

Payroll Facts

Employers PAYE Guide

2015/16

Geared to meet
your needs



HAZLEWOODS

DRIVING LIFELONG PROSPERITY

The data in this card is based on releases
from HM Treasury and HMRC.

Income tax

Personal allowances	2015/16	2014/15
Personal allowance (those born after 5 April 1948)*	10,600	10,000
Personal allowance (those born between 6 April 1938 and 5 April 1948)**	10,600	10,500
Personal allowance (those born before 6 April 1938)**	10,660	10,660
Married couple's allowance #	8,355	8,165
Blind person's allowance	2,290	2,230
Marriage allowance***	1,060	N/A

* Personal allowance is restricted by £1 for every £2 of income over £100,000, to a minimum of nil.

** Age related allowances are restricted by £1 for every £2 of income over £27,700 (£27,000 for 2014/15). Personal allowance is reduced before married couple's allowance. Married couple's allowance is reduced to a minimum of £3,220 (£3,140 for 2014/15)

Married couples allowance is given at the rate of 10%.

*** Spouses or civil partners not eligible for the married couple's allowance can elect to transfer 10% of their taxable allowance between them providing neither are higher or additional rate tax payers.

Rates	Taxable income	Income tax rate
2015/16		
Basic rate	£0 - £31,785	20%
Higher rate	£31,786 - £150,000	40%
Additional rate	> £150,000	45%
2014/15		
Basic rate	£0 - £31,865	20%
Higher rate	£31,866 - £150,000	40%
Additional rate	> £150,000	45%

Approved mileage rates

HMRC approved 'tax-free' business mileage rates for employees using their own cars and vans:

45p per mile for the first 10,000 miles and 25p for additional mileage above 10,000 miles. These rates apply irrespective of engine size.

Employers can also pay up to 5p per mile for each employee who travels as a passenger on a business journey.

HMRC approved 'tax-free' business mileage rates for employees using company cars:

From 1 March 2015	Petrol	LPG	Diesel
1400cc or less	11p	8p	1600cc or less 9p
1401cc to 2000cc	13p	10p	1601cc to 2000cc 11p
Over 2000cc	20p	14p	Over 2000cc 14p

These rates are the maximum amount that can be claimed without a charge to tax and NIC for business miles. If an employee receives less than these rates then they can claim tax relief on the difference.

The rates are reviewed four times a year. Any changes will take effect at the beginning of each calendar quarter - on 1 March, 1 June, 1 September and 1 December. Future changes will be published on the HMRC website.

Childcare vouchers

Employees who joined a childcare vouchers scheme on or before 5 April 2011 can receive vouchers worth up to £55 a week free of tax and NIC regardless of their tax rate.

For employees who joined a scheme on or after 6 April 2011, the amount of vouchers they can receive should be limited to:

Basic rate tax payers	£55 per week
Higher rate tax payers	£28 per week
Additional rate tax payers	£25 per week.

The new government scheme is being introduced in autumn 2015.

Employees who have not joined an employer run scheme prior to this will not be able to join.

National Insurance Contributions (NIC)

		2015/16	2014/15
Class 1 - Employers and Employees			
Lower earnings limit (LEL) per week		£112	£111
Primary threshold (PT) per week		£155	£153
Secondary threshold (ST) per week		£156	£153
Upper accruals point (UAP) per week		£770	£770
Upper secondary threshold (UST) per week		£815	N/A
Upper earnings limit (UEL) per week		£815	£805
Class 1 - Employers			
- Rate above ST (employees over 21)		13.8%	13.8%
- Rate above UST (employees under 21)		13.8%	13.8%
Class 1 - Employees			
- Rate above primary threshold, and below UEL		12%	12%
- Rate above UEL		2%	2%
- Contracted out salary related between LEL and UAP		10.6%	10.6%
- Contracted out UAP to UEL		12%	12%
- Contracted out over UEL		2%	2%
- Married women and widows rate above threshold, below UEL		5.85%	5.85%
- Married women and widows rate above UEL		2%	2%
Class 1A (Taxable benefits)		13.8%	13.8%
Class 1B (PAYE Settlement Agreements)		13.8%	13.8%
Class 2 (Self-employed)			
- Small earnings exception		£5,965	£5,885
- Flat rate per week		£2.80	£2.75
Class 3 (Voluntary)			
- Flat rate per week		£14.10	£13.90
Class 4 (Self-employed)			
- Lower limit		£8,060	£7,956
- Upper limit		£42,385	£41,865
- Rate between limits		9%	9%
- Rate above limits		2%	2%
Employer Allowance (per employer per annum)		£2,000	£2,000

Statutory payments

	2015/16	2014/15
Statutory Sick Pay (SSP)	£88.45	£87.55
Statutory Maternity Pay (SMP)*	**£139.58	**£138.18
Statutory Adoption Pay (SAP)	**£139.58	**£138.18
Ordinary Statutory Paternity Pay (OSPP)	**£139.58	**£138.18
Additional Statutory Paternity Pay (ASPP)	**£139.58	**£138.18

* First six weeks 90% of average weekly earnings

** or 90% of average weekly earnings if lower

Payments recoverable from HMRC

SMP, SAP, OSPP and ASPP

Employers can recover 92% of SMP, SAP, OSPP and ASPP paid.

Employers whose total Class 1 NICs for the previous year are £45,000 or less can recover 103%.

Statutory Redundancy

Ages	Number of weeks' pay
Each complete year of service between 18 and 21	½
Each complete year of service between 22 and 40	1
Each complete year of service between 41 and above	1 ½

Service of longer than 20 years is not counted.

A 'week's pay' is the amount due under the person's employment contract on the date that the minimum notice of termination of employment was or should have been given.

The maximum week's pay that an employee is entitled to under the statutory scheme is £475 (from 6 April 2015). The increase of the limit on a week's pay will apply where the relevant date (including the projected date for redundancy payment purposes) falls on or after 6 April 2015 and before 5 April 2016.

Student loan recovery

Rate or threshold	2015/16	2014/15
Employee earnings threshold	£17,335 per year	£16,910 per year
at which repayment of	£1,444 per month	£1,409.16 per month
student loans begin	£333 per week	£325.19 per week
Rate of student loan deduction	9%	9%

Each pay period is treated in isolation; there are no carried forward debits or credits.

National Minimum Wage (NMW) rates

Hourly rates effective from 1 October each year.

Confirmed in the budget but any changes will be updated on our website.

Category	From October 2015	From October 2014
Main rate (workers aged 21 and over)	£6.70	£6.50
Aged 18-20	£5.30	£5.13
Aged 16-17	£3.87	£3.79
Apprentice*	£3.30	£2.73

* The apprentice rate was introduced on 1 October 2010 and applies to apprentices under 18 and those aged 19 or over in the first year of apprenticeship.

Tax Codes

Code	Use
BR	When all income is taxed at the basic rate – currently 20%.
OT	When all income is taxed at the appropriate rate without the benefit of a personal allowance.
D0	When all income is taxed at the higher rate of tax – currently 40%.
D1	When all income is taxed at the additional rate of tax – currently 45%.
NT	When no tax is to be taken from income or pension.
L	For those eligible for the basic personal allowance and for emergency tax codes.
N	Indicates that the taxpayer is a 'transferor' of the marriage allowance.
M	Indicates that the taxpayer is a 'recipient' of the marriage allowance.
P	You were born between 6 April 1938 and 5 April 1948 and entitled to your bigger full tax-free Personal Allowance.
Y	You were born before 6 April 1938 or over and entitled to your bigger full tax-free Personal Allowance.
T	If there are items HMRC needs to review in a tax code.
K	When total allowances are less than total 'deductions'.

Key monthly PAYE deadlines

On or before date of wages payment	Full Payment Summary (FPS) submission due to HMRC
19	CIS300 (CIS monthly return) due for the month ended on the 5th and statements of deductions to be given to subcontractor.
20 – 19 of following month	Employer Payment Summary (EPS) submission due for the month ending on the 5th to include details of statutory payments recovered or nil PAYE liability due
22	PAYE/NIC/CIS and student loan deductions due for the month ended on the 5th of this month, when paying electronically.

Key annual PAYE deadlines

19 April	Final Full Payment Submission to be made to HMRC
31 May	Forms P60 due to employees for the year ended on 5 April.
6 July	Forms P11D, P9D and P11D(b) for the year ended on 5 April due to HMRC and copies to employees concerned.
19 July	Class 1A NIC due for the year ended on 5 April (P11Ds) (or 22 July if paying electronically).
19 October	Class 1B NIC due for the year ended on 5 April (PSAs) (or 22 October if paying electronically).

If payment date falls on a weekend or bank holiday, payment must be received by the previous bank working day.

Hazlewoods Payroll

Geared to meet your needs

Hazlewoods Payroll sets you free to focus on your business. Headed by a senior partner, our Payroll team ensures that your business complies with the rules and your employees are paid the right amount, on time.

How do we work? We combine our years of experience and specialist knowledge with the latest technology and a flexible approach designed to suit your needs. From simple online communications with the tax authorities to the latest 'green' e-payslips, we work alongside you to deliver the best combination of services at the right time. In the back office too, the reports we provide will delight your accounts team and help you to manage costs.

What next? To arrange an informal discussion of your needs, or to request details of our competitive fees, please contact the team on 01242 680000 or email payroll@hazlewoods.co.uk

**For further information please contact our
Payroll team on 01242 680000 or
payroll@hazlewoods.co.uk**

hazlewoods.co.uk

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