

Payroll Legislation Update

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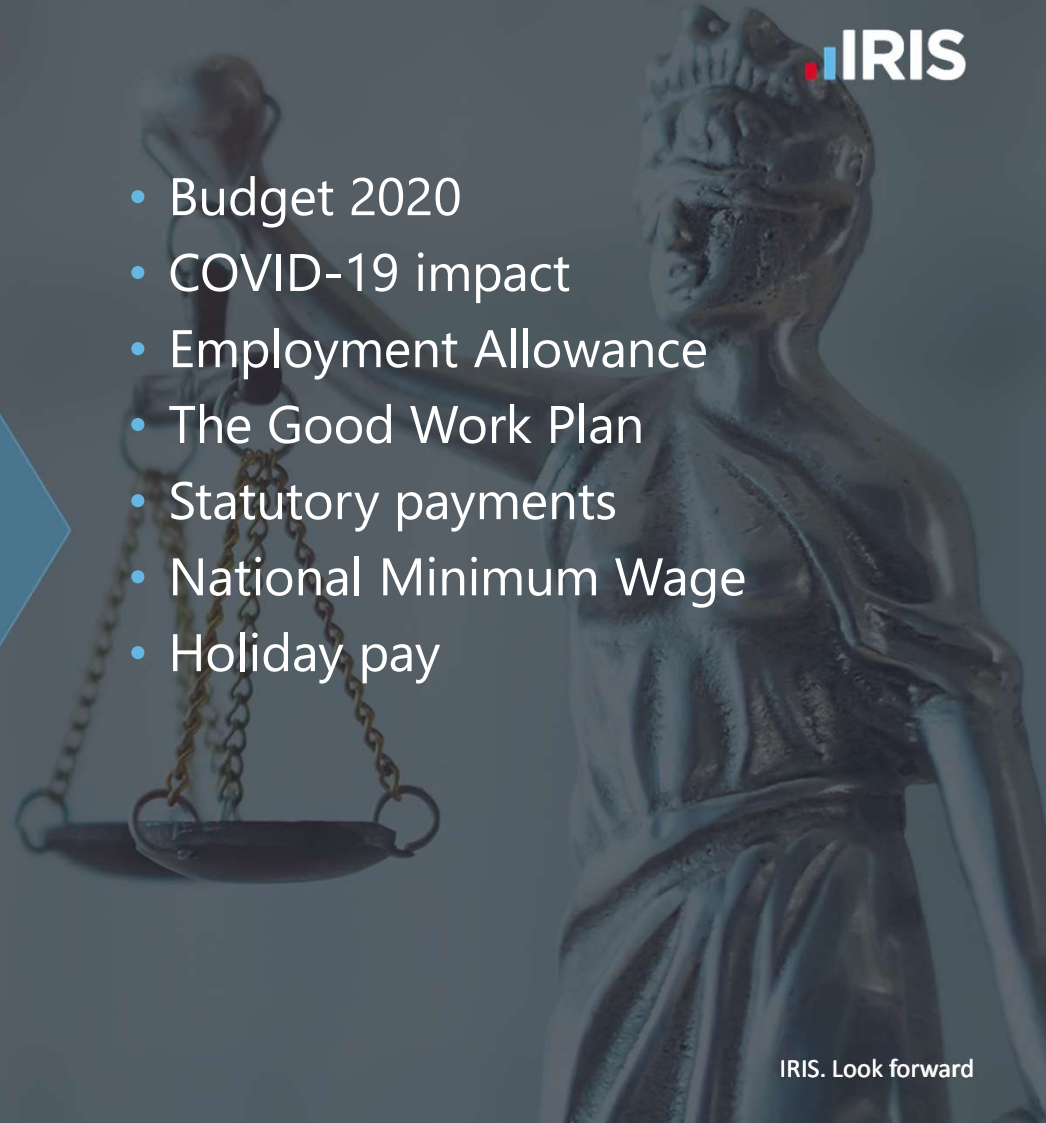


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Agenda

- Budget 2020
- COVID-19 impact
- Employment Allowance
- The Good Work Plan
- Statutory payments
- National Minimum Wage
- Holiday pay

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Budget 2020

- Covid-19 Coronavirus response
- Employment Allowance increase to £4,000
- Neonatal leave
- Carer's leave
- Net Pay Arrangements v Relief at Source
- Pensions tax relief
- Other areas of interest

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COVID-19 Coronavirus

- Government response – ‘whatever is needed’
- SSP payable from day one for eligible employees affected by COVID-19?
- SSP recovery – employers <250 employees as at 28 February 2020
- Self Isolation
- Benefits system
- Support for business
- Off-payroll working reforms postponed until 2021

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Employment Allowance

- From April 2020
- Available to employers with secondary NICs of less than £100,000 in the preceding year
- De minimis state aid
- Trade sectors:
 - Primary production of agriculture products €20,000
 - Fisheries and aquaculture sector €30,000
 - Road Freight Transport sector €100,000
 - Industrial / Other €200,000
- Three years – evidence?

The Good Work Plan

- The Taylor Review of Modern Working Practices
- Amends working rights – Day 1 written statement
- Amends Working Time regulations
- Labour Market Enforcement – protecting vulnerable workers, providing support to claim Holiday pay and SSP?

Changes to RTI reporting

- From April 2019
 - Can use either FPS or EYU to amend earlier year information
- From April 2020
 - Amendments to 2019-20 onwards can use either YTD FPS or EYU
 - HMRC's BPT will support all changes
- EYU must still be used to amend a tax year earlier than 2018-19

Changes to RTI reporting

- In the FPS
 - off-payroll worker 'deemed employee'
 - real-time Class 1A NICs
 - two fields for company cars
- In the FPS and EPS
 - three fields Statutory Parental Bereavement Pay (SPBP)
- In the EPS
 - seven fields relating to Employment Allowance

Parental bereavement leave and pay

- *Parental Bereavement (Leave and Pay) Act 2018*
 - implementation date 6 April 2020
 - employer guidance to be issued
- Eligibility and entitlement
 - ‘day one’ right to 2 weeks’ leave (SPBL)
 - service-based right to 2 weeks’ pay (SPBP)
- ‘Child’ under 18 years old including stillborn
- ‘Parent’ includes legal guardian, primary carer

Statutory payments rates - proposed

- Standard weekly rates

	2019-20	2020-21
Statutory Sick Pay	£94.25	£95.85
Statutory maternity, adoption, paternity, shared parental, parental bereavement pay	£148.68	£151.20

Statutory Sick Pay reform

- July 2019 consultation on SSP reforms
 - follows Taylor Review recommendations
 - closed October 2019
- Proposals include
 - rule changes to support phased return to work
 - options for employers to top-up pay
 - to remove low earnings eligibility threshold
 - to have right to return to same job after long period of sickness absence

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National Minimum/ Living Wage rates

Category of worker	1 Apr 2019	1 Apr 2020
Workers aged 25 and over (the National Living Wage)	£8.21	£8.72
Workers aged 21-24	£7.70	£8.20
Workers aged 18-20	£6.15	£6.45
Workers aged under 18 (but above compulsory school leaving age)	£4.35	£4.55
Apprentices aged under 19 Apprentices aged 19 or over in first year of apprenticeship	£3.90	£4.15

National Minimum Wage

- Extension of NLW to younger workers
- Low Pay Commission annual review
 - NMW rates and NLW target
 - Apprenticeship rate – is it fit for purpose?
- BEIS response to consultation
 - Salaried hours work
 - Salary Sacrifice
 - BEIS Naming scheme to resume
- Compliance and....
- Enforcement

Company cars appropriate percentages

- Car benefit charge is % of original car cost

CO ₂ emissions	2018-19 %	2019-20 %	CO ₂ emissions	2020-21 %
0	13	16	0	0
1-50	13	16	1-50 split by zero emission miles	
			> 130	2
			70-129	5
			40-69	8
			30-39	12
			< 30	14

Holiday leave and pay developments

- Holiday pay calculation reference period
 - increases from 12 to 52 weeks
 - capped at 104 weeks
 - for all statutory leave starting on or after 6 April 2020
- Government to increase awareness of holiday rights
- Plans for state enforcement of workers' rights
- February 2019: new BEIS holiday pay guidance for workers without fixed hours and/or pay
- November 2019: new BEIS holiday entitlement guidance and revised online entitlement calculator
- Updated guidance imminent

CIPP

- News OnLine
- Advisory service:
 - Telephone
 - Email
 - Web chat
- Payroll: Need to know
- National Forums
- Annual Payroll Conference
- Training and Qualifications
- Range of membership options

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