changes, use the fit note as evidence for your sick pay procedures
5. Consider taking a copy of the fit note for your records (your employee should keep the original)

PayrockPayroll Update

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](#)

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@mbkbgroupp.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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