

## **Real Time Information – Are you ready?**

### **What does it mean?**

RTI (Real Time Information) is THE BIGGEST change to PAYROLL/PAYE in 60 years! It means that from 6 April 2013, payroll reporting to HMRC will not be done on an annual basis but on a weekly/monthly basis ON OR BEFORE the date your employee is paid. This is what HMRC refer to as 'real time'.

### **Why has HMRC made this change?**

This change to the way earnings are reported to HMRC is long overdue. Employees will be able to correct tax code errors sooner, and HMRC will have a clearer knowledge of who is being paid which will assist in preventing benefit fraud.

### **How this will affect you from 6 April 2013**

- You will not be able to pay any new employees without providing us (and in turn) HMRC with accurate data, i.e. full name, home address, date of birth, National Insurance number, P45 or P46.
- HMRC may impose penalties for late/inaccurate RTI submissions.
- HMRC will know exactly how much your monthly PAYE bill is, and will expect to receive the exact amount due on time.
- HMRC will charge interest and potentially a penalty for each late payment to them for PAYE.
- There will be no need to file a payroll end of year return (P35) to HMRC, although your employees will still receive a form P60 at the end of each tax year which you must give them within the timeframe issued by HMRC.

### **Our commitment to our clients**

- We will ensure our payroll software is fully up to date to deal with RTI and that our staff are fully aware of the changes it will bring.
- Provided you have informed us about everyone you have made a salary payment to, we will ensure your RTI submission is on time and accurate.
- We will inform you each month of the amount due to HMRC and the date they must receive payment.

- We are on hand to answer any queries you have and assist you with getting the right information for each employee. You are in our safe hands!

Please contact our payroll department with any queries, or for a free no obligation quote:

Julia Jones or Angela Shrewsbury– 0208 207 0602 or email [payroll@sopherco.com](mailto:payroll@sopherco.com)