

Payroll Consultation Meeting

07 March 2013

Room G28 Horseguards- 100 Parliament Street, London

Present:

Sarah Eason - External Rep
Pauline Dunham - External Rep
Tracey Crank - External Rep
Phyllis Freedman - External Rep
Diane Coulson - External Rep
Alison McCrave - External Rep
Dave Whitaker - External Rep

HMRC

Wayne Sumner - chair
Kathryn Curran
Mel Burgess
Dee Allcock
John Grounds
Natalie Landers
Maggie Anderson
Nahid Khan

Apologies:

Josie Smith - External Rep
Mark Smith - External Rep
Alison Paling - External Rep

Minutes/Contact point: Nahid Khan

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1) Welcome and introductions and updates - WS

2) RTI update - Maggie Anderson

MA gave an update to the panel.

Update from the pilot

The pilot is now entering its final couple of weeks. There are over 5.3 million employments being reported in real time, with a couple of large employers still to come on board. HMRC is on course to meet our target of 6 million employments by the end of March.

There is still some testing of the IT systems to do, but we are very much on track to deliver on 6 April.

RTI week

RTI week (11-15 March) saw lots of different bursts of activity, including:

- Lin Homer interviewed on Radio 4's Moneybox
- press releases issued on RTI advertising, webinars and face to face events
- Ruth Owen's visit to a Scottish RTI pilot employer
- The Guardian published a tax and accountancy supplement, including an RTI article, after a recent interview with Ruth Owen
- a week long twitter Q&A, during which we issued 95 tweets and answered 80

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questions. There were also more than 1,000 clickthroughs from Twitter to HMRC guidance

- bespoke articles provided to Payroll World and CIPD magazine - to be published in April

We also launched our paid-for marketing campaign which will run until 5 April. The campaign includes newspaper, radio and online adverts.

What the pilot employers say...

We're continuing to conduct customer research to help us deliver RTI. We've recently interviewed a sample of employers joining the pilot in Stage 3 (from November onwards). As with Stage 1 and 2 volunteers, they report a positive experience. 97 per cent are confident that they've been able to deal with PAYE in real time and 86 per cent say it's been easy.

Temporary relaxation in the 'on or before' rules

We have agreed a temporary relaxation to the 'on or before' guidance for smaller businesses reporting PAYE in real time.

We recognise that some small employers who pay employees weekly, or more frequently, but only process their payroll monthly, may need longer to adapt to reporting PAYE information in real time.

Until 5 October 2013, employers with fewer than 50 employees, who find it difficult to report every payment to employees at the time of payment, may send information to HMRC by the date of their regular payroll run but no later than the end of the tax month (5).

We have also agreed a further relaxation on the reporting of earnings for casual workers. We previously announced an easement that required PAYE information to be reported by the earliest of seven days or the next scheduled payday.

We have now removed the reference to 'next scheduled pay day', as a result of this amendment, so PAYE information now has to be reported within the next seven days, as a result of responses to the consultation on our regulations. When payments are made to employees for work done on the day of payment, employers will have to report the PAYE information within the next seven days.

Taking calls from employers

PT Operations continues to train up contingency staff on the Employer Helpline (EHL), Online Services Helpdesk (OSH) and National Insurance (NI lines), in total over 1,000 staff to help prepare for the potential influx of calls in April.

East Kilbride has also been providing floor-walking support for the staff coming out of training to ensure that in the two weeks after training the learning is fully embedded. So far they have had very positive feedback for all staff regarding the training, guidance and floor walking support. The only challenge has been the lack of calls as customers seem to be finding the information and the answers they need on the website. So whilst they are preparing for a worst case scenario in April, they have only seen a limited increase in RTI calls so far.

AP - Workers below the threshold (MA)

AP - Closing of Basic Tools for this years P11D's - need to get a move on to find an alternative solution in time (MB)

3 SSP/SMP- Dee Allcock

DA gave an overview of the recent changes in Shared Parental Leave and Pay. The Coalition Agreement committed to further encourage shared parenting. In May 2011, BIS issued a consultation document 'Consultation on Modern Workplaces'. This

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included proposals for the reform of paternity pay. The aim of the proposals was to give new parents more freedom to make choices which best suit their family circumstances and encourage both parents to be involved in their child's upbringing. The Government's response to the consultation was published on 13 November. It confirmed, that in 2015, the following reforms would take place:

- Additional Statutory Paternity Pay will be abolished and replaced by a new statutory payment called Statutory Shared Parental Pay.
- Women with partners, where they both meet the qualifying conditions for the flexible parental system, will be able to end the mother's Statutory Maternity Pay period early and share the untaken balance of maternity pay as Statutory Shared Parental Pay. The amount of Statutory Shared Parental Pay cannot exceed the balance of untaken Statutory Maternity Pay at which the woman returns or commits to return to work.
- The first six weeks of Statutory Adoption Pay will become income related to bring it in line with Statutory Maternity Pay.
- BIS have published the Shared parental leave and pay administration consultation and is available now. The closing date is 17 May 2013.

[Consultation on the administration of shared parental leave and pay on the GOV.UK website](#)

4 Departmental Improvement Plan - Natalie Landers/John Grounds

NL that HMRC is one of six departments piloting Departmental Improvement Plans which replace Capability Reviews and were announced in the Civil Service Reform Plan published in June 2012. Improvement planning has been conducted during the final quarter of 2012-13 and an Improvement Plan will be published by 31 May 2013.

The group were asked to consider which areas for improvement they would like to see HMRC focusing on for the three year cycle of the Improvement Plan. The main areas considered were:

- Improvement in Work delivered by HMRC on behalf of other government departments. There is a lot of bureaucracy involved with sharing information across/between departments so it would be helpful if Agent authorisation applied across departments.
- Improvement in Accessibility and general communication:
 - not being able to get through on the phone lines continues to be an issue (likely to get worse when RTI comes in)
 - a dedicated agent phone line for PAYE would be a welcome improvement to service provision
 - the HMRC website is difficult to navigate and could be made more user friendly
 - customers find it is not always clear what address to send post to within HMRC
 - operating by post is slow - communication by email would be preferable but is not available

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- Improvement in the technical knowledge/expertise of contact centre staff:
 - often get different information depending on who you speak to
 - it is difficult to find people who really know what they are talking about
 - often customers just get referred to the website, FAQs, or told to call a different number
- There was also concern expressed about the shift to digital as not everyone likes using digital services/social media. It needs to be straightforward to use and there needs to be support for people who can't /don't want to use digital.
- When reducing costs to HMRC, we need to ensure that we're not just passing these onto employers instead. Awareness campaigns for example are not always sufficient as there is still a burden to employers/agents in trying to understand what is required for new policies/changes.

HMRC needs to get better at acting on feedback/complaints.

5 BIK Iforms - Mel Burgess/ Kathryn Curran

KC & MB provided an overview of the development and production of the new Benefits in Kind (BiK) iForms. BiK forms are used by employers and agents to notify HMRC of information about payments of expenses and benefits made to employees. New online expenses and benefits forms will be available for employers to use in April for the 2012-13 tax year. Future editions of the BiK iForms Update will include full details of the latest developments, an overview of our communication products and external publicity, as well as other planned project activities.

Although the new expenses and benefits forms will not be available as a full package from the intended go-live date of 6 April, two new online forms will be ready for use at the start of the tax year.

The two new online forms will utilise the 'KANA' facility, which enables HMRC to accept information by secure email from external customers. The forms will be available on the Expenses and Benefits pages of the HMRC website from 6 April and are:

- 'No return of Class 1A National Insurance Contributions due for 2012-13' (used to notify HMRC that no P11Ds/P11D(b) is due)
- 'Notification of Payrolled Benefits' (used to notify HMRC of an employer's/agent's intention to file payrolled expenses and benefits information online)

Development of new expenses and benefits forms is continuing - the full package will be made up of the two online (KANA) forms mentioned above plus some new expenses and benefits iForms. The iForms are on a slightly slower track because of the design complexities and the extensive testing functionality required, although it's still our intention to publish the full iForm suite in time for the P11D peak submission period and ahead of the filing deadline on 6 July.

Following delivery, employers and agents will be able to download the iForms onto

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their computer then complete before submitting to HMRC. They can populate the iForms in stages and change as necessary, saving after each stage - employers have told us they will welcome this 'save as you go' facility, saying it will prove to be very helpful.

Further information about the full iForm suite, along with details of a planned delivery date will be given in our next update. In the meantime, if you've any queries please email [Kathryn Curran](mailto:Kathryn.Curran).

6 Employer Engagement - Wayne Sumner

7 AOB

Date of next meeting - 19 June 2013 - Room 1/50 100 Parliament Street