



Employer topics

PAYE

April 2017 is the start of a new tax year, arguably this year includes the most dramatic changes to payroll since Real Time Information (RTI) and auto enrolment were rolled out. The apprenticeship levy will have a considerable financial impact on employers, along with increases to minimum and living wage rates. Slightly further down the road is gender gap reporting to be published by April 2018, it is going to be another busy year for employers.

Apprenticeship levy:

- started 6 April 2017;
- applies to all Northern Ireland and UK employers not just employers with apprentices; and
- pay bill over £3 million (pro rate) will trigger the levy. £15,000 'allowance' per employer/group, similar to employer allowance. Devolved administrations determine how employers access funds.

Payrolling Benefit-in-Kind (BIK):

- must have enrolled with HMRC before 5 April 2017 to payroll in 2017/2018;
- employer must apply online;
- P11D(B) still required for class 1A NIC declaration, 6 July 2018; and
- payment class 1A NIC's due 19 July 2018.

Scottish Rate of Income Tax (SRIT):

- starting 6 April 2017 different tax bands apply for Scottish resident employees; and
- SRIT will apply to any employee with a 'S' prefix on their tax code.

Uk and Scottish tax bands

UK tax bands		Scottish tax bands	
Basic	20%	0.00-33,500	0.00-31,500
Higher	40%	33,501-150,000	31,501-150,000
Additional	45%	150,001+	150,001+

New childcare scheme:

- starting 28 April 2017 with phased roll-out over the year;
- managed online by employees and eligibility criteria will apply;
- up to £2000 of relief per child, per year (funded by parents and the UK government); and
- current voucher scheme will continue, no new members after April 2018.

National Minimum Wage (NMW) and living wage rates New rates from 1 April 2017

Age	Rate	Pay rate
16-17	NMW	£4.05
18-20	NMW	£5.60
21-24	NMW	£7.05
25+	NMW	£7.50
	Apprentice rate	£3.50

Employer allowance:

- up to £3,000 rebate per employer;
- groups and associated employers get one £3,000 allowance. Deducted off ER NIC liability via payroll; and
- does not apply to certain categories, e.g. public sector funded employers or single director companies.

Gender pay gap reporting:

- review period as of 6 April 2017 with a statutory requirement to record and publish gap analysis by April 2018. Currently applies to employers with 250+ EE's, includes quartile earnings splits;
- expect activity/reporting below threshold as sectors compete to attract new hires/graduates; and
- your pay gap must be available online and public. Employers are being encouraged to explain gaps.

Auto enrolment:

- re-enrolment now active for larger employers (three year cycle); and
- employees with fixed and enhanced protection status should notify employers to avoid issues/penalties.

Salary sacrifice:

In the Autumn Statement 2016, the Chancellor of the Exchequer, Phillip Hammond, announced the end point for many salary sacrifice schemes as of 5 April 2017. Representation continues as to how this is implemented. If you operate any sacrifice schemes you should check with the benefit vendor before operating April 2017 payroll and instruct payroll accordingly.

Contact



Sam Beattie
Manager, Payroll
T +(0)44 28 9587 1124
E sam.beattie@ie.gt.com

Over 1,000 people operating from offices in Dublin, Belfast, Cork, Galway, Kildare, Limerick and Longford.



www.grantthorntoni.com



@GrantThorntonNI



Grant Thornton (NI) LLP