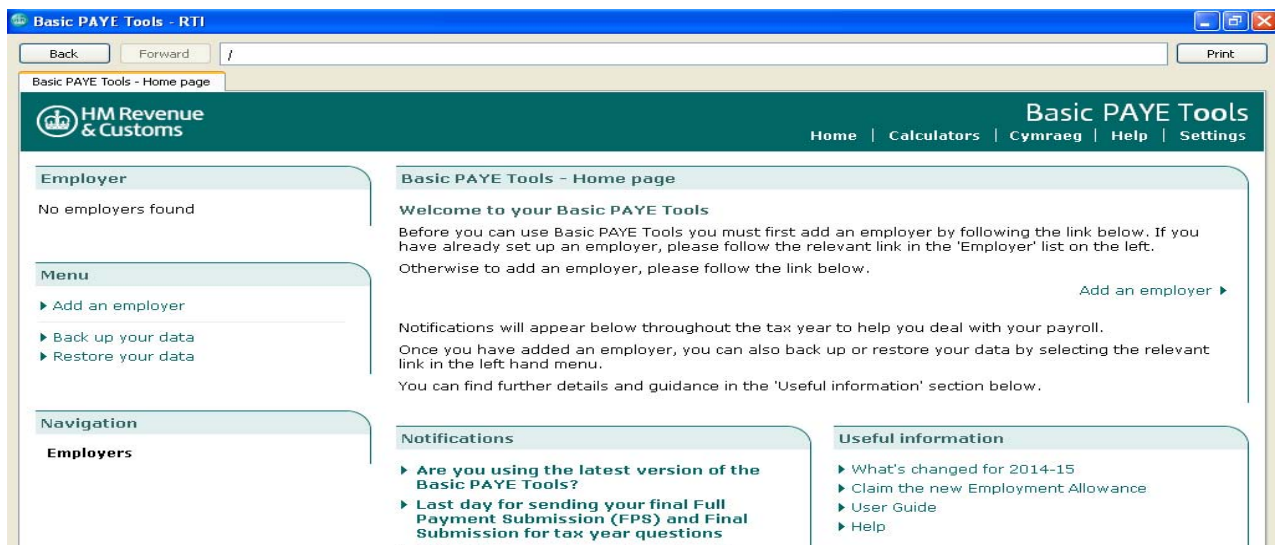


Basic PAYE Tools

Using Basic PAYE Tools Earlier Year Update alongside commercial software

You can use this guide from 20 April 2014 to send
an Earlier Year Update



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Introduction

This is the Basic PAYE Tools guide for making an Earlier Year Update (EYU). You should only use the Basic PAYE Tools to complete and submit an EYU if your payroll software doesn't have this facility.

For the vast majority of employers, the EYU functionality is used to correct payroll data for 2013 to 2014 and later tax years. A very small number of employers took part in the 'real time information' pilot in the 2012 to 2013 tax year. Those employers can also use an EYU to correct payroll data for the 2012 to 2013 tax year.

The screenshots in this guide are the main ones you will need to know about, but doesn't include them all as there are some most employers will not use because they apply to more unusual circumstances.

Due to continuing improvements the screens in the Basic PAYE Tools may look slightly different to those shown within this guide.

Need to know:

- you need to submit an EYU for any employee that requires payroll data for the previous tax year to be corrected
- you cannot send HMRC an EYU if you haven't already sent a Full Payment Submission (FPS) for 2012-13 or 2013-2014
- if you use commercial software to run your payroll and send your FPS in real time, you can still use the Basic PAYE Tools to send EYU to HMRC - there is no limit on the number of employees for whom you can send EYU using Basic PAYE Tools

An EYU must only contain the 'differences' between the values that had previously been submitted on the last submission for the year and the correct values.

To make it easy to get the right values, Basic PAYE Tools uses a 3 step approach.

After you have entered details about the employer and the employee, you will enter the amounts on the last FPS submitted to HMRC. Then you will enter the correct amounts, and BPT will calculate the 'Differences'. You need to check that the Differences are what you expected before you send the EYU to HMRC.

Only the 'Differences' will be sent to HMRC on an EYU.

Important

The Basic PAYE Tools containing EYU functionality will be available from 3 April 2014, but you cannot send an EYU for the 2013 to 2014 tax year until 20 April 2014. An EYU sent before this date will be rejected.

Getting Started

So that you can use the Basic PAYE Tools to send an EYU you must have:

1. Downloaded and installed the software:
 - if you don't have the software already, you can get the software here - [Download Basic PAYE Tools](#)
 - if you already have Basic PAYE Tools, you need to select the update available from 3 April 2014 - check that your computer is connected to the internet, open the Basic PAYE Tools and accept the prompt to take the update
2. Set up the employer.

To help you do this, please refer to the guidance 'First time users: download and install Basic PAYE Tools'.

This will show you how to set up and install the software and set up the employer. You can find this guide on the HMRC website.

[First time users: download and install Basic PAYE Tools](#)

Can I create multiple EYU submissions?

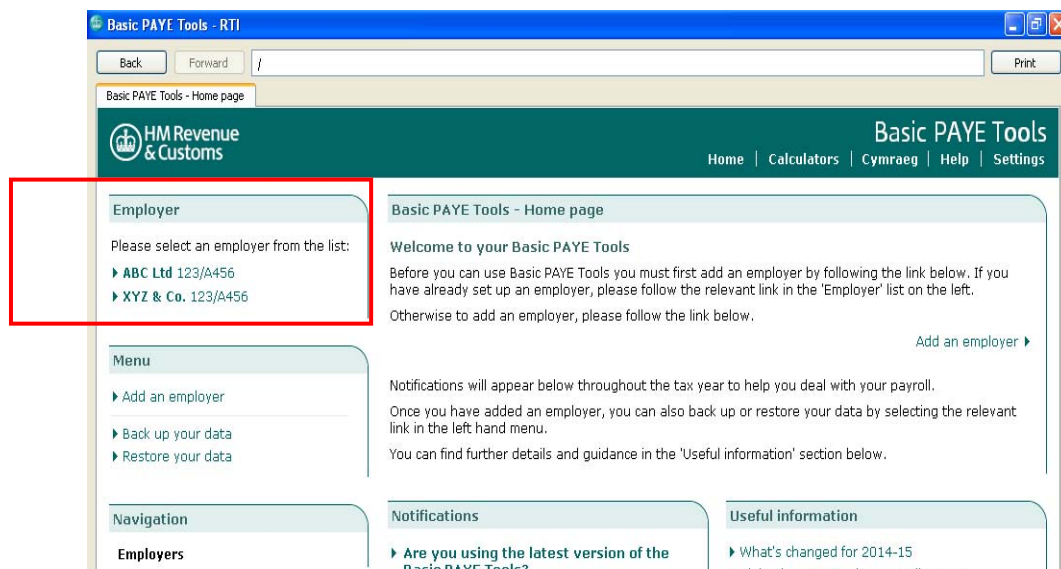
We recommend that you complete the **full** process below separately for each employee requiring a change.

Part 1: Selecting the correct employer

If you have added more than 1 employer to the Basic PAYE Tools you will need to select the correct employer.

From the 'Home' screen select the correct employer from the list of Employers at the top left of your screen.

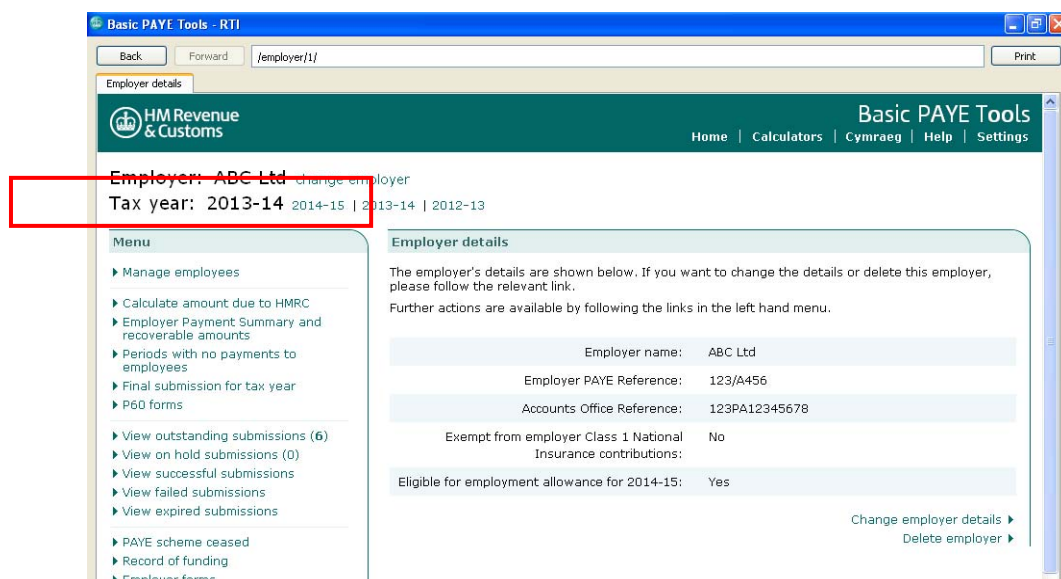
In the example below 'ABC Ltd' will be selected.



This will take you to the 'Employer details' screen as shown below.

Check that you have the correct tax year selected.

For example if you are creating an EYU for the 2013 to 2014 tax year, make sure you select 'Tax year: 2013-14' - as shown below.



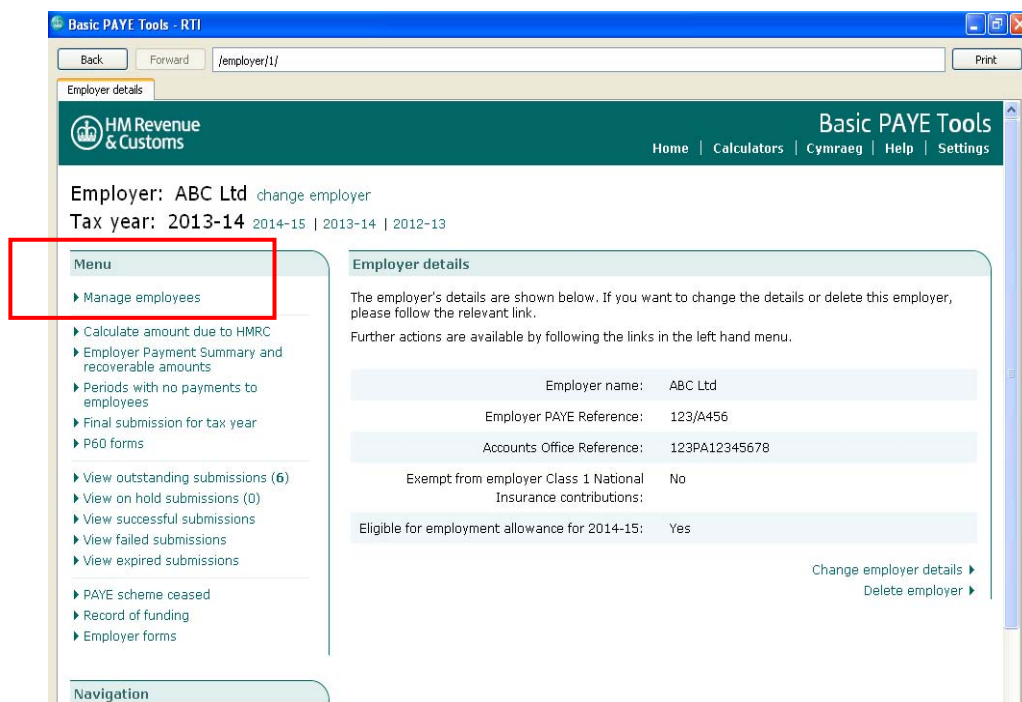
Part 2: Add details about your employee:

To set up the employee for whom you want to create an EYU, you will need the following mandatory information:

- full name
- gender
- date of birth
- address

You will also need the payroll records for this employee.

Select the 'Manage employees' link from the Menu.



Select 'Add an employee' from the Menu.

The screenshot shows the 'Basic PAYE Tools - RTI' web application. The top navigation bar includes 'Home', 'Calculators', 'Cymraeg', 'Help', and 'Settings'. The main content area is titled 'Manage employees' and shows the employer as 'ABC Ltd' and the tax year as '2013-14'. A red box highlights the 'Menu' section on the left, which contains the options 'Add an employee' and 'Outstanding submissions (6)'. Below the menu is a 'Navigation' section with a tree view showing 'Employers' > 'ABC Ltd (2013-14)' > 'Employees'. The main content area also includes a 'Manage employees' section with instructions and a table of current employees.

| Name | National Insurance number | Last payment date | Submission Status | Actions |
|------------------|---------------------------|-------------------|-------------------|---------|
| Mr Michael Smith | | 30/04/2014 | Unsubmitted | |
| Mr John Taylor | | 30/04/2014 | Unsubmitted | |

The next screen requires you to select from 4 options.

As you are only using the EYU functionality of the Basic PAYE Tools you must select 'Earlier Year Update only' then select 'Next'.

The screenshot shows the 'Add employee' screen in the 'Basic PAYE Tools - RTI' web application. The top navigation bar is the same as the previous screen. The main content area is titled 'Add employee' and includes instructions and a list of three employee types to choose from. A red box highlights the 'Employee type?' section, which contains four radio button options: 'Current', 'Trivial commutation payment', 'Non-individual', and 'Earlier Year Update only'. The 'Earlier Year Update only' option is selected.

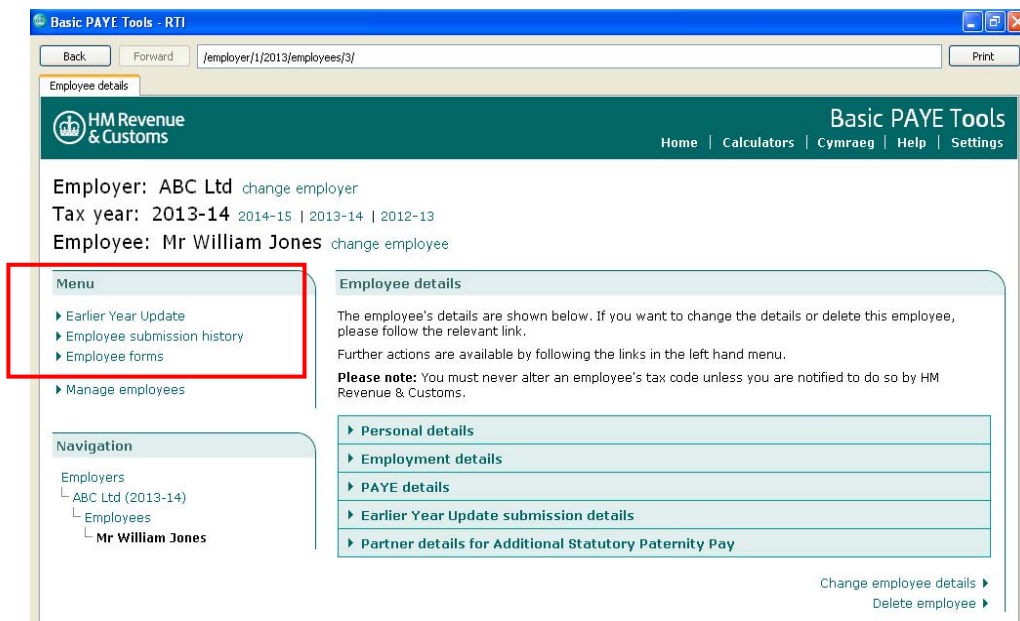
Employee type? *

- ☐ Current
- ☐ Trivial commutation payment
- ☐ Non-individual
- ☒ Earlier Year Update only

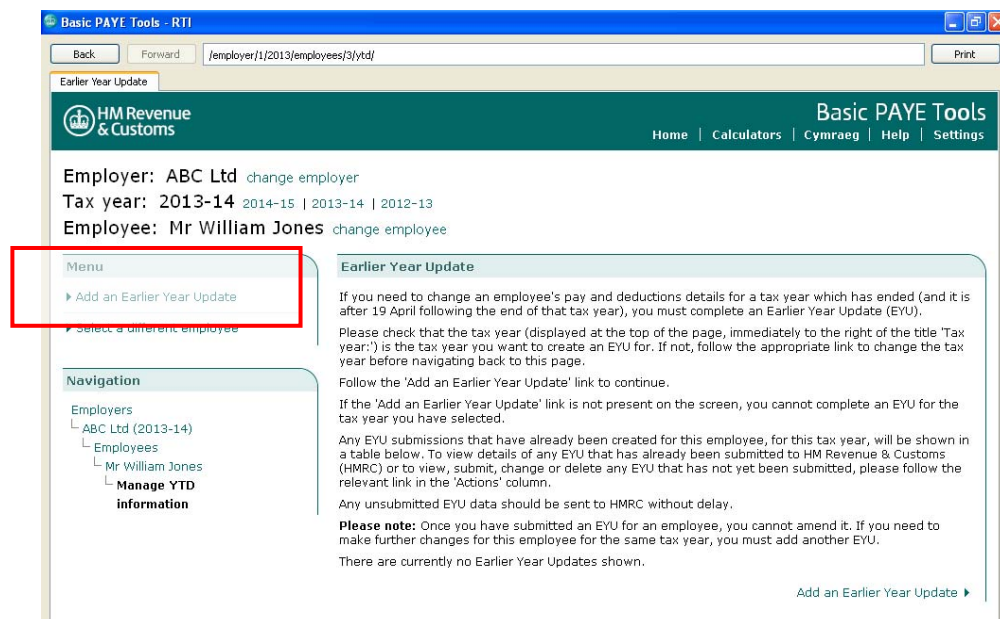
Enter the required information into the blank boxes on the screen that follows, scrolling down as you go, using the onscreen prompts for guidance.

Once all the relevant blank boxes are filled, select 'Next' to continue.

From the 'Employee details' screen, select 'Earlier Year Update' from the Menu.



Read the guidance on the next screen and then select 'Add an Earlier Year Update' to continue.



Enter the previously submitted information

The purpose of this screen is for you to enter the details that were previously submitted to HMRC on the last FPS for the year which you need to correct. These are referred to as the 'Previously submitted amount'.

You must complete the 2 mandatory fields - Tax code and the basis the code was operated. Other than that, you only need to complete boxes where a change to the amounts is required.

Remember

You cannot send HMRC an EYU if you haven't already sent an FPS.

Basic PAYE Tools - RTI

Back Forward /employer/1/2013/employees/3/eyu/add/ Print

Earlier Year Update (EYU) - Previously submitted details

HM Revenue & Customs Basic PAYE Tools
Home | Calculators | Cymraeg | Help | Settings

Employer: ABC Ltd
Tax year: 2013-14
Employee: Mr William Jones

Earlier Year Update (EYU) - Previously submitted details

Please check that the tax year shown above is the year that you want to create an EYU for.
You first need to provide the pay and deductions details that were originally submitted to HM Revenue & Customs (you will be asked to provide the corrected details on the next screen). If no data was submitted for the tax year you should leave the fields below blank.
When you have completed the relevant fields click the 'Next' button to continue.
Please note: Values should be entered in pounds sterling, including pence.
* indicates required information

Tax details

Tax code: * ⓘ

Was this tax code operated on a week * ☐ Yes ☐ No ⓘ
1/month 1 basis?

| Description | Previously submitted amount (£) |
|------------------------------|---------------------------------|
| Pay for Income Tax purposes: | £ <input type="text"/> ⓘ |
| Tax deducted: | £ <input type="text"/> ⓘ |

Controlled benefits in kind and employee pension contributions

Version: 14.0.14049.95 Released: 18/02/2014 14:47 Date and time: 06/04/2014 11:59

Example

If you submitted a year to date figure of £10,000 for pay on your last FPS for the 2013 to 2014 tax year but realised this should have been £12,000, you must still enter £10,000 at this stage.

Tax code:

- in the 'Tax details' box, enter the tax code that was reported on the last FPS for the previous year, then enter the basis the code was operated for that tax year
- if you have year-end payroll information applicable for the previous year, but it has not been sent to HMRC on an FPS, you should only complete the tax code and the week 1/month 1 basis, but leave all other boxes blank

National Insurance category letters

In the boxes labelled '**National Insurance details**' enter the National Insurance category letter and amounts of earnings liable to National Insurance, for example, earnings at the lower earnings limit, that were previously submitted to HMRC, if they now need amending.

The screenshot shows the 'Basic PAYE Tools - RTI' window. The 'Earlier Year Update (EYU) - Previously submitted details' tab is active. The 'National Insurance details' section includes a dropdown for 'National Insurance category letter in the earlier year:' with a 'Please select' prompt. Below this is a note: 'Please note: If you select category letters D, E, L, N or O, then you must enter an ECON for the employer before you can submit this earlier year update.' A table follows with two columns: 'Description' and 'Previously submitted amount (£)'. The table contains six rows for various earnings and contributions. At the bottom of the section is another dropdown for 'National Insurance category letter in the earlier year:' with a 'Please select' prompt and the same note. The footer shows 'Version: 14.0.14049.95 Released: 18/02/2014 14:47' and 'Date and time: 06/04/2014 12:11'.

| Description | Previously submitted amount (£) |
|---|----------------------------------|
| Gross earnings for National Insurance contributions (NICs): | £ [input] ⓘ |
| Earnings at the Lower Earnings Limit (LEL) in the earlier year: | £ [input] ⓘ whole pounds only |
| Earnings above the LEL, up to and including the Primary Threshold (PT): | £ [input] ⓘ |
| Earnings above the PT, up to and including the Upper Accrual Point (UAP): | £ [input] ⓘ |
| Earnings above the UAP, up to and including the Upper Earnings Limit (UEL): | £ [input] ⓘ |
| Total of employee's National Insurance contributions in the earlier year: | £ [input] ⓘ |
| Total of employer National Insurance contributions in the earlier year: | £ [input] ⓘ |

Statutory payments and student loans

Enter details of any statutory payments and/or student loan deductions previously reported.

The screenshot shows the 'Basic PAYE Tools - RTI' window. The 'Earlier Year Update (EYU) - Previously submitted details' tab is active. The 'Statutory payment and student loan details' section includes a table with two columns: 'Description' and 'Previously submitted amount (£)'. The table contains six rows for various statutory payments and student loan deductions. At the bottom of the section are 'Cancel' and 'Next' buttons. The footer shows '© Crown Copyright | Terms & conditions | Privacy policy | Accessibility' and 'Version: 14.0.14049.95 Released: 18/02/2014 14:47' and 'Date and time: 06/04/2014 12:12'.

| Description | Previously submitted amount (£) |
|--|----------------------------------|
| Total of Statutory Sick Pay in the earlier year: | £ [input] ⓘ |
| Total of Statutory Maternity Pay in the earlier year: | £ [input] ⓘ |
| Total of Ordinary Statutory Paternity Pay in the earlier year: | £ [input] ⓘ |
| Total of Additional Statutory Paternity Pay in the earlier year: | £ [input] ⓘ |
| Total of Statutory Adoption Pay in the earlier year: | £ [input] ⓘ |
| Total of student loan deductions in the earlier year: | £ [input] ⓘ whole pounds only |

When you have completed all relevant boxes on this screen, select 'Next' to continue.

Enter the correct information

You will now see the screen 'Earlier Year Update - Correct details'.

The purpose of this screen is for you to enter the correct details where either of the following apply:

- there is an amount shown in the 'Previously submitted amount' column
- you have new figures to supply for an item that has not been submitted before

Basic PAYE Tools - RTI

Back Forward /employer/1/2013/employees/3/eyu/add/ Print

Earlier Year Update (EYU) - Correction details

Employer: ABC Ltd
Tax year: 2013-14
Employee: Mr William Jones

Earlier Year Update (EYU) - Correction details

If any values shown in the 'Previously submitted amount' column in the table below are incorrect or any fields are blank when they should contain a value full correct amount in the 'Correct amount' column.
You must enter the full correct amount and not just the difference between the correct figures and the previously submitted figures.
If you are reducing any of the values to zero you **must** enter an amount of 0.00 in the 'Correct amount' field.
Only enter an amount in the field where a change is required, except where you have entered National Insurance details. For National Insurance details, enter the previously submitted amount into the correct amount fields or if applicable the corrected amount.
Once you have entered the correct details, click the 'Next' button to continue.
Please note: Values should be entered in pounds sterling, including pence.
* indicates required information

Tax details

Tax code:

Was this tax code operated on a week 1/month 1 basis? ☐ Yes ☐ No

| Description | Previously submitted amount (£) | Correct amount (£) |
|------------------------------|---------------------------------|--------------------|
| Pay for Income Tax purposes: | 10000.00 | £ 12000.00 |
| Tax deducted: | 378.00 | £ 778.00 |

Version: 14.0.14049.95 Released: 18/02/2014 14:47 Date and time: 06/04/2014 12:14

In the example above you can see that different amounts are shown in the 'Previously submitted amount' and the 'Correct amount' boxes.

Important

You must enter the full amounts in the 'Correct amount' column, **not** the difference between the previously submitted figure and the correct figure.

Select 'Next' to move to the next screen.

Review Earlier Year Update (EYU)

The next screen will show the differences between the amounts you previously submitted to HMRC and the correct amounts.

The 'differences' are the figures that will be sent to HMRC on the EYU.

Ensure you have fully reviewed this screen, checking the differences between the previous and corrected figures are what you expected.

This data will form the submission that is sent to HMRC.

Select 'Next' to move to the next screen.

The screenshot shows the 'Basic PAYE Tools - RTI' web application. The browser address bar displays '/employer/1/2013/employees/3/eyu/add/'. The page title is 'Review Earlier Year Update (EYU)'. The HM Revenue & Customs logo is in the top left, and navigation links (Home, Calculators, Cymraeg, Help, Settings) are in the top right. The main content area displays the following information:

Employer: ABC Ltd
Tax year: 2013-14
Employee: Mr William Jones

Review Earlier Year Update (EYU)

The information below shows the **differences** between the details you originally submitted to HM Revenue & Customs (HMRC) and the correct details you have now provided for this employee.
It is these differences that need to be submitted to HMRC as an Earlier Year Update (EYU).
Please check that these details are correct.
Click the 'Back' button to change any of these details otherwise click the 'Next' button to continue.

| Tax details | |
|-------------------------------|-----------|
| Tax code in the earlier year: | 944L |
| Pay for Income Tax purposes: | £ 2000.00 |
| Tax deducted: | £ 400.00 |

At the bottom right of the form are three buttons: 'Cancel', 'Back', and 'Next'. The footer contains copyright information and a date/time stamp: '© Crown Copyright | Terms & conditions | Privacy policy | Accessibility' and 'Version: 14.0.14049.95 Released: 18/02/2014 14:47'.

What if I've made a mistake?

If you have not yet submitted the EYU you can do either of the following:

- 'change' the 'Correct amount' details on the EYU
- 'delete' the EYU and start again

To do this you should select the relevant employee from the Menu, then select 'Earlier Year Update' from the Menu.

The screenshot shows the 'Basic PAYE Tools - RTI' web application. The top navigation bar includes 'Home', 'Calculators', 'Cymraeg', 'Help', and 'Settings'. The main content area is titled 'Earlier Year Update' and displays the following information:

- Employer: ABC Ltd [change employer](#)
- Tax year: 2013-14 [2014-15](#) | [2013-14](#) | [2012-13](#)
- Employee: Mr William Jones [change employee](#)

On the left, there is a 'Menu' with options: 'Add an Earlier Year Update' and 'Select a different employee'. Below the menu is a 'Navigation' tree showing the hierarchy: Employers > ABC Ltd (2013-14) > Employees > Mr William Jones > Manage YTD information.

The main content area contains instructions for the 'Earlier Year Update' process. It explains that if you need to change an employee's pay and deductions details for a tax year which has ended (and it is after 19 April following the end of that tax year), you must complete an Earlier Year Update (EYU). It also states that if the 'Add an Earlier Year Update' link is not present on the screen, you cannot complete an EYU for the tax year you have selected.

Any EYU submissions that have already been created for this employee, for this tax year, will be shown in a table below. To view details of any EYU that has already been submitted to HM Revenue & Customs (HMRC) or to view, submit, change or delete any EYU that has not yet been submitted, please follow the relevant link in the 'Actions' column.

Any unsubmitted EYU data should be sent to HMRC without delay.

Please note: Once you have submitted an EYU for an employee, you cannot amend it. If you need to make further changes for this employee for the same tax year, you must add another EYU.

| Date of Earlier Year Update | Submission status | Actions |
|-----------------------------|-------------------|---|
| 06/04/2014 | Unsubmitted | View Change Submit Delete |

At the bottom right of the table, there is a link: [Add an Earlier Year Update](#).

Important

Once you have submitted an EYU for an employee, you cannot amend it.

If you need to make further changes for this employee for the same tax year, you must create a further EYU - see below.

Can I send another EYU for the same employee?

If you need to make a further adjustment for the same employee, you will need to send another EYU using the steps above, but the amounts shown on the first EYU in the 'Correct amount' column need to be entered on the second EYU in the 'Previously submitted amount' column.

Example

If you have previously submitted an EYU to amend a year end pay figure of £10,000 to £12,000 the difference £2,000 would be submitted on the first EYU.

If you then realise the final pay figure should have been £11,000 you would need to generate a further EYU using 'Previously submitted amount' of £12,000 and £11,000 as the 'Correct amount'.

Part 3: Sending the EYU

You have now created the EYU ready to be sent to HMRC.

Remember

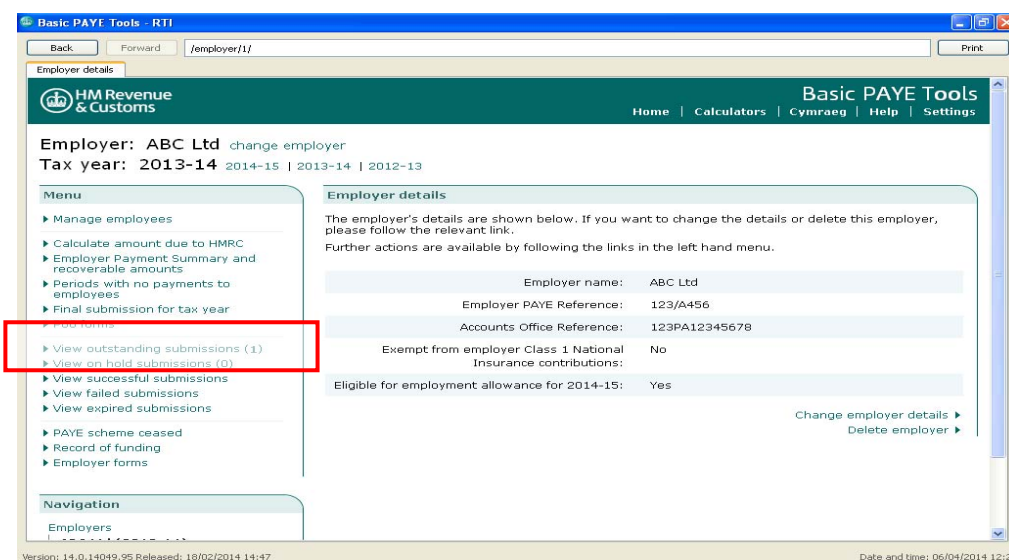
You can create an EYU for other employees by repeating Part 2 above, but you may prefer to send the 1 you have created before starting with another employee.

When you have finished creating the EYU(s) you should send the submission(s) to HMRC.

Select the correct employer from employer list on the 'Home Screen'.

This will take you to the 'Employer details screen'.

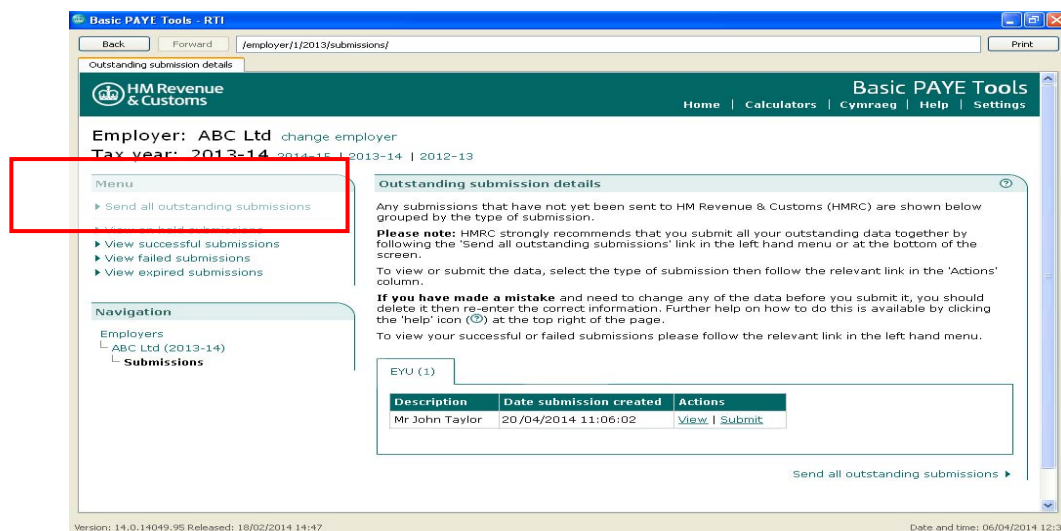
Select the 'Outstanding submissions' link from the Menu.



Using the Basic PAYE Tools for the Earlier Year Update only

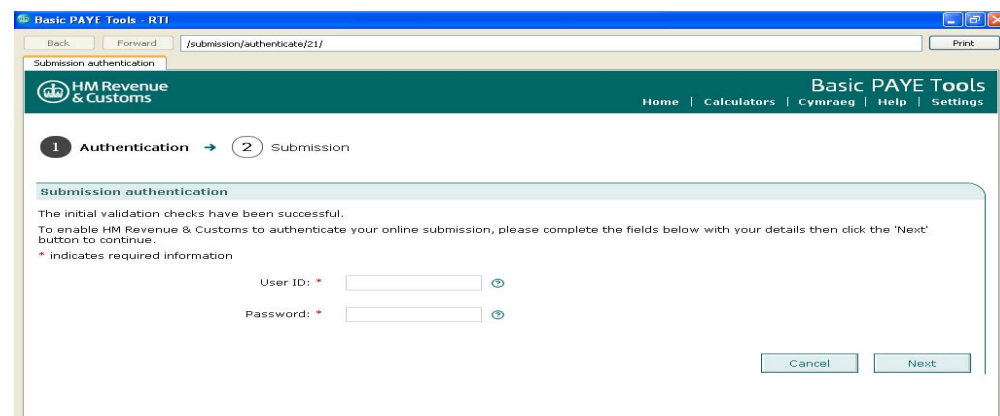
Here you can see there is one outstanding submission which is the EYU for John Taylor.

Select 'Send all outstanding submissions'.

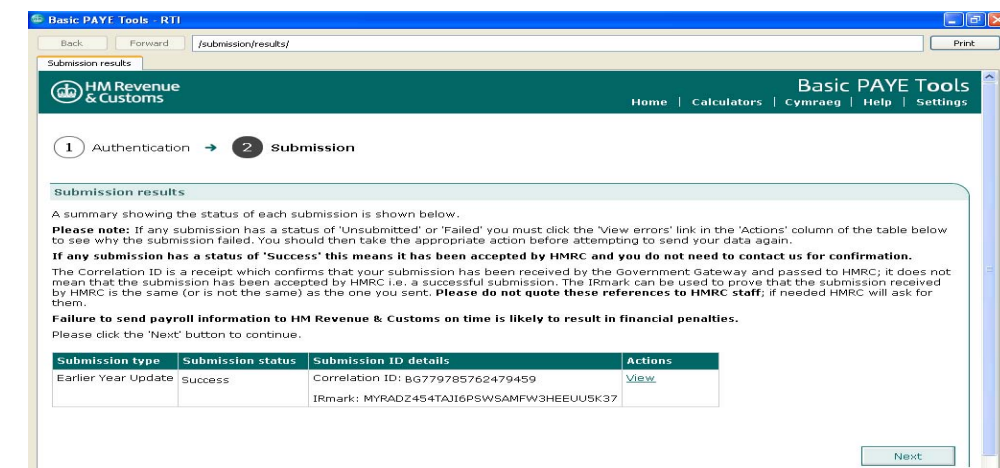


Read the information on the next screen then select 'Next'.

Enter your Government Gateway 'User ID' and 'Password' in the blank boxes below for online submission, and then select 'Next'.



You should then receive the following success message.



Part 4: Basic PAYE Tools error codes

We are aware that some Basic PAYE Tools users have received error messages when trying to submit an EYU. These messages mean that your submission has not been successfully received by HMRC. The following table gives the error message you may see as well as a description of what you have to do to correct the submission

| |
|--|
| Error Message |
| Accounts Office reference or Employer PAYE reference is incorrect |
| What you need to do |
| <p>The Employer reference and/or Accounts Office reference is incorrect. Please check both of them against paperwork from HMRC and amend the incorrect one. For help in doing this please refer to 'All users: using Basic PAYE Tools for real time reporting' and work through the 'Finding your way round the Basic PAYE Tools' and 'Employer overview' sections until you select 'Change employer details'.</p> <p>Download 'All users: using Basic PAYE Tools for real time reporting' (PDF 1.6MB)</p> |
| Error Message |
| This submission cannot be accepted as the pre-defined date for the previous tax year has not yet passed |
| What you need to do |
| <p>If you were trying to send an EYU for the <u>2013 to 2014 tax year</u></p> <p>You cannot send an Earlier Year Update (EYU) for the 2013 to 2014 tax year until 20 April 2014.</p> <p>Please wait until 20 April 2014 then send the EYU.</p> |
| Error Message |
| This submission cannot be accepted as it does not fall within the eligible filing period |
| What you need to do |

If you were trying to send an EYU for the 2012 to 2013 tax year

You cannot submit any RTI submissions for the 2012 to 2013 tax year unless you were one of the small number of employers who took part in the RTI pilot during the tax years 2012 to 2013 or 2013 to 2014. You must send amended forms P35 and P14. You cannot do this using Basic PAYE Tools. The software that you used to run your payroll in the 2012 to 2013 tax year may allow you to do this, otherwise you can use the online forms which are part of HMRC's PAYE Online service.

Error Message

- Error code: 7900
- The [ECON] is mandatory if any [NILETTER] is one of 'D', 'E', 'L', 'N', 'O'.
- [ECON] is mandatory if any [NILETTER] is one of 'D', 'E', 'L', 'N', 'O'.
- Diagnostic Message:

Assertion failure:

What you need to do

This EYU cannot be sent to HMRC as the employee has a contracted-out NIC letter (D, E, L, N or O) but you have not provided the Employer Contracted-Out Number (ECON).

Background:

- An ECON is a reference number allocated to an employer who operates, or is part of a group of companies that operate, a contracted-out pension scheme for their employees.
- An employee can only be on a contracted-out NIC letter (D, E, L, N or O) if you the employer have a contracted out pension scheme that the employee is a member of.
- If you have a contracted-out pension scheme then you will have an ECON.

Action required

You need to

Either

Add the ECON to the Employer details. For help in doing this please refer to 'All users: using Basic PAYE Tools for real time reporting' and work through the 'Finding your way round the Basic PAYE Tools' and 'Employer overview' sections until you select 'Change employer details'.

The ECON is shown on the contracting-out certificate issued by HMRC previously issued by Inland Revenue or Department of Social Security when an employer elects to be contracted-out. If you are unable to find your ECON please contact the HMRC Contracted-out pensions helpline. You can find the details in the 'Contact us' section of the HMRC website.

[Download 'All users: using Basic PAYE Tools for real time reporting' \(PDF 1.6MB\)](#)

Or

If you do not have an ECON

- You will need to telephone HMRC's Employer Helpline on 0300 200 3200 and advise them you are receiving error code 7900 and that you do not have an ECON.

You have reached the end of this User Guide