

2022 PAYROLL NEWSLETTER

We have summarised some key changes to payroll below for your information. If you wish to discuss any of these further, please do not hesitate to contact Kelly Cummings, Payroll Manager, at our Ledbury office.



Welcome Niamh

We would like to welcome Niamh to our team. Niamh is our new trainee accountant in the Ledbury office and joined us in November 2021. Niamh has started to study her AAT qualification.

BRIGHT PAY

During April, we will be changing our payroll software provider from Sage to Bright Pay. Please note if your employees currently use the Sage online pay slips, they will need to download/save these documents for future reference. We will then set up a new employee dashboard on Bright Pay Connect, where there is also an app the employees can download, to access their documents. There is also an employer dashboard which can be used to approve the payroll reports, upload employee contracts, and approve holiday requests. Please get in touch if you would like this set up for your business. Those currently using the online system will automatically be moved across to the new one. I have a link which I can email which provides a demo of how this looks, if you would like this, please get in touch.

National Living Wage and National Minimum Wage (NLW & NMW)

On the 1 April 2022, the National Minimum Wage and National Living Wage rates for all bands will be increased. Please make sure that all employees are being paid at or above the correct level depending on their age. The new hourly rates are as follows:

	23 and over	21-22	18-20	Under 18	Apprentice
April 2022	£9.50	£9.18	£6.83	£4.81	£4.81
April 2021	£8.91	£8.36	£6.56	£4.62	£4.30

Tax Free Personal Allowance

The Basic Personal Allowance will remain the same for the 2022/23 tax year at £12,570, giving a standard tax code of 1257L. The basic rate limit will also remain at £37,700, giving a higher rate tax threshold at income of over £50,270. Please note, it has been announced that these will remain frozen until at least April 2026.

National Insurance (NI) - The New Health Levy

From 6 April 2022, there will be a temporary 1.25% rise on all NI contribution rates payable on earnings over the primary threshold, and above the secondary threshold for employers, to support the NHS. This means the employee rate of NI will rise from 12% to 13.25% and employers from 13.8% to 15.05%.

Further to the Spring budget, please note that the threshold for Class 1 employee NIC is increasing on 6 July 2022 from £9,880 to £12,570.

Statutory payments and Student Loans

Employees on weekly earnings above the Lower Earnings Limit of £123.00, are entitled to a statutory weekly sick pay of £99.35 from 6 April 2022. Parental Pay also increases to £156.66 per week, from the current £151.97 from 6 April 2022. Student Loans are paid back at 9% based on annual earnings and plan type. Plan 1 threshold £20,195, Plan 2 threshold £27,295, Plan 4 threshold £25,375.

Employment Allowance

Please remember this is no longer carried over from the previous year, you need to make a new claim each tax year.

As announced in the Spring budget, the amount will increase on 6 April 2022 from £4,000 to £5,000 in the tax year and is claimed against Employer National Insurance contributions. This is still restricted to companies with National Insurance Contributions (NIC) of less than £100,000.

Automatic Enrolment – Re-Enrolment

You may be reaching the third anniversary of your Auto-Enrolment staging date – which means you need to re-enroll. This involves a similar process to first setting up the pension scheme, where all employees need to be assessed and if they meet the right criteria, enrolled onto the pension scheme, even if those employees had previously opted out. Employees do have the chance to opt out again if they wish to.

There have been no changes to the minimum contribution levels.

<u>Date effective</u>	<u>Employer minimum contributions</u>	<u>Employee contributions</u>	<u>Total minimum contributions</u>
6 April 2018 – 5 April 2019	2%	3%	5%
6 April 2019 onwards	3%	5%	8%

Key Payroll Dates

19th of each month	Deadline to pay PAYE/NI/CIS to HMRC by non-electronic method Last date to submit RTI EPS and CIS returns
22nd of each month	Deadline to pay PAYE/NI/CIS electronically
31st May	Employees must receive their P60 before today
6th July	Filing deadline for P11Ds and give forms to employees
19th July	Deadline to pay Class 1 A NIC by non-electronic method
22nd July	Deadline to pay Class 1 A NIC electronically

QDOS EMPLOYMENT LAW HELPLINE - 0116 243 7891

This is free for clients, please contact Kelly if you require our reference number

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