

# HELP!!! Payroll Year End?

Businesses employing staff are required by law to submit a return called a P35 to HMRC at the end of each tax year. For the first time this year, the P35 submission is compulsory to send online. These returns allow HMRC to monitor the PAYE and National Insurance deducted from employee wages and to ensure that calculations have been made according to Government Legislation for that tax year.

The payroll year runs from 6th April through to 5th April the following year and applies to all companies. The period around Payroll Year End (PYE) can be a very busy time and quite daunting for a new business. Scott Muller, PAYE expert for, [Citylights Payroll](#) suggests that firms should start planning ahead now.

To help the Payroll Year End process run smoothly, **here is a step-by-step guide for you to follow:**

## Have you set enough time aside to complete your Year End?

- The number of employees you need to produce P14 and P60s for will dramatically affect the amount of time it takes to run your Year End. Do you hold stock of these forms for the correct year you wish to process? If not the HMRC Order Line is 0845 6055 999

## Are you aware of fines for late or incorrect submissions and the relevant submission deadlines?

- HMRC impose strict submission deadlines with fines raised for late or some incorrect submissions. Ensure you have everything in this list and that it is accurate. If you are unaware of the deadline to submit the P35 return for 2009/10 this is **19<sup>th</sup> May 2010**.

## Do you have your Tax/District Reference and contact details for your HMRC office?

- Ensure your submission contains the correct PAYE information. During this busy time of year, it is vital that you know who to contact should you have a problem. Visiting this HMRC link should provide you with the right tool to obtain which tax office to contact in case of an issue - [www.hmrc.gov.uk](http://www.hmrc.gov.uk), however do be warned, offices can become very difficult to get through to due to surges in demand at this busy time and can often be engaged constantly throughout the day.

## Check your final payroll run for the tax year has been completed and all P11s to ensure your figures are correct?

- If the P11's show incorrect information the Year End return will be incorrect. Running your wages using accredited payroll software, providing no processing errors have occurred throughout the year, means you can be confident that the P35 has been correctly calculated.

## Are you adequately prepared for the obligations imposed by legislation changes?

- There were many changes to legislation for the tax year 2009/2010 including changes to Statutory Sick Pay, Maternity Pay, as well as changes to National Insurance legislation.

Is the payroll software you are using to calculate your P35, the latest version of the software? If unsure check with your supplier as you may need to upgrade. If not using software, The Inland Revenue can supply you with an Employers Pack, contact 0845 607 0143 to request this, or speak with your local tax office.

It is vital that your returns are accurate otherwise you could have a fine imposed by HMRC.

## Making submissions via the internet is now compulsory?

- Submitting your Year End returns via the internet are compulsory and you could receive a fine even if a paper return reaches the Inland Revenue prior to the 19<sup>th</sup> May deadline. You need to register with HMRC to file online and also ensure that your payroll software has been accredited by the Inland Revenue for internet submission. The registration process should be undertaken well before the P35 deadline as all applicable reference numbers and password are delivered through the post.

If you are unsure and would like assistance with your Year End, seek professional advice [NOW](#), as getting it wrong will cost you money in the long run.