

Broadcast

FACTSHEET: PAYROLL CHANGES FROM APRIL 2025

SPECIAL ISSUE

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As we enter April 2025, businesses across the UK are gearing up for a significant change in how they report employee hours for payroll purposes. The Real-Time Information (RTI) system, introduced several years ago, continues to evolve, and from April 2025, it will require even more meticulous reporting of employee hours. This shift carries implications not only for businesses but also for accountants who play a crucial role in ensuring compliance and accuracy in payroll management.

Understanding RTI:

RTI revolutionized the way employers report payroll information to HM Revenue and Customs (HMRC). Instead of providing this information annually, employers now submit it in real-time, whenever employees are paid. This ensures that HMRC receives up-to-date information on earnings, taxes, and other deductions, enabling more accurate tax calculations and reducing the risk of errors or fraud.

Focus on Employee Hours:

From April 2025, RTI will place a greater emphasis on reporting employee hours accurately. While previously, reporting focused primarily on earnings and taxes, the new requirement mandates detailed reporting of hours worked by each employee. This shift aims to provide HMRC with a more comprehensive picture of employment activity, facilitating fairer taxation and enforcement of employment regulations.

Implications for Businesses:

For businesses, this change necessitates a closer monitoring of employee hours and improved record-keeping practices. Employers must ensure that they accurately track and report hours worked, including overtime and any variations in work patterns. Failure to comply with these requirements can result in penalties from HMRC, highlighting the importance of meticulous record-keeping and compliance with RTI regulations.

Our role

As accountants, we play a pivotal role in helping businesses navigate these changes effectively. We can provide expertise in payroll management, ensuring that you understand your obligations under RTI and helping you implement robust systems for recording and reporting employee hours. We also offer invaluable support in resolving any issues or discrepancies that may arise, mitigating the risk of non-compliance and associated penalties.

Benefits of RTI Compliance:

While the transition to more stringent reporting requirements may pose challenges for businesses, there are significant benefits to be gained from compliance with RTI. Accurate reporting of employee hours not only ensures compliance with tax regulations but also enhances transparency and accountability in payroll management. By maintaining accurate records and adhering to RTI guidelines, businesses can streamline their payroll processes, reduce the risk of errors, and build trust with employees and regulatory authorities alike.

Conclusion:

As we enter a new era of payroll reporting under RTI from April 2025, businesses and accountants must embrace the changes and adapt their practices accordingly. By prioritizing accuracy, transparency, and compliance with RTI requirements, businesses can navigate the complexities of payroll management more effectively, ensuring fair treatment of employees and demonstrating their commitment to regulatory compliance. With the support of knowledgeable accountants, businesses can confidently embrace the opportunities presented by RTI and optimize their payroll operations for success in the years ahead.

We can help

Please call us on **01753 888 211** or email **info@nhllp.com** if you need guidance with any of the issues raised in this Broadcast. We would be happy to help.