

ESSENTIAL PAYROLL TIPS FOR EMPLOYERS 2019-20



The new tax year will soon be here and there are a number of significant changes that Employers need to be aware of from 6 April 2019.

Auto Enrolment – Contribution Increase

Minimum Employers contributions will rise to 3% and Employees to 5%. That is likely to be a 33% increase in your pension payments so it's worth checking the budgets and cash flow effect.

Payslip Changes

From 6 April 2019 Employers **are required by law** to provide a payslip to all employees. Hours worked will also need to be shown on the payslip.

Employees on a standard monthly salary will not be affected, however if you pay overtime, the rate and hours of overtime paid now need to be shown as well. If you have any employees who work irregular hours then hours worked and hourly rate should also now be visible on the payslip.

Tax and National Insurance Allowances

The new Basic Personal Allowance increases to £12,500.

The National Insurance Primary Threshold will increase to £8,632 per annum. This means you can earn £8,632.00 before you pay any tax or NI if you are a standard rate taxpayer. Directors on a low salary should increase their minimum monthly salary to £715.00 per month to optimise their "tax free salary" and to obtain the state pension credit.

Do ask us about how you can optimise your pension credit

Employers Allowance

Don't forget to claim the £3,000 Employer's allowance from HMRC if you are eligible. We have found a number of instances where this has been missed and successfully managed to obtain reclaims for earlier years as well as the current one.

National Living Wage (Over 25's)

This increases to £8.21 per hour.

National Minimum Wage

Increases to £7.70 per hour (21-24 year olds)

Increases to £6.15 per hour (18-21 year olds)

Increases to £4.35 per hour (under 18's)

Apprentices' hourly rate increases to £3.90 per hour

Statutory Pay

Weekly rate for first 6 weeks	90% of the employee's average weekly earnings
Statutory Maternity Pay - weekly rate for remaining weeks	£148.68 or 90% of the employee's average weekly earnings, whichever is lower
Statutory Paternity Pay - weekly rate	£148.68 or 90% of the employee's average weekly earnings, whichever is lower
Statutory Adoption Pay rate for first 6 weeks	90% of employee's average weekly earnings
Weekly rate for remaining weeks	£148.68 or 90% of the employee's average weekly earnings, whichever is lower
Statutory Shared parental Pay - weekly rate	£148.68 or 90% of the employee's average weekly earnings, whichever is lower

Wales and Scotland

Wales will have their own income tax rates from 6 April 2019. If you have any employees living in Wales their tax code will have a C suffix, much like the Scottish S suffix, the Welsh taxes, however, will remain the same as England's for the time being, unlike Scotland who have their own.

What Next...

As ever with these things, advice is needed on a bespoke basis. If you are unsure of your obligations and would like to discuss this further, we would be delighted to assist you.

Please contact a member of our Payroll team on **01753 888211** or visit **www.nhllp.com**