

12Pay

Release Notes

April 2020 & Patches

Release Notes

Welcome to your software update for April 2020. These notes provide information on all the improvements to the software; for detailed information on legislative changes, see the Legislation Guide on www.12Pay.co.uk in the **Help** section. If you encounter any difficulties, please visit: support@12Pay.co.uk

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12Pay April 2020 Patch Release v1.21.58

Coronavirus Job Retention Scheme & Furlough Payment Reclaim

HMRC have made further changes to the Coronavirus Job Retention Scheme. We have added further functionality to the software to assist you with the changes. The changes include up and coming reductions to the reclaim values.

For further information with regards to the changes and the new functionality, please see the guide [here](#).

12Pay April 2020 Patch Release v1.21.44

EPS Submission

An error occurring when trying to submit an EPS with De minimis State aid for month 2 has been resolved.

12Pay April 2020 Patch Release v1.21.43

Coronavirus Job Retention Scheme & Furlough Payment Reclaim

Following the introduction of the Coronavirus Job Retention Scheme, we have added functionality to the payroll software to assist you when making a claim.

For further information with regards to using the new functionality and making a Furlough reclaim, please see the guide [here](#).

12Pay April 2020 Patch Release v1.21.32

Scottish Tax Bands

The Scottish Income Tax rates, effective from the 11th May 2020, have been added to the software. These are as follows:

Rate	Band (£)
19%	1 - 2,085
20%	2,086 - 12,658
21%	12,659 - 30,930
41%	30,931 - 150,000
46%	Over £150,000

P32

An issue with the P32 reporting NI refunds incorrectly in month 12 has been resolved.

P45

When issuing a P45, where an employee had not been paid in the current year, the report was picking up the figures from the previous tax year. This has now been rectified.

12Pay April 2020 Release v1.21.27

PAYE Legislation

Employment Allowance

Following Employment Allowance reforms, from 2020/2021, Employment Allowance will be limited to businesses and charities with an Employer National Insurance Contributions bill below £100,000 in the previous tax year.

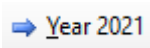
There are some restrictions, regardless of the size of the company. You cannot claim Employment Allowance if:

- You are the director and the only employee paid above the Secondary Threshold (ST)
- You employ someone for personal, household or domestic work, unless they are a care or support worker
- You are a public body or business doing more than half your work in the public sector, unless you are a charity
- You are a service company working under 'IR35 rules' and your only income is the earnings of the intermediary (such as your personal service company, limited company or partnership)

From tax year 2020/2021, if a company is already claiming Employment Allowance (selected in **Employer** tab | **Claim Employer NI Allowance**), during the move into the new year process, you will now be required to confirm if you are continuing to claim Employment Allowance.

Please Note: From 2020/2021, an EPS **must** now be sent in month 1 to notify HMRC you are claiming Employment Allowance or that your status has changed

When you select to move into the new tax year and you have **Claim Employer NI Allowance** ticked, follow these steps:

1. Select 
2. An information screen will be displayed (when moving from 2019/2020 to 2020/2021 only) detailing the changes to Employment Allowance, click **Next**
3. From the **Employment Allowance** screen, select from the options:
 - **Claim Employment Allowance**
Continue to claim Employment Allowance. My Employer's NI bill for 2019/2020 was below £100,000
 - **Do not claim Employment Allowance**
Stop claiming Employment Allowance

4. If you have selected to continue to claim Employment Allowance, select the relevant **de minimis state aid** option from:

- De minimis state aid does not apply
- Agriculture
- Fisheries and Aquaculture
- Road Transport
- Industrial

If de minimis state aid rules apply to your business, you must make sure that receipt of the full £4,000 allowance in the claim year (when added to any other de minimis State aid already received or allocated in the claim tax year and the previous 2 years) would not result in you exceeding the de minimis State aid threshold for your trade sector(s)

5. Click **Next**

6. The move into the next tax year process will continue

Employer Tab

On the **Employer** tab, a new **State Aid** button has been added. This button will be disabled if **Claim Employer NI Allowance** is unticked. Click this button to open the new **State Aid** screen. Here you can select the de minimis state aid option applicable.

Statutory Parental Bereavement Pay

Following the introduction of the Parental Bereavement (Leave and Pay) Act 2018, employees will be entitled to two weeks' leave following the death of a child, which subject to meeting the relevant criteria, will be paid at the statutory rate. This new act comes into effect from April 6th, 2020 (Tax Year 2020/2021).

Bereaved parents will be entitled to at least two weeks' leave following the death of a child under the age of 18, or if they suffer a stillbirth from 24 weeks of pregnancy. The leave must be taken within 56 weeks, and whereas statutory sick pay has qualifying days, these do not apply to statutory parental bereavement leave.

Points

- 26 weeks continuous service required
- Rate is the same as statutory paternity and shared parental pay £151.20 per week
- Leave can be taken in one block or in two separate blocks of one week
- Leave must be taken within a 56-week window following the child's death – this allows the parent to use statutory leave for things such as anniversaries. Notice requirements will be flexible in order that leave can be taken without prior notice
- A copy of the death certificate is not required by employers as evidence

System Parameters

The **Employer Form | Absences** tab has been updated to include the new Statutory Parental Bereavement Pay (SPBP) rates.

Payments/Deductions

A new Payments/Deductions item has been added to cater for SPBP. This item is set up as follows:

- **Code** – SPBP
- **Description** – SPBP
- **Sequence** – 802
- **System** – ticked and disabled
- **Before Tax** – ticked and disabled
- **Before NI** – ticked and disabled
- **Before Pension** – ticked and disabled
- **Qualifying Earnings** – ticked and disabled
- **Nominal Code** – 7000
- **Employer Cost Nominal** – 2210
- **Exclude from Holiday Accrual** – ticked and enabled

All other fields are either unticked or blank.

If you select the **Operator Entry** button, the **Standard Payment** and **Variable Payment** will be ticked and disabled, allowing you to manually add the SPBP payment to an employee from the **Employee | Add Payment/Deduction** list.

AE Config

The **Employer | AE Config | Automatic Enrolment Configuration Tool – Step 7 – Qualifying and Pensionable Earnings** screen now includes **SPBP**. The **Qualifying Earnings** box will be ticked and disabled by default and the **Pensionable Earnings** box will be enabled, allowing you to select it, if required.

PAYE Tab

To cater for SPBP, on the **Employee | PAYE** tab, we have added the following:

- SPBP column
- SPBP Compensation column
- Cumulative SPBP field
- SPBP Adjustment field

Absences

From tax year 2020/2021 onwards, on the **Employee form | Absences | Add Absence** list, we have added a **Bereavement** option. SPBP has also been added to the **Automatically Calculate Absence Type** section.

Selecting the **Bereavement** option will open the **Absence Entry** screen. From this screen you can configure the SPBP details, using the following fields.

- **Date of Child's Death**
- **Exclude** – this field will be populated from the following options:
 - None
 - Average Earnings Below LEL
 - No Join Date
 - Joined Too Recently
 - Left Before SPBP started

This drop-down list will be enabled when the **Override** tick box is selected. This may be necessary if the **Exclude** option is incorrect; for instance, you were not using 12Pay in the periods required for the calculation of Average Earnings

- **Relevant Week (Sunday)** - populated based on the Date of Child's Death
- **Latest Employment Start Date (Saturday)** - populated based on the Date of Child's Death
- **Average Weekly Earnings (Rounded)** - populated based on the Date of Child's Death
- **First Leave Start Date** (date cannot result in payment/leave extending beyond 56 weeks from the **Date of Child's Death**)
- **Number of Weeks** – this will default to 2 but can be adjusted to 1, if required
- **Second Leave Start Date** – this field will be disabled if number of weeks SPBP is 2. (date cannot result in payment/leave extending beyond 56 weeks from the Date of Child's Death; date cannot be within 7 days of Date of Child's Death or within 7 days of First Leave Start Date)
- **Number of weeks** – this field will either display 0 or 1
- **Number of Weeks Already Processed** – this field will either display 0 or 1

Comments

If SPBP is payable, details will be displayed in the comments section.

Calculate Average Earnings / Exclusions

The **Calculate Average Earnings / Exclusions** button examines the absence and employee data to determine if it is likely that the absence should result in a statutory payment. The actual value is determined at the time of Payroll Calculations.

Schedule

From the **SPBP Absence Entry** screen, click the **Schedule** button to open the **Bereavement Pay Schedule** screen and associated report.

Please Note: you are required to keep SPBP records for at least 3 years

Calculate with Explanation

From **Payroll | Calculate | Calculate with Explanation** the **Pay Calculation Commentary** report will detail the SPBP payment.

Paste Employee Data/Import Data

The **Payroll | Advanced | Paste Employee Data** option, used when importing from an Excel spreadsheet, has been amended to include the SPBP year to-date value.

On the **Absences Import Template**, a new **Absence Type** of **Bereavement** has been added. Importing an **Absence Type** of **Bereavement** will create an SPBP record for the employee.

Export Data

Employer | Export has been updated to cater for SPBP.

When creating an **Absence** export, the **Absence Type** field will display **BEREAVEMENT**. Any SPBP information will appear in the export file in the appropriate SXP field.

When creating a **P11 Tax export**, the following columns have been added:

- **SPBP**
- **SPBP Compensation**

P32 Reports

The **Employer | Reports | P32** reports, have been updated to include columns for **SPBP Recovery** and **SPBP Compensation** values.

Reports

All necessary reports have been updated to include SPBP. SPBP has also been added to the **Report Designer | Columns | Absence Type**.

Under **Payroll | Reports | Absences** there is a new option **SPBP** which will display the **Bereavement Report**.

Tax, NI, SSP, SMP, SAP, SPP & ShPP

The rates for tax, NI and statutory payments have been updated for 2020/2021.

Tax Code Changes

In line with legislative changes, moving into the new tax year (2020/2021) will automatically uplift tax codes as required.

Student Loan Thresholds

The annual thresholds have been updated in line with legislation for 2020/2021.

- Plan Type 1 increased from £18,935 to £19,390
- Plan Type 2 increased from £25,725 to £26,575
- Postgraduate Student Loans remains at £21,000

Minimum Wage

Minimum wages have been updated in line with legislation for 2020/2021.

AE Parameters

The AE Parameters have been updated in line with legislation for 2020/2021.

P60s

P60 forms have been updated to report for year-end 2019/2020. The P60 report will now include Postgraduate Loan deductions and will also print the address as:

- 3 Address lines
- Post Code
- Country

Please Note: If the employee has 4 Address lines, the Post Code and Country will be displayed on the same row.

Earnings Arrestment Scotland

In line with legislation changes, the Earnings Arrestment Scotland parameters have been updated.

RTI

Full Payment Submission (FPS)

We have updated the FPS schema for submissions relating to tax year 2020/2021.

The FPS will now cater for Termination Payments and Statutory Parental Bereavement Pay.

Employer Payment Submission (EPS)

We have updated the EPS schema for submissions relating to tax year 2020/2021.

On the **Employer Payments Summary (EPS) to be filed with HMRC | EPS** screen and the **EPS Final Confirmation** screen, under the heading **Recovery** and **Compensation** we have added fields for **SPBP**.

EPS Reports

EPS reports have been updated to include SPBP Received and SPBP Compensation.

Employment Allowance – EPS

From 2020/2021, if **Employer | Claim Employer NI Allowance** is selected, you are required to send the first EPS of the tax year.

Earlier Year Update (EYU)

We have updated the EYU schema for submissions relating to tax year 2019/2020. Postgraduate Loans and Welsh Tax Codes can now be included in an EYU. On the **Earlier Year Update (EYU) to be filed with HMRC screen | Adjustments to File** section, we have added a new field **Postgraduate Loan**. For tax years prior to 2019/2020, this field will be disabled.

Pensions

Reporting Pension AVCs

In the pension files and on the associated reports, standard and additional pension values (AVCs) are now combined.

Other

Online Filing

We have increased the **Employer | HMRC Internet Submissions | Password** field from 23 characters to 128.

P32 Report

The P32 report now includes the Postgraduate Student Loan (PGSL) Payment in the Net Tax figure.

CIS VAT Reverse Charge Payment/Deduction

The CIS VAT Reverse Charge payment/deduction is now processed as a 'display only' item. This will still be included in reports but will not affect the Total payment/deduction fields or the net pay fields for the subcontractor.

A **Display Only** tick box, which is for information purposes and is ticked and disabled, has been added to the following screens:

- **Payment/Deduction CIS Vat Reverse Charge** screen
- **Subcontractor Form | Month** tab

Standard Life WPH Payments File

We have updated the Standard Life WPH Payments File in line with their requirements. Included in this update is the format of the value field which has changed from whole numbers to 2 decimal places.