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Factsheet C36: Real Time Information (RTI)

PAYE in real time is a new way for employers and pension providers to report their employees' pay and tax details to HMRC. All employers will report payroll information to HMRC on or before every payday by a report called a 'Full Payment Submission'. These reports have to be made online using payroll software: if you do not have the internet you may wish to consider using a payroll provider to do this on your behalf.

RTI – If using a payroll provider

Your provider submits payroll information to HMRC, after every pay run. If you have more than one employee, please submit all of their timesheets at the same time. If you have an employee that has not worked within a four week period you will still need to let us know there are no hours owed for payment. Any adjustments that you may need to make must be included on the timesheet, as after payroll information has been submitted it cannot be changed.

If running your own payroll

If you wish to run your own payroll you will need an internet connection. Your payroll software must allow you to submit information for your employees in real time. If have nine or less employees, you can use HMRC's Basic PAYE Tools for reporting or another payroll software package (many of these are free). More information can be found at:

http://hmrc.gov.uk/payerti/getting-started/payroll-system.htm

Information you may need for HMRC

New employees (Starters) - You will need to collect the following 'employee information'; full name, date of birth, gender, full address, national insurance number, leaving date from previous employment, tax code, total pay and tax to date (for the current tax year), student loan deduction status and the date their employment with you started. This will be reported to HMRC automatically when you submit your first PAYE in Real Time. Most of the information can be obtained from a P45. The P45 should be within the current tax year, if it is for a previous tax year or if they don't have a P45 you will need to ask them to fill out a P46, you can find out more at:

http://www.hmrc.gov.uk/payerti/employee-starting/new-emp-info.htm#3

Employees Leaving (Leavers) - This information will be sent automatically when you submit your PAYE in Real Time. You will still need to provide your employee with parts 1a, 2 and 3 of a P45 form for them to pass to their next employer.

End of Year - You will need to complete an end of year submission when reporting your final PAYE in Real Time for the tax year, which has to be made on or before 5th April. You will also need to complete end of year declarations and questions. Each employee will need an end of year certificate (P60) from you (provided by your payroll software).

If you decide at any point you do not wish to make PAYE returns yourself you can ask a payroll provider to run a payroll on your behalf.

Your responsibilities:

Whether using a provider or not, you need to make sure the information you provide is accurate and correct as this helps to ensure your employees pay the correct amounts of Tax and National Insurance. The specific 'employee information' you hold must be correct as this will be checked against any records HMRC have (known as payroll alignment); in most cases these details will be submitted and checked as part of the first real time submission.

If you do not provide HMRC or your payroll provider correct employee information or are late providing information vital to reporting PAYE, HMRC will issue fines which you as the employer will be liable for.

Keeping up to date with HMRC

There is more news about real time reporting at:
http://www.hmrc.gov.uk/payerti/index.htm

If you would like free employer email alerts from HMRC you can sign up online: http://www.hmrc.gov.uk/payerti/forms-updates/forms-publications/register.htm

If you require further information or would like this factsheet in an alternative format you can contact us by calling: 01508 491210, by emailing: info@equallives.org.uk, or by writing to: Equal Lives, 15 Manor Farm Barns, Fox Road, Framingham Pigot, Norfolk, NR14 7PZ.