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

**MBKB Self Assessment presentation / Employer engagement**

**The wait continues for the Employment Bill**

**Say goodbye to HMRC's Online End of Year Expenses and Benefits Service**

**Late P45s – revised guidance**

**Light touch ends for IR35 penalties**

PayrockPayroll update



Hi

This month we learnt that the unemployment rate fell to 3.7% between January and March, its lowest for almost 50 years, which could mean that payroll departments become even busier than ever. So it's great that next week brings an extended bank holiday weekend as the nation celebrates the Queen's platinum jubilee. Let's just hope that the weather stays fine so all of us, no matter what our plans, enjoy the break.

### MBKB Self Assessment presentation / employer engagement

First this month is a further 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 session on 6 June between 14.30 and 16.00. Book your place now using this [link](#)

### The wait continues for the Employment Bill

A big surprise in last year's Queen's Speech was the omission of the long-awaited Employment Bill. So you can imagine the outrage in many quarters when it was still missing this year.

Amidst accusations that the government is breaking its promise to introduce new employment rights including flexible working by default, one week's unpaid carers' leave, extended paid leave for neonatal care, and the right to keep gratuities in full, there is now intense speculation that these plans have been permanently shelved by the government.

Plans for the Employment Bill were originally announced in the Queen's Speech in 2019, when we were also told that we could expect legislation to extend redundancy protections to prevent maternity and pregnancy discriminations, create a new right to request a more predictable contract, and create a new single enforcement body to ensure workers' rights are protected. It is still possible that we will see the introduction of the right to flexible working from the first day of employment through the Flexible Working Bill, a Private Members' Bill sponsored by Labour MP Tulip Siddiq which is still working its way through the long Parliamentary process. Rest assured, if this bill is passed I will let you know.

### Say goodbye to HMRC's Online End of Year Expenses and Benefits Service

As the 6 July deadline approaches for submitting End of Year expenses and benefits returns for 2021-22, it may come as a nasty surprise to some payroll departments, who previously used **HMRC's Online End of Year Expenses and Benefits service** to submit their P11Ds and P11D(b)s, that they won't be able to use this service to submit returns this year.

Paper P11D forms are only allowed if an employer is unable to use online methods, which means in effect that, following the announcement in HMRC's **Employer Bulletin** that the interactive pdf would be withdrawn for 2021-22, there are now only two ways that employers can file their End of Year expenses and benefits returns; commercial payroll software or **HMRC's PAYE Online service**.

This could of course be a subtle nudge tactic by HMRC to encourage employers to register to payroll benefits in kind which removes altogether the need to complete P11Ds (though a P11D(b) is still required).

Join Rose Howley and myself on 15 June at 11.00 for the next Payroll Update webinar and learn how to complete P11Ds and a P11D(b) to submit your End of Year information for expenses and benefits. Attendance is free, register your place [here](#).

We also run a training course covering all aspects of expenses and benefits, including payrolling benefits. Email [train@mbkbgroupp.com](mailto:train@mbkbgroupp.com) for more information.

### Late P45s – revised guidance

Being presented with a P45 that has been received after an employee has been paid for the first time is a familiar occurrence to those working in payroll, and it is a situation faced by many of our payroll apprentices during their End Point Assessments. So everyone will be interested to know that the latest edition of **HMRC's Agent Update** revises the instructions on what to do if a P45 is received after the first payment has been made to the employee.

The current **guidance** (because HMRC has not yet changed its guidance on GOV.UK) tells you to use a late P45 to work out their tax code and update their details in your payroll software, but only if HMRC has not yet issued a tax code.

However, the revised instruction in May's edition of Agent Update tells agents that if they have used information from the Starter Checklist to submit a Full Payment Submission (FPS) then they do not need to update the previous pay, tax, or tax code on the payroll software, and they should only use the information on the P45 to update student loan details (if applicable).

I've contacted HMRC to find out when the guidance on GOV.UK will be updated, and once it has been we will ensure our training material also reflects this new process.

### Light touch ends for IR35 penalties

When changes to the off-payroll working rules (IR35) were extended to the private sector in April 2021, HMRC said it would take a light touch approach for the first year, focussing on education rather than penalties and would only issue fines for deliberate non-compliance. Businesses who did not comply because they misunderstood the rules or made a mistake have not been fined.

This approach has now come to an end. From 6 April 2022, financial penalties are enforceable regardless of whether non-compliance is intentional or not.

If you are worried about how this might affect your business, MBKB delivers training on the off-payroll working legislation. Contact [train@mbkbgroupp.com](mailto:train@mbkbgroupp.com) for more information.

## 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 to do is email your query to [payrollsupport@mbkbgroupp.com](mailto: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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