What should employers know about the end of the tax year?

As the end of the 2021/22 tax year approaches, the pressure is on for finance departments looking for a smooth sailing into the next. The key to an easy transition is knowing the important key dates for year-end tasks to avoid penalties from HMRC.

Temps de lecture : minute

22 February 2022

In the UK, the tax year ends on 5th April. Following on from this, there are a number of forms and documents that must be completed.

The more straightforward paperwork that needs to be done at the end of the tax year includes ensuring you issue employees with their P60 form – which details National Insurance contributions, statutory pay, student loan repayments, gross earnings and tax paid on the previous year – by May 31st, and final P46 car return forms, which focus on employees with company cars. The deadline for electronic submission for this is April 5th, and by paper is May 3rd.

Other important deadlines you need to know include:

- Final FPS. A Full Payment Submission (FPS) needs to be submitted to HMRC every time you pay your employees. On it, you need to include employee details like gross pay, income tax and National Insurance contributions. The final deadline is the last payday of the 2021/22 tax year.
- Final EPS. An Employer Payment Summary (EPS) is used to record additional values that are not reported on an FPS. Recovery and compensation for statutory payments, apprenticeship levy and CIS

deductions are some of the things you'll need to include on an EPS. The deadline for this is April 19th.

- P11D and P11D(b). A P11D is a form submitted to HMRC that details taxable benefits you have provided to your employees in the tax year. A P11D(b) is a form submitted to the HMRC to confirm how much Class 1A NIC is due on the benefits provided. Both forms need to be submitted to HMRC by 6th July following the end of the tax year.
- Payment of Class 1A NICs. Class 1A NIC is an employer liability that arises from benefits provided to employees. This needs to be paid to the HMRC by 22nd July following the end of the tax year and should correspond to the figure provided on your P11D(b).

Reviewing processes

Around 40% of small business owners say bookkeeping and taxes are the worst part of owning a business, so it is really beneficial to review processes. By doing this, you can strengthen compliance, create efficiencies, improve employee engagement, increase accuracy and also reduce costs.

The end of another tax year presents _an opportunity_ to review your payroll processes and consider whether different software could work better for you. Did you know it only takes minimal data to transfer to a new software? Some softwares can onboard you in April but still support you with year-end tasks, such as P11Ds, from the previous tax year.
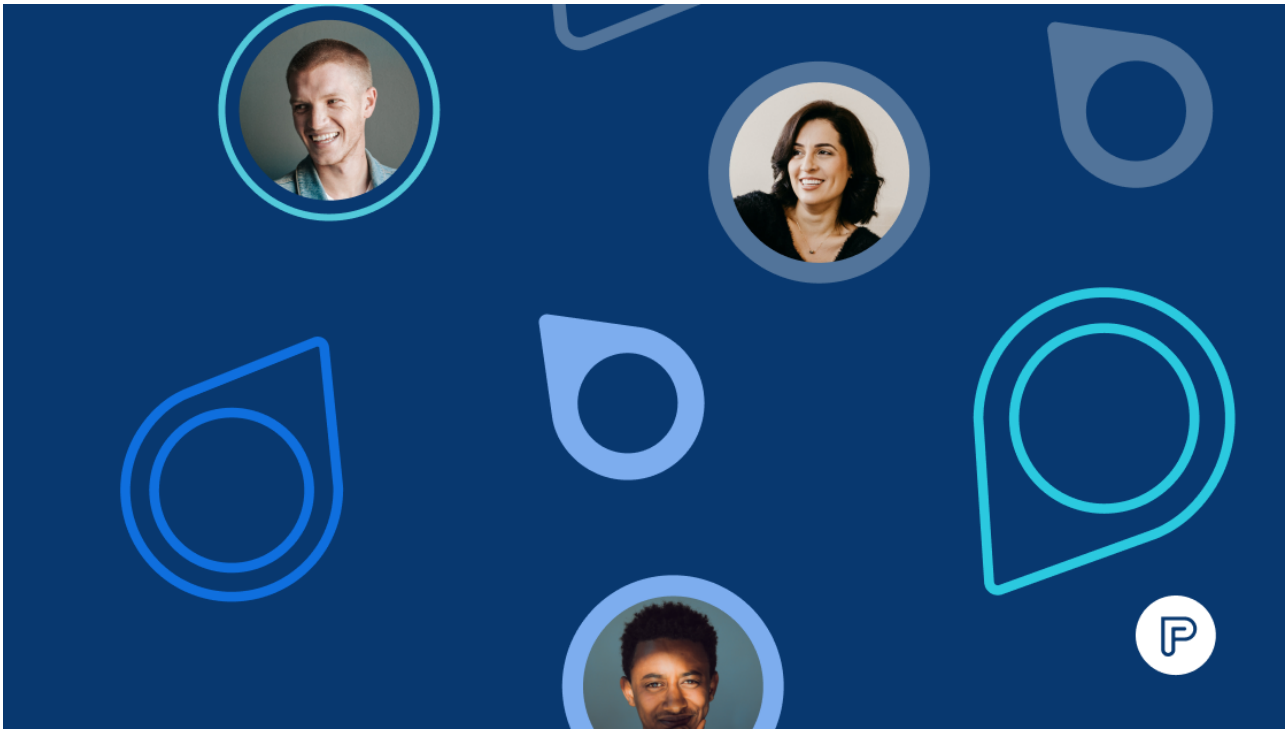
Read also
What do employers need to know about global mobility?

New software

When *considering a switch* in payroll software provider, think about your key issues with your current software, the complexity of your payroll and how your employees access their payslips. Other important factors include the ease of the potential switch and, of course, cost versus value.

Using a system like PayFit, an automated payroll software with personalised support from payroll experts, can ease the difficult and sometimes confusing administrative tasks at hand. The software works by offering easy-to-use cloud-based software that creates the automation of payslips, RTI and pension submissions. PayFit also offers integrations for HMRC, pensions, HRIS and accounting software, keeping the process simple and succinct.

While the volume of admin required from businesses at the end of the tax

year may seem daunting, a little preparation, planning and reflection can make the process streamlined and improve operations for the next tax year. Remember, creating a checklist of essential tasks now will enable you to prioritise by deadline and make your April as easy as possible.

Maddyness is a media partner of _PayFit_.