

# Superpay RTI Operator Guide (v1.0)

1	Preparation .....	2
2	Run payroll .....	3
3	RTI filing basics .....	5
4	Send an FPS .....	8
5	Outstanding items report.....	16
6	Send outstanding leavers.....	17
7	Send a recovery EPS .....	18
8	Submit nil and inactivity EPS's .....	24
9	PAYE liability .....	27
10	Submit an EAS .....	29
11	Sundry items .....	31
12	Superpay agents under RTI .....	32
13	Submit FPS's (agent) .....	34
14	Submit recovery EPS's (agent) .....	36
15	Outstanding items report (agent) .....	37
16	Submit inactivity EPS's (agent).....	38
17	Agents taking over an existing payroll .....	40
18	Split scheme – set up .....	42
19	Split scheme - EAS.....	46
20	Split scheme – FPS .....	48
21	Split scheme - Recovery EPS .....	49
22	Leavers .....	50

# 1 Preparation

---

## 1.1 Program version

Ensure you are on Superpay 4.5.6 or a later version.

## 1.2 Employee records

You need to ensure your employees' data complies with RTI. In particular, if an employee does not work 30+ hours per week and/or is not regularly paid change the default settings on their employee record before you run your first payroll in 2013/14.

## 1.3 Validation

If you have not already validated your data you should run Superpay's validation errors and warnings report to check for any errors before your first payroll. Select All reports, RTI preparation then RTI validation errors and warnings.

Any problems with the Company record, such as a missing Accounts Office Reference or Gateway details, will be listed as well as any employees who have not passed validation.

## 1.4 User settings (Utilities, option 2)

To ensure you fulfil your RTI filing obligations we do not recommend that you file any submissions on a *Test* basis. You should ensure that the *Revenue filing* field is set to 2 for *Live* filing. This option affects all filing – RTI for 2013/14 and P35s, P45s and P46s for 2012/13.

If you run Superpay on a network, each operator on the network needs to set this choice independently.

## 1.5 System settings (Utilities, option 3)

Enter your email address in the *HMRC filing email* field. You may wish to set up a separate email account for RTI responses, especially if you are an agent. You will receive one email for each FPS and EAS that you submit which can generate a large volume of emails very quickly.

## 1.6 P38A employees

Under RTI there are no longer any P38A employees. All low paid employees who would previously have been reported on a P38A return need to be set up on Superpay before you start RTI.

## 1.7 Coding notices

The *HMRC notices online* option for single companies has been moved from the HMRC online menu to the Company menu. We recommend that you use this option before each payroll run to download your tax codes etc., which Superpay will then use to automatically update your employees' records while running the payroll.

## 2 Run payroll

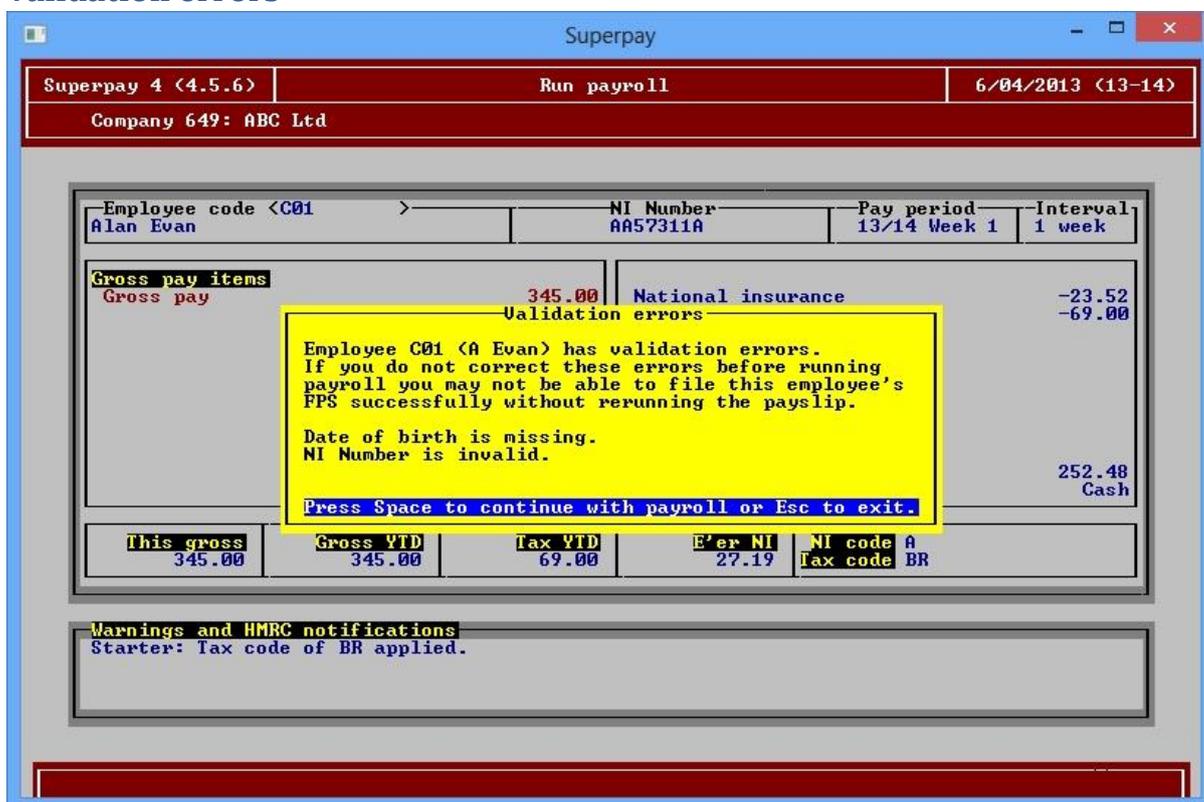
### 2.1 General

There have been very few program changes to *Run payroll* in order to accommodate RTI, and the way you run payrolls has not changed.

### 2.2 Pay date

On the *Run payroll* menu screen you must enter the date your employees will be paid. For example, if you pay a week in hand you must enter the date the employees will be paid this week, not the date of the previous Friday or Saturday (for example) when the earnings period ended.

### 2.3 Validation errors



Superpay 4 <4.5.6>		Run payroll		6/04/2013 (13-14)	
Company 649: ABC Ltd					
Employee code <C01 >	NI Number	Pay period	Interval		
Alan Evan	AA57311A	13/14 Week 1	1 week		
<b>Gross pay items</b>					
Gross pay	345.00	National insurance	-23.52		
Validation errors					
Employee C01 (A Evan) has validation errors. If you do not correct these errors before running payroll you may not be able to file this employee's FPS successfully without rerunning the payslip. Date of birth is missing. NI Number is invalid.					
Press Space to continue with payroll or Esc to exit.					
This gross	Gross YTD	Tax YTD	E'er NI	NI code	A
345.00	345.00	69.00	27.19	Tax code	BR
<b>Warnings and HMRC notifications</b>					
Starter: Tax code of BR applied.					

If an employee's data fails RTI validation *Run payroll* displays an error message on the payslip screen. You should press *Esc* at this point and fix any errors before continuing.

If you ignore a validation error message during *Run payroll* you will encounter problems when you later attempt to file the corresponding RTI submission. A validation error at the filing stage would require you to *Undo* the payslip, correct the error and re-run the payslip before you could file the payslip.

### 2.4 Extra indicators during run

If an employee has unpaid absence (e.g. unpaid holidays) or was on strike, press F2 on their payslip screen and choose the appropriate setting from the pop-up list.

If a payslip is for a leaver after you have filed their leaver submission, press F2 on their payslip screen and choose the appropriate setting.

## **2.5 Automatic filing**

Superpay does not automatically file a payroll immediately after it has been run. You can produce your payslips and reports in the normal way before filing. Once you are happy with the payroll you will need to file it from a separate RTI filing menu.

## **2.6 Leavers**

If any employees have left during this pay period, after running their payslip but before filing you must set their leaver status on their *Employee record*. Their leaver information will then be automatically included in your normal submission.

# 3 RTI filing basics

---

## 3.1 General

There are 3 submission types:

- Full payment submission (FPS)
- Employer payment summary (EPS)
- Employer alignment submission (EAS)

## 3.2 Full Payment Submission (FPS)

An FPS sends a summary of your employee's pay and year to date details to HMRC. You must file an FPS each time you run a payroll, on or before the payday. FPS submissions are the most common type of RTI submission.

You are not allowed to pay an employee until you have submitted an FPS for the payslip that covers the payment. This makes it very important that you have full and accurate data before you run a payroll, especially when you have new employees.

## 3.3 Employer Payment Summary (EPS)

- Recovery EPS

This is the most common type of EPS. HMRC uses the total of a company's FPS payroll submissions to calculate their PAYE liability at the end of each month or quarter. The EPS submission is the only way you can inform HMRC of a reduced PAYE liability and must be sent before the monthly or quarterly payment is due.

It contains year to date figures for any recoveries that alter an employer's PAYE liability for the current tax month or quarter. It contains figures for any SSP reclaim, parental pay and NIC compensation, and CIS deductions **suffered**. It does not contain tax or NI totals.

You do not need to submit an EPS if you do not have any new reclaim amounts this period.

The deadline for filing a recovery EPS is the 19<sup>th</sup> of the following month. For example, May's EPS is due by 19<sup>th</sup> June.

- Nil returns

You must submit a Nil EPS when no employees have been paid for the current tax month or quarter. You can also notify HMRC of any future inactivity if you do not expect to pay any employees in the future.

## 3.4 Employer Alignment Submission (EAS)

If your company has 250 or more employees or you run a split payroll (e.g. one PAYE scheme is spread across multiple 'companies') you must submit an EAS before you file any other RTI submission. The EAS allows HMRC to align their records with your data before the first FPS.

If you do not need to file an EAS there is no advantage in filing one anyway. The company will align through its first FPS.

If you file an EAS you should wait 24 hours before the first FPS and also file the first FPS within 30 days of the EAS.

### 3.5 Test / Live status

All submission screens display the current *Test* or *Live* status at the top of the screen. To ensure you fulfil your RTI filing obligations, make sure all your submissions are *Live*.

### 3.6 Validation

Superpay validates all submissions according to HMRC's specification. If you attempt to file an RTI submission and Superpay detects an error you will not be allowed to continue. You must correct any reported errors before you can file an RTI submission.

Historically, Superpay has not prevented users from submitting returns which contain validation errors. However, the error messages that HMRC return are not intended for end users and are not always clear or understandable. Superpay now stops you filing RTI submissions which it knows will fail and displays a more helpful message.

### 3.7 Check filing history

After each RTI submission you need to check that the *History* screen shows a type and status of *Live* and *Success*. You must not assume that a submission has been successful without viewing the *History* screen.

It is not enough to receive an email from HMRC confirming your submission; you must also check the *History* screen to confirm that Superpay has received HMRC's confirmation. Superpay needs to do some additional processing after submissions are accepted and cannot do this if it has not received HMRC's confirmation messages.

#### 3.7.1 Errors

A submission can fail for a number of reasons. If *Error* is displayed on the history screen, press enter on that line to view HMRC's error message.

The most common filing error is error 1046: Authentication failure. If you see this error, HMRC have not recognised your filing credentials and rejected the submission. Authentication is based on three fields:

- HMRC Gateway ID
- HMRC Gateway password
- PAYE reference

At least one of these three fields is incorrect if a submission has failed to authenticate. This error is not caused by any other fields as the whole submission was rejected before the rest could be checked by HMRC.

If you are a single company, you can find these fields on the Company record screen, in the HMRC details box at the top right. Make sure all three are correct and send your submission again.

If you are an agent, you can find the PAYE reference on the Company record and the Gateway details on the Agent record. If all your clients are encountering this error it is likely to be the

Agent Gateway details that are incorrect, but if only one client is failing to authenticate then it is likely to be the PAYE reference for that client.

### 3.7.2 Acknowledged

*Acknowledged* submissions are **not** complete, they simply indicate that your submission has been received and is being checked by HMRC.

You will have to wait until HMRC has finished processing your data and the *Acknowledged* status on the History screen changes to *Success* or *Error*. This may take a number of hours or even days if there are unusual delays. If there is a delay, you can close Superpay and come back and view the *History* screen later.

In the meantime, if the submission is an EAS or First FPS **do not send** any more RTI submissions of any kind for this company until the *Acknowledged* status changes to *Success* (or *Error*). Your data must be successfully aligned before you proceed. If you are an Agent and have other companies which need to be filed, you can file them.

HMRC has warned that there may be delays during the first few weeks of RTI.

## 3.8 2013/14 Year-end

When you have submitted your final FPS (and EPS if there is one) all companies will need to submit *Year end declarations* similar to the checklist and declarations on the current P35.

Under RTI, there is no equivalent to the submission of the year end P35 and P14's. You still give employees P60's but there are no matching P14's. HMRC already have all of the company's year to date totals from your normal RTI submissions through the year.

This also applies to 2012/13 year end for companies who have taken part in the pilot.

Choose Year end (option 6 on the RTI menu) and then option 1 to complete the declarations. When you choose option 4, Superpay displays your answers to each question. Press F2 and file the completed form, then go to EPS history and view the results.

## 3.9 Agent filing

Agents can file one company at a time as described in the following chapters, or file multiple companies from the *Agents* menu.

# 4 Send an FPS

---

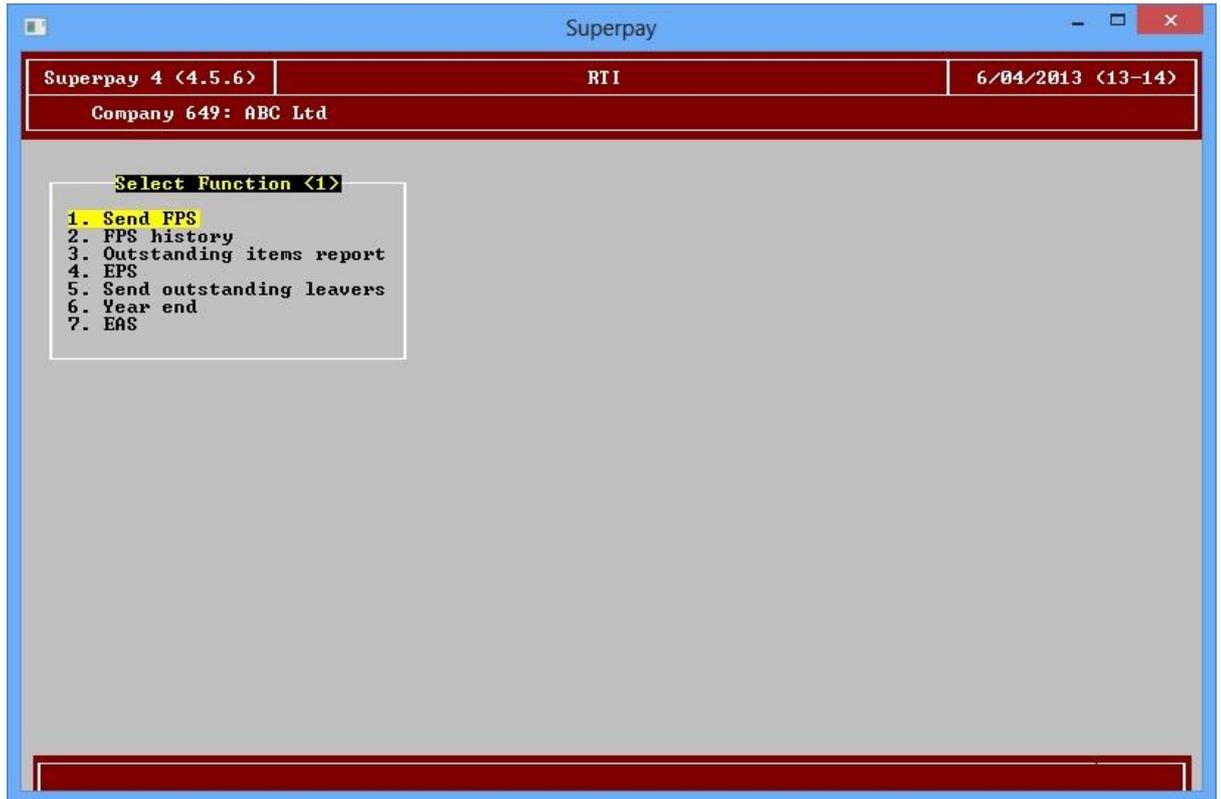
## 4.1 Summary

On or before the employees' pay day:

1. On the *Main Menu*, select *RTI* (option 6).



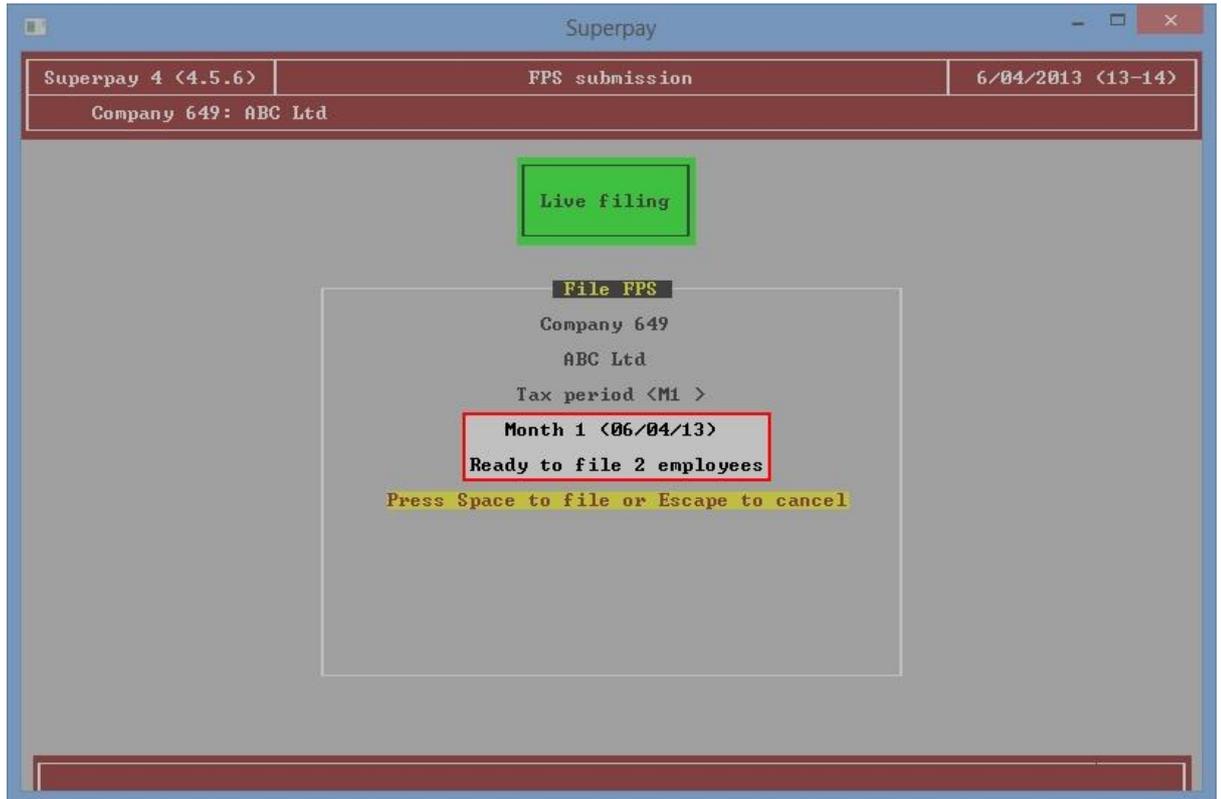
2. Select *Send FPS* (option 1).



3. Enter the tax period to be submitted - Superpay prompts the tax period of your latest payroll.

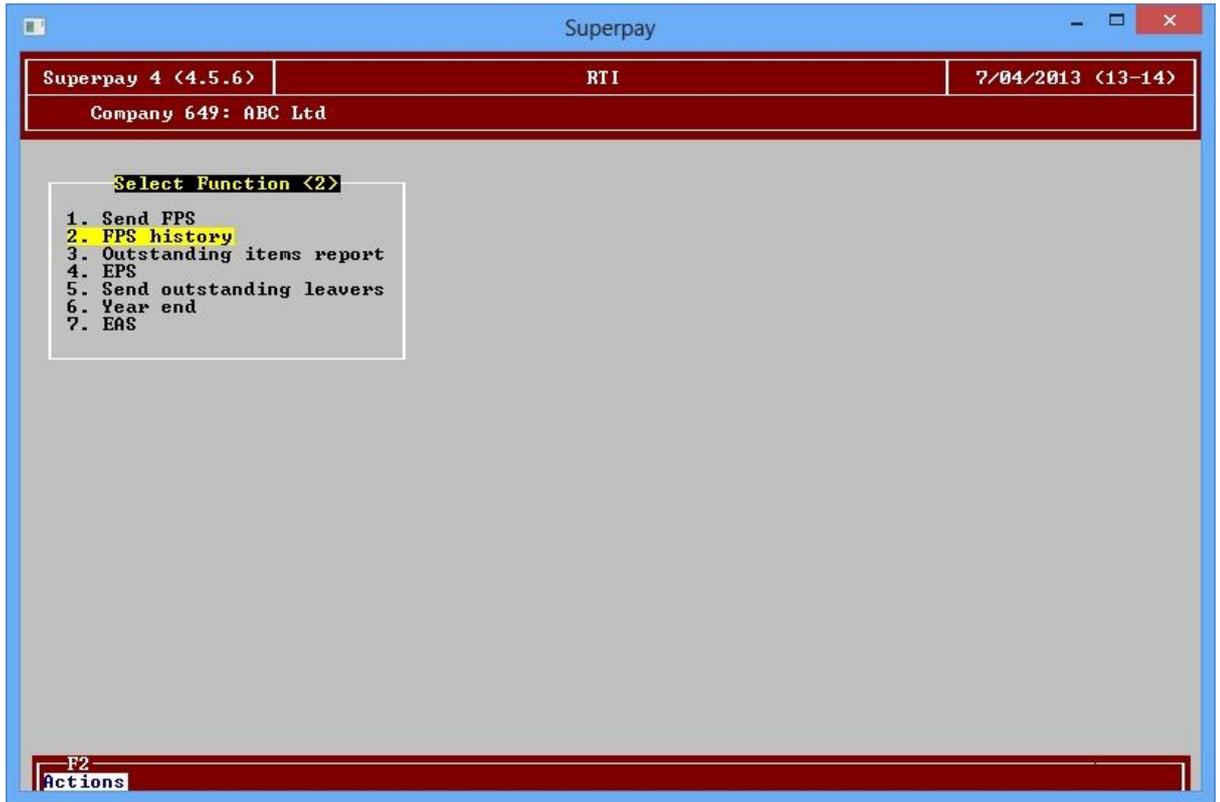


4. Superpay displays preview information for the submission.

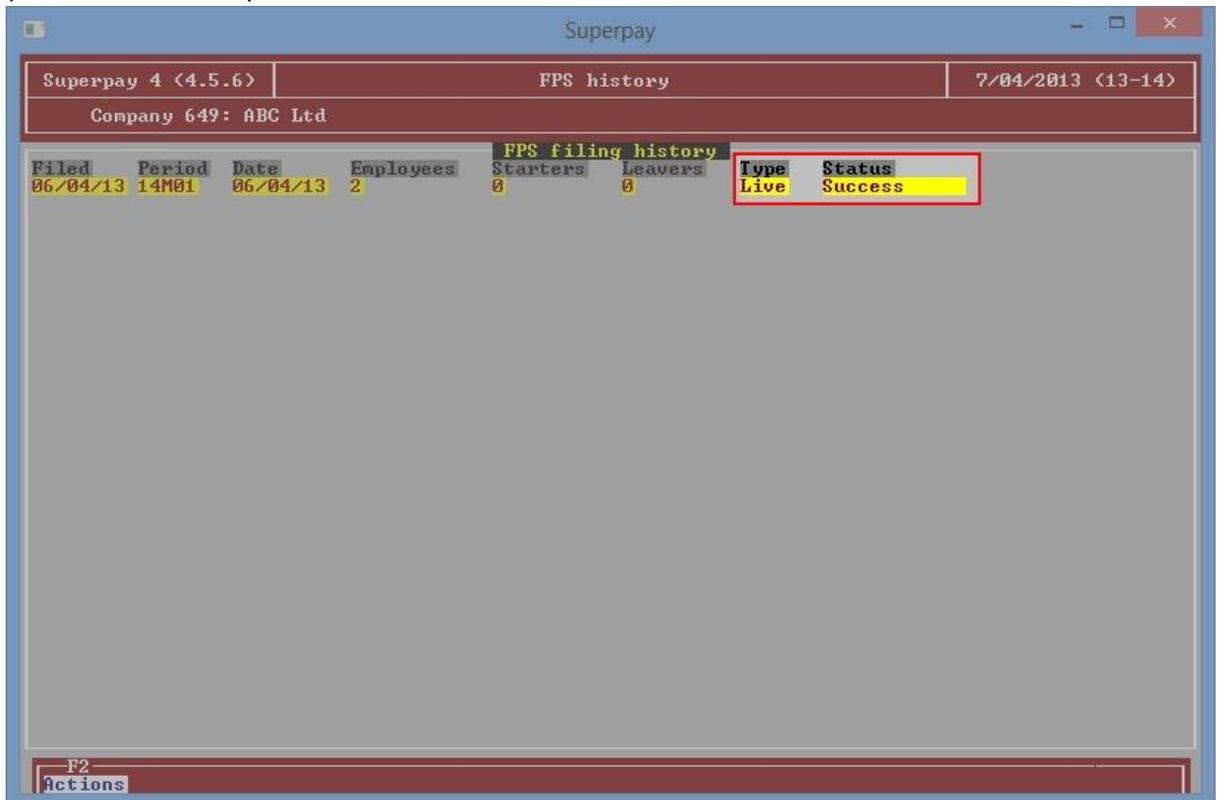


5. If you are happy with this, press *Space* to file.
6. Wait while Superpay submits the FPS.
7. When the FPS has been sent to HMRC, Superpay displays a confirmation message.
8. Press ESC to return to the *RTI* menu.

9. It is essential that you now select *FPS history* (option 2)



10. If the Type column shows *Live* and the Status column shows *Success* you have submitted your FPS successfully.



## 4.2 Employee selection

Superpay displays the number of payslips for the chosen period that have not yet been filed. Only employees paid in the chosen period will be submitted, but you cannot select a subset of these employees to file.

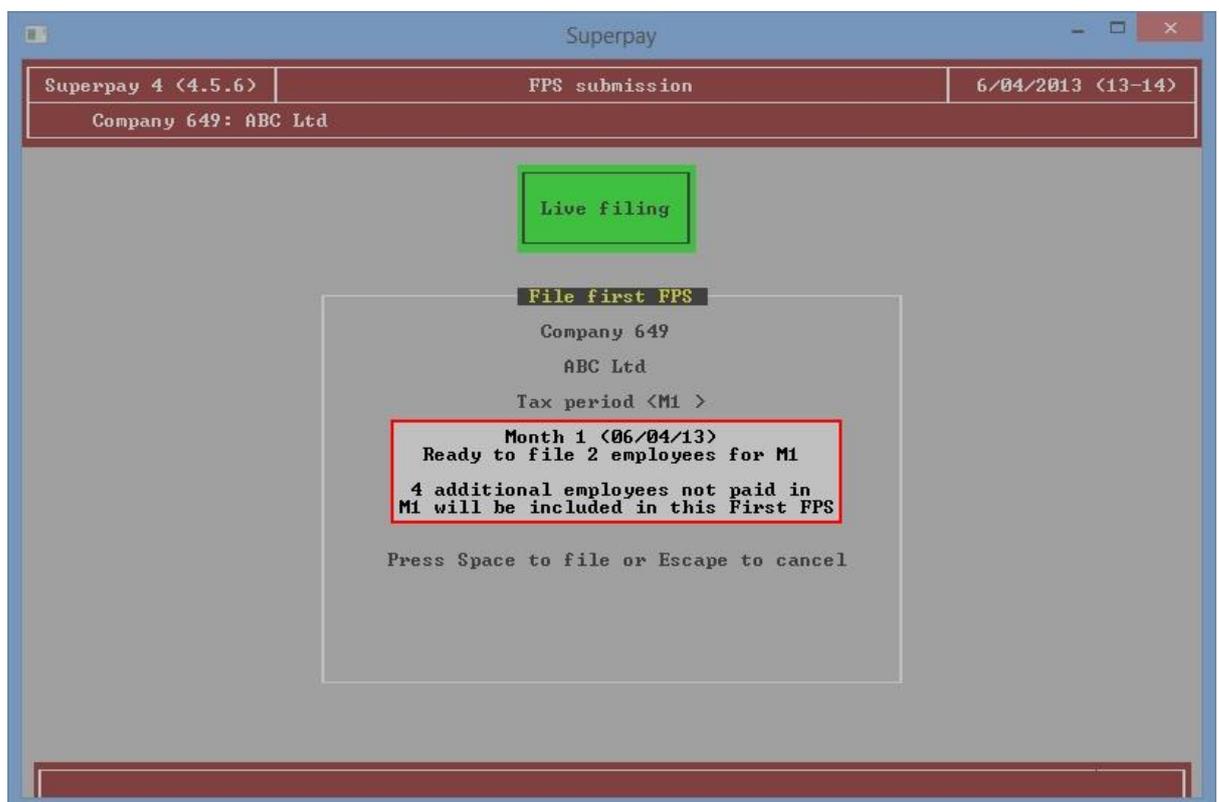
Any payslips previously filed will not be included in this submission. Superpay stores an indicator for each payslip to show whether it needs to be filed. Any time you submit an FPS it will only include payslips that have not already been filed.

E.g. You run a Month 1 payroll for 15 employees and file their payslips in a Month 1 FPS. If you later run an additional employee for Month 1 and return to the *Send FPS* screen to file Month 1 again, the submission consists of only 1 employee.

## 4.3 First FPS

Superpay automatically identifies the first FPS submission and includes the additional information needed to align your company correctly for RTI.

Each employee who has not been paid for the period filed will be included with their year to date pay, which may be zero at the start of the new tax year. The number of unpaid employees that will be included in the submission is displayed in the preview information. This includes all employees who have a different pay interval from the one chosen - e.g. monthly or four weekly paid employees when you are filing a weekly FPS - or who have the same pay interval but have not yet been paid this year.



To ensure all employees are properly aligned it is important that you set up all current employees on Superpay before submitting your first FPS, even if they are not going to be paid

for a while. Any employees not included in this first FPS will be treated as new starters when they are first filed.

It does not matter if the employee records for anyone not yet paid this year show last year's tax code for this submission. Their current tax code is filed in the first FPS and their first payroll will include the updated tax code.

If there are no payments to employees at the beginning of 2013/14 you do not need to align the company until much later in the year. For example, a small payroll with only one director who is paid in month 12 would not need to send an EAS at all, and can wait until month 12 to send their First FPS.

#### **4.4 FPS validation**

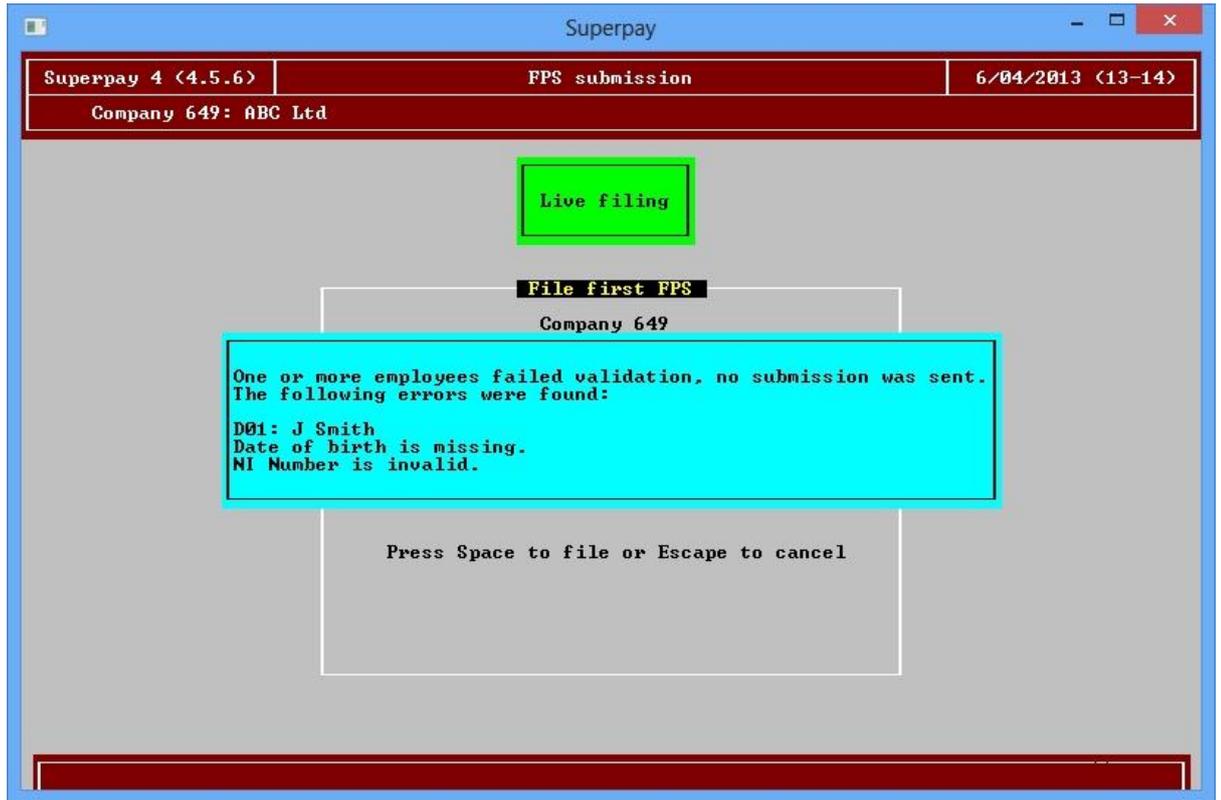
If Superpay detects RTI validation errors when you press *Space* to file a FPS, no FPS is sent and an error message is displayed. These errors can be on your Company record and/or on one or more Employee records.

- Company record

*The company failed validation, no submission was sent.*

If the company has validation errors, the above message is displayed together with a list of detected errors. Escape from RTI filing and go to the Company record and make the corrections before re-trying the submission. Note: Superpay cannot check your Gateway ID (see 3.8 above).

- Employee data



If one or more employees have validation errors, the above message is displayed together with a list of the detected errors for the first employee. Escape from RTI filing and go to the employee's record.

You must then Undo the payslip containing the error, correct the error and re-run the payslip. It is not enough to change the employee record without re-running the payslip. This is because an FPS sends the information that is on the employee's record at the time a payslip is produced – not the information on the record at the time you send the FPS submission.

If multiple employee records have errors, Superpay displays the errors for only one employee at a time and you would need to repeat the above correction process for each employee in turn.

#### 4.5 One employee fails, whole submission fails

If one employee's record has an error, the whole submission fails, and you will need to go to the individual employee's record, press F2 and *Undo last run*. Then either:

- Correct the employee's data, re-run the employee's payslip and re-submit the FPS for all employees.
- or
- Submit the FPS for the remaining employees while you are waiting to correct the error. You are not allowed to pay any employee with an RTI error until their FPS has been successfully submitted.

## 4.6 Corrections to payrolls before filing FPS

Before submitting your FPS you can Undo a payslip and rerun it in Superpay exactly as you did before RTI. As long as you have not already sent an FPS for any re-run payslips there are no RTI implications.

## 4.7 Corrections to payrolls after filing FPS

Corrections are allowed under RTI but HMRC may trigger compliance checks or inspections if they are a routine part of a company's payroll. You can make corrections when needed but should try to minimise the number of errors which force subsequent corrections after you have filed your FPS's.

- Payslip date

When you re-run a payslip which has already been submitted you must use **the same date as on the original payslip**. If you use a different date, HMRC assumes that the employee has had two payments and will expect payment of the tax and NI from **both** payslips.

- Re-submit FPS

After you have re-run the payslip(s) you need to re-submit the FPS for that period. When you re-run payslips Superpay flags them as ready to be filed again and will include them in the next FPS; the remaining employees who have not been re-run will not be submitted again.

E.g. You run a Week 2 payroll for 15 employees and file their payslips in an FPS. You discover an error on one payslip and *Undo* Week 2 for that employee and re-run their Week 2 payslip with the corrected figures. When you return to the *Send FPS* screen for Week 2 only this employee is included in the submission.

## 4.8 Examples of individual FPS's

- Monthly paid employee leaves mid- month

If a monthly paid employee leaves and needs to be paid mid-month, run their payroll early with the individual's payday and submit their FPS prior to the main run later in the month. You must not wait until the normal payroll run to process the payslip or file their FPS.

- Starter run after everyone else

If a new employee starts after the main payroll has been run and the FPS has been filed for everyone else, you can run their payroll as an individual and file their FPS on its own.

- Re-file corrected payslip

If you have corrected an employee you can send their FPS on its own. Make sure you enter the correct pay period – e.g. if you have just run your Month 11 payroll but want to file a corrected W48 payslip, overtyping M11 with W48. Since all the other Week 48 FPS's have been filed, this FPS submission will contain only the corrected payslip.

# 5 Outstanding items report

---

## 5.1 Summary

1. On the *Main Menu*, select *RTI* (option 6).
2. Select *Outstanding items report* (option 3).
3. Select the cut-off date. Superpay prompts the last day of the current tax month or tax quarter. You can enter a different date if you wish.
4. Superpay checks what needs to be filed and prints/displays the report.

## 5.2 Report details

Superpay checks your company for anything that needs to be filed by the chosen cut-off date. This includes:

- Any payslips that have not been filed.
- Any leavers who have not been filed.
- Any regularly paid employees who may be automatically ceased by HMRC because they haven't been paid for a while.
- Any payslips that have been filed and later undone without informing HMRC.
- If a recovery EPS is due for the current period.
- If a nil EPS is due for the current period.

## 5.3 Processing time

For large companies this report may be slow to produce as Superpay needs to read the entire year's records up to the chosen cut-off date to check if anything is outstanding.

# 6 Send outstanding leavers

---

## 6.1 Summary

1. On the *Main Menu*, select *RTI* (option 6).
2. Select *Send outstanding leavers* (option 5).
3. Superpay displays the number of leavers which have been set as leavers but have not yet been filed as leavers with HMRC.
4. Press *F2* and choose *Send*.
5. When the file has been sent, press *ESC* back to the RTI menu.
6. Check the *FPS history* screen (option 2) to see if the leavers' submissions have been successful or not. The outstanding leavers' submissions are not identified as such on the *History* screen. Instead each leaver's submission can be easily identified by the tax period of the leaver's last payslip's. Their employee name is not shown on the history screen.

## 6.2 Why you need this option

A leaver's status is filed with their final FPS submission and there is no separate leaver P45 filing. This means that if an employee leaves you must set them as a leaver on their Employee record:

- **after** you run their last payslip, and
- **before** you file their final payslip FPS.

For this to work you need to know that an employee is leaving before you run their last payslip. Since this doesn't always happen in practice, you may need to use Superpay's *Send outstanding leavers* option to send employees who are set as leavers on their Employee record after their last FPS has been filed.

This option re-files the last FPS for the relevant employees with the leaver information included.

## 6.3 Example

You run Week 1 on Tuesday 9<sup>th</sup> April and file the payroll's Week 1 FPS on the Friday 12<sup>th</sup> April pay day.

An employee leaves on Friday 12<sup>th</sup> April (tax week 1) after being paid and with no more money due, but you only realise he has left when you come to run the next week's payroll on Tuesday 16<sup>th</sup> April – i.e. after you have filed his last FPS.

1. Set the Employee's leaver's status on his record with a leave date of 12<sup>th</sup> April and print his P45 in the normal way.
2. Select *Send outstanding leavers* (RTI menu, option 5).
3. Superpay displays 1 leaver which needs to be filed.
4. Press *F2* and choose *Send*.
5. When the file has been sent, press *ESC* back to the RTI menu.
6. Check the *FPS history* screen (option 2) and you will see an FPS for one employee for Week 1, 12<sup>th</sup> April which was sent on 16<sup>th</sup> April. This is in addition to the previous Week 1 FPS submission which was sent on 12<sup>th</sup> April.

# 7 Send a recovery EPS

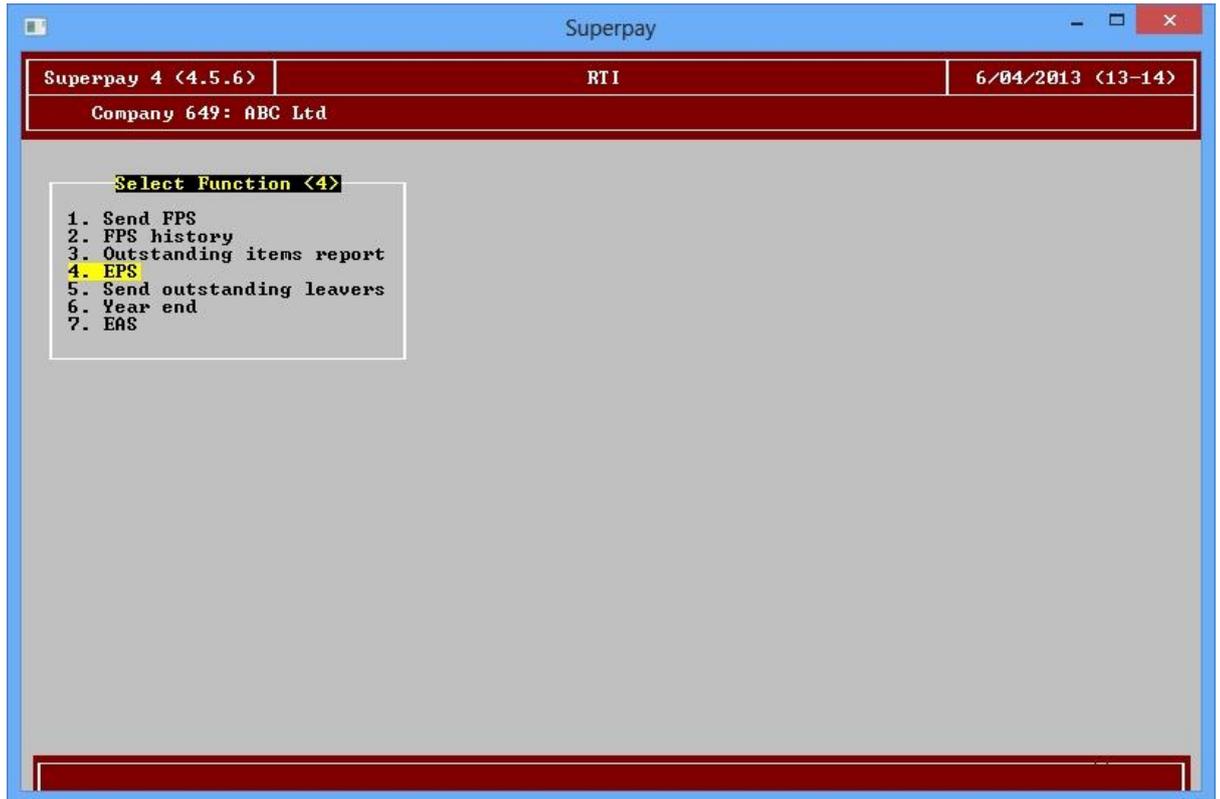
---

## 7.1 Summary

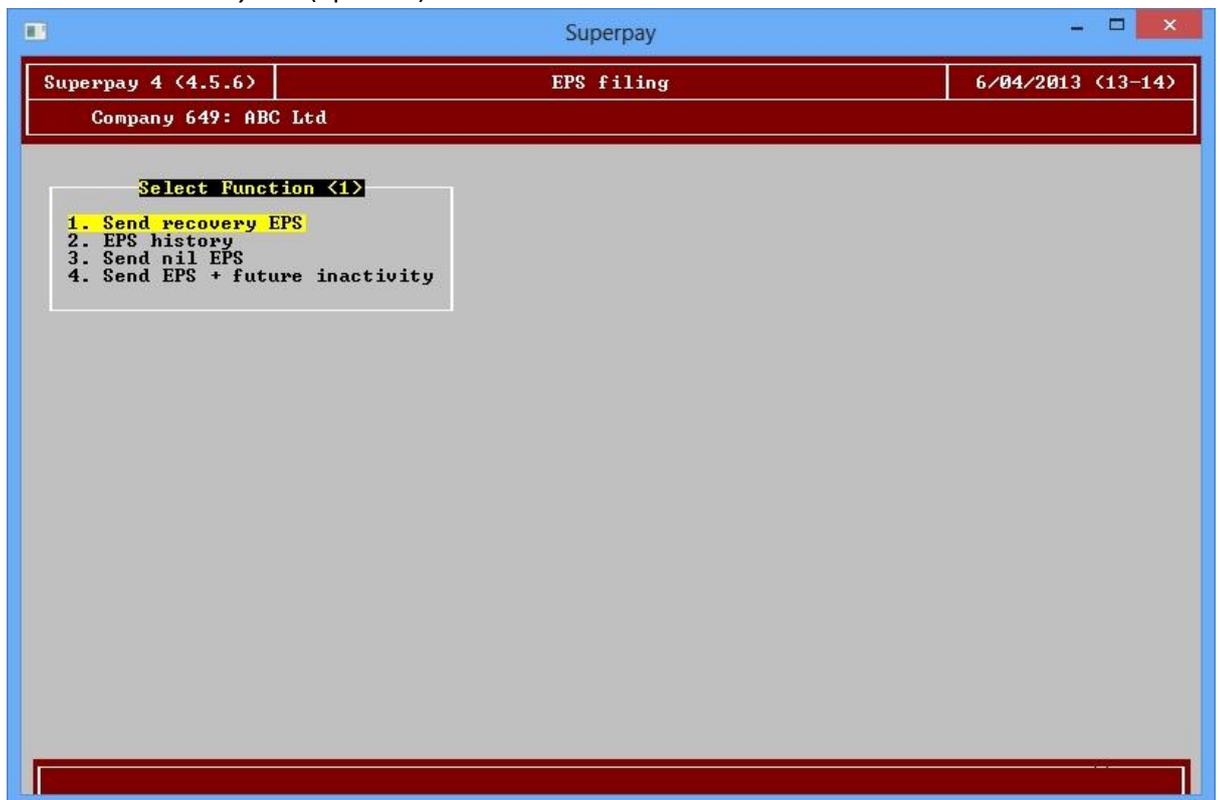
1. On the *Main Menu*, select *RTI* (option 6).



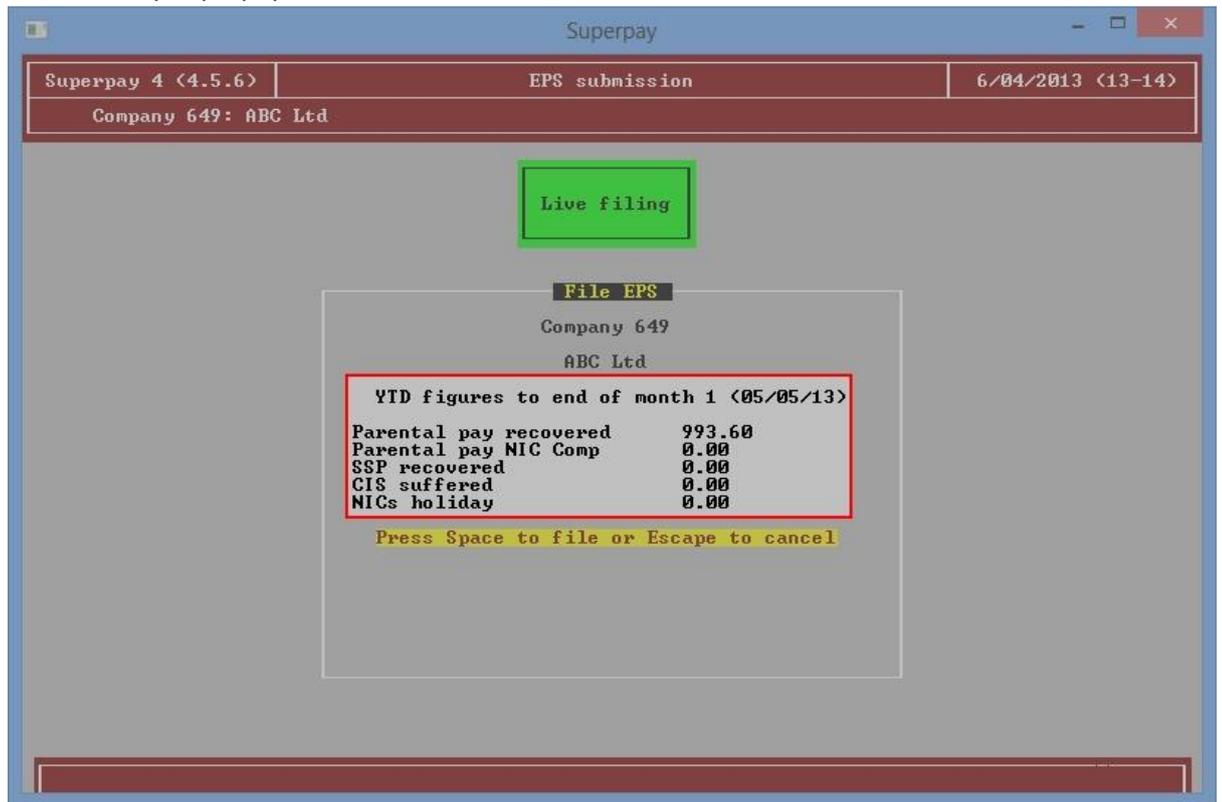
2. Select *EPS* (option 4).



3. Select *Send recovery EPS* (option 1).

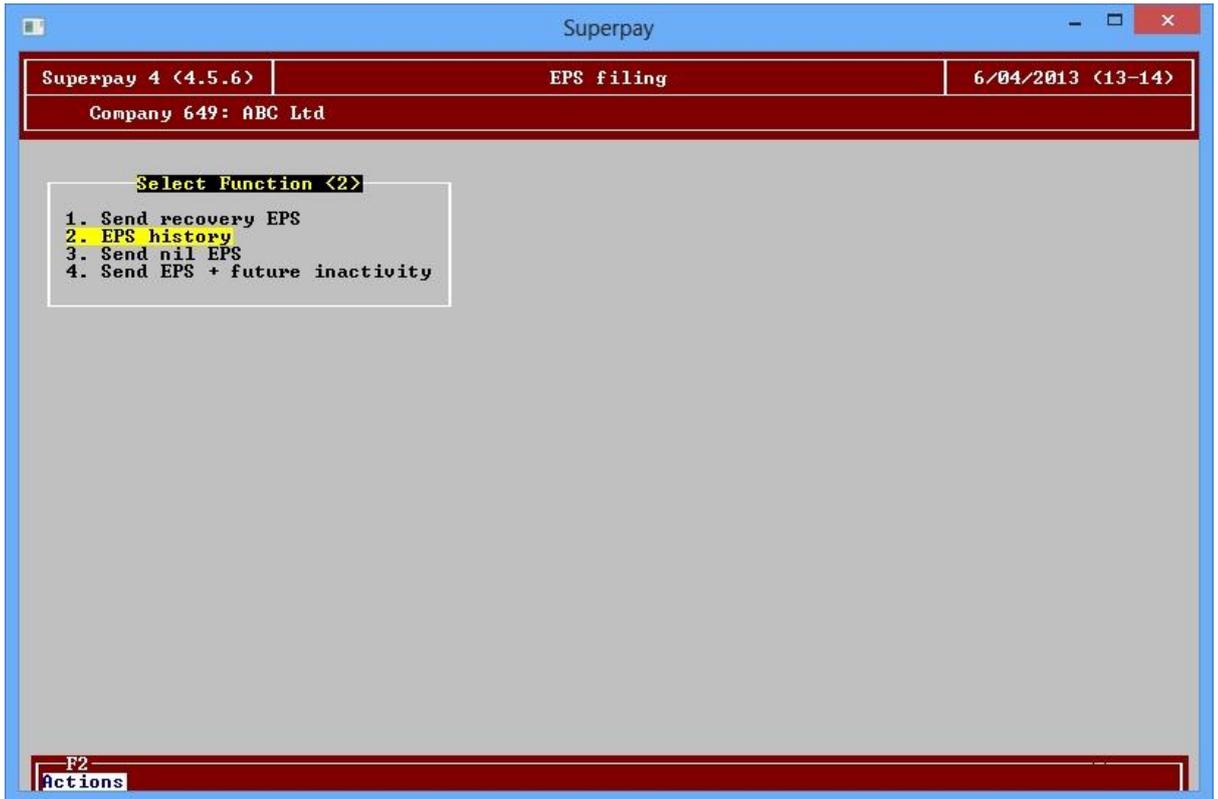


- Superpay displays preview information which shows the year to date recovery figures calculated by Superpay.

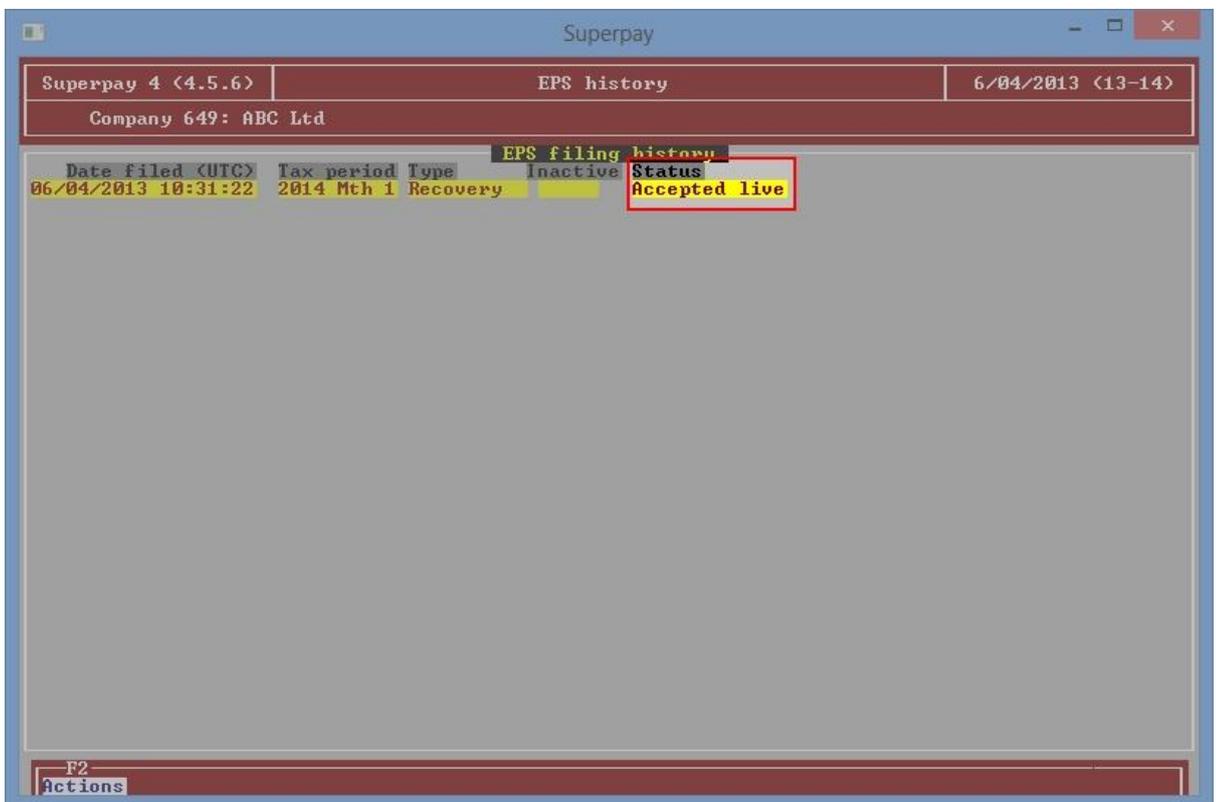


- If you are happy with these figures, press *Space* to file.
- Wait while Superpay submits the EPS.
- When the EPS has been sent to HMRC, Superpay displays a *Sent* message.
- Press *ESC* to return to the *EPS* menu.

9. It is essential that you now select *EPS history* (option 2)



10. If the Type column shows *Live* and the Status column shows *Accepted live* you have submitted your EPS successfully.



## 7.2 No EPS needed

Superpay calculates your recoveries each time you select the *Send recovery EPS* option and compares the reclaim year to date totals with your last submission. If your recoveries have not changed, Superpay displays a message to inform you that you do not need to file an EPS.

This message is also displayed if you have not filed a recovery EPS before and your current recoveries are zero.

Superpay allows you to re-file an EPS to allow for unusual circumstances where HMRC may request another submission but there is no need to send the figures again if they have not changed.

## 7.3 EPS dates

A recovery EPS must be submitted by the 19<sup>th</sup> of the following tax month, but not earlier than the 20<sup>th</sup> of the current month.

E.g. The recovery EPS for month 2 must be filed by 19<sup>th</sup> June at the latest but cannot be filed before 20<sup>th</sup> May. An EPS filed on 19<sup>th</sup> June will be for month 2 (May) and an EPS filed on 20<sup>th</sup> June will be for month 3 (June).

An EPS does **not** contain an indicator of the tax period the recoveries apply to. HMRC automatically assigns the recoveries to a tax period based on the date they receive the EPS.

E.g. If you file an EPS on the 28<sup>th</sup> June the recoveries will be assigned to tax month 3 or tax quarter 1 automatically.

This has a few implications that are not immediately obvious.

- Late filing of an EPS

If you do not file an EPS by the 19<sup>th</sup> of the month you cannot backdate a subsequent EPS to the missed period. Any EPS you file will be applied to the following month instead. If you do not contact HMRC about the missed filing deadline you will be expected to pay PAYE liabilities that do not include the recoveries that were not filed on time. You will then pay less next month.

- Current month's EPS

You cannot file an EPS for a tax month until the 20<sup>th</sup> of that month. Any EPS submitted before the 20<sup>th</sup> will be counted as an EPS for the previous month. Superpay handles this automatically; before 20<sup>th</sup>, Superpay displays the previous period's totals, on or after the 20<sup>th</sup> Superpay displays the current month's totals.

E.g. you cannot submit a recovery EPS for May before 20<sup>th</sup> May, so before that date, Superpay will display April's totals.

## 7.4 CIS deductions suffered

CIS deductions suffered must be entered at the bottom of the first screen of the Company record. Note: this is only for deductions suffered; deductions made are not submitted through PAYE and HMRC calculates these amounts from your normal CIS returns.

Enter the amount suffered for each applicable month and Superpay will then include the year to date totals on the recovery EPS. If you pay HMRC on a quarterly basis, it doesn't matter which month you enter in the CIS suffered fields as long as it is in the correct tax quarter. For example, in the first quarter you can enter the CIS suffered in the April, May or June field on the Company Record.

# 8 Submit nil and inactivity EPS's

---

## 8.1 Nil EPS instructions

1. On the *Main Menu*, select *RTI* (option 6).
2. Select *EPS* (option 4).
3. Select *Send nil EPS* (option 3)
4. Superpay prompts the previous tax month. Press Enter if you are filing a nil EPS for the previous tax month. If you change it to an older month you will then be prompted for the end date of the nil payment period, which must also be before the current month.
4. If you want to include a period of future inactivity in addition to your nil EPS, answer Y to the question Include period of future inactivity. Complete the inactivity period according to the instructions below.
5. If you answered No or when you have completed the inactivity you will be prompted to file your EPS. Press Space to submit.
6. When the EPS has been sent Superpay display a confirmation message. Press Escape back to the EPS menu.
7. It is essential that you now select *EPS history* (option 2).
8. If the Type and Status columns show *Live* and *Success* you have now submitted your Nil EPS successfully.

## 8.2 More details on Nil EPS submissions

A nil EPS specifies a range of previous tax months when no employees were paid. You cannot file a nil EPS for the current tax month or for a future period. A Nil EPS must be filed after the 5<sup>th</sup> of the relevant tax month but before the 19<sup>th</sup> of the following tax month.

E.g. A nil EPS for month 1 (April) cannot be filed until 6<sup>th</sup> May but must be filed before 19<sup>th</sup> May, which is the deadline for all month 1 EPS's.

These are HMRC's restrictions on submitting nil EPS's and Superpay enforces them when you are filing. A nil EPS can cover multiple previous months but by default only covers last month. You can change this during submission but the entire range of the nil payment period must be before the start of the current tax month.

## 8.3 Inactivity EPS instructions

If you have future inactivity to report but no previous nil periods to report you may submit a period of inactivity with recovery information instead. It is not possible to submit a period of inactivity on its own – it must be part of a nil EPS or a recovery EPS.

1. On the *Main Menu*, select *RTI* (option 6).
2. Select *EPS* (option 4).
3. Select *Send EPS+ future inactivity* (option 4)
4. Complete the period of inactivity according to the instructions below.
5. Press Space to submit.
6. When the EPS has been sent to HMRC Superpay display a confirmation message. Press Escape back to the EPS menu.
7. It is essential that you now select *EPS history* (option 2).

8. If the Type and Status columns show *Live* and *Success* you have now submitted your inactivity EPS.

## 8.4 Completing a period of inactivity

You can inform HMRC that you expect to have no payments for up to the next 6 tax months. If you file a period of inactivity you will not need to file a nil EPS for each of the tax months covered by the period of inactivity.

The start of the period of inactivity must be the start of the next tax month and can run for up to 6 months after that. You cannot file a period of inactivity for the current tax month or any previous tax month.

For example, at 6<sup>th</sup> April you may file a period of inactivity for tax months 2-7 but you cannot file a period of inactivity for April as the tax month has already started. If you wait until 6<sup>th</sup> May you can then only file a period of inactivity beginning 6<sup>th</sup> June.

When completing a period of inactivity, enter the final tax month of the period. Superpay will automatically calculate the starting month of the period and display the total number of months this submission will cover.

Error messages will be displayed if you attempt to enter a period of inactivity that finishes in the current tax month or earlier, or if you attempt to file a period of longer than 6 months.

## 8.5 How often you need to file a nil EPS

Every PAYE scheme must file a nil or inactivity EPS for each period in which no employees are paid. The length of this period is determined by how often the scheme pays its PAYE liabilities to HMRC:

- A monthly scheme must submit a nil EPS for each tax month that it does not pay any employees
- A quarterly scheme must submit a nil EPS for each tax quarter that it does not pay any employees
- An annual scheme must submit a nil EPS by the end of the tax year if no employees are paid at any point during the year.

This requirement to file does not depend on how often your employees are paid. It is based on how your PAYE scheme is registered with HMRC.

E.g. A monthly PAYE scheme consisting of employees who are paid only once per quarter that is too large to qualify as a quarterly scheme must submit a nil EPS for each tax month when no employees are paid.

If you wish to change how often a scheme pays its PAYE liabilities, you must contact HMRC and ask them to change the scheme. There are restrictions for quarterly and annual schemes and you cannot simply choose to pay liabilities at a different payment interval without notifying HMRC.

## 8.6 Employers with no employees or no PAYE scheme

As long as a PAYE scheme is open you must still file an EPS to cover every period in which nobody is paid. This applies to any open scheme that does not currently employ anyone.

The requirements for operating a PAYE scheme have not changed and these filing requirements only apply to open schemes. If an employer is paying employees but does not operate a PAYE scheme and is not required to operate a scheme, you do not need to file nil or inactivity EPS's for that employer.

You may prefer to close inactive schemes for some clients to avoid these filing requirements, but you will need to go through the process of opening a new scheme again if it is needed later.

## **8.7 Nil EPS or inactivity EPS**

The process of filing Nil and Inactivity EPS's is not straightforward for 2013/14 due to HMRC's restrictions on the two types of submission. You must file something to cover every period when no employees are paid but it does not matter to HMRC whether you use a nil EPS after each period or inactivity before each period.

## **8.8 Example filing for a scheme that has no employees**

A common example for nil EPS's is a scheme that is kept open but has no active employees. In future years you will be able to file inactivity EPS's every 6 months but the start of RTI introduces some complications.

For these cases, we recommend the following steps:

- Before 6<sup>th</sup> May, file a recovery + inactivity EPS for months 2-7
- On or after 6<sup>th</sup> May but by the 19<sup>th</sup> of May, file a nil EPS for month 1
- After 6<sup>th</sup> October and before 6<sup>th</sup> November, file an inactivity EPS for months 8-12.
- After 6<sup>th</sup> March and before 6<sup>th</sup> April, file an inactivity EPS for months 1-6 of next tax year.

# 9 PAYE liability

---

## 9.1 Payment frequency

Most PAYE schemes pay their PAYE at the end of each month. However, HMRC can arrange quarterly or annual payment options, depending on your circumstances.

- Quarterly - Employers with estimated monthly payments of less than £1,500 can ask HMRC to pay quarterly.
- Annual scheme - If all payments on which tax and NICs are due are paid to your employees annually in a single tax month, you can ask HMRC to be treated as an 'annual payer'. You must use the same month every year, so if this changes or you start paying your employees more frequently, you will need to tell HMRC.

Both these longer payment options mean that you will not be contacted unnecessarily before the payment becomes due and you do not need to file nil EPS's for the individual tax months in which you have nothing to pay.

If you think either of these payment options might apply to your company, contact HMRC's Payment enquiry helpline on 0845 366 7816.

## 9.2 Set up HMRC payment frequency in Superpay

Set the *HMRC payment frequency* in the options box on the second screen of the Company record. Setting this affects:

- how the Monthly Summary groups payments
- the date used for EPS calculations
- the Outstanding items check to see if a nil EPS is due for the company

Note: you should not change the payment frequency from monthly unless you have agreed this with HMRC.

## 9.3 How HMRC calculates your PAYE liability

HMRC calculates your total PAYE liability each month or each quarter automatically. They calculate your tax and NI liabilities from:

- The total of the FPS's submitted.
- If you have submitted an EPS, HMRC reduces your liability using the figures contained in your EPS.
- If you operate a CIS scheme with deductions made, HMRC uses your normal CIS monthly returns to add your CIS deductions to your total liability.
- If you have received funding from HMRC they will factor this into your total liability automatically

## 9.4 Monthly summary report

The monthly summary report will now divide weekly payrolls into tax months based solely on the payday of each payslip. You cannot manually choose which month a given week number falls in

to. HMRC will calculate your liability based solely on the payday of the payslips, which we now match on the monthly summary.

If you want to include details of any CIS deductions made or HMRC funding on the report to help work out your liability each month you can enter these on the first page of the company record. You can also enter the amount paid to HMRC each month, which will allow Superpay to work out the total outstanding for the year. This is especially useful if you later rerun a payroll and change the liability for an old month. In this case, Superpay will calculate the YTD liability to reflect the new over- or underpayment for the changed month.

You do not need to enter these details and they will not be sent to HMRC; they are only used for Superpay's reports and are not in any FPS or EPS.

## 9.5 Late filing

It is important that you file your FPS's and EPS's on time or you will encounter problems with the calculated liability being inaccurate, which may lead to over- or underpayments through the year.

HMRC will calculate your liability based on the information that you have filed. If you forget to file an FPS or an EPS, HMRC will calculate your liability without taking into account the missed submission.

For example, you have tax and NICs in month 3 of £5000. You also have a total SMP reclaim of £800 but you forget to file the EPS by 19<sup>th</sup> July. HMRC will expect payment of £5000 for month 3 even though the company would have owed £4200 if the EPS had been filed in time. The £800 reclaim will instead be taken off month 4's liability in addition to any new reclaims from month 4.

# 10 Submit an EAS

---

## 10.1 Summary

1. On the *Main Menu*, select *RTI* (option 6).
2. Select *EAS* (option 7).
3. Superpay displays the EAS filing screen. Press *Space* to file your EAS.
4. Wait while Superpay submits the EAS.
5. When HMRC has received your EAS, Superpay displays a *Success* or *Error* message.
6. Press *ESC* to return to the *RTI* menu.

Note: you cannot submit an EAS after an FPS has been submitted.

## 10.2 No EAS needed

You only need to submit an EAS if you have 250 or more employees or if you are a split payroll. All other companies can ignore this option. There is no advantage to submitting an EAS if you do not need to. For employers with less than 250 employees the First FPS is sufficient for alignment.

A split payroll is a scheme spread across multiple Superpay companies all with the same PAYE reference. All of the constituent parts may be run in the same Superpay database or one or more parts may be run in other software or at another site.

A payroll in a single company with weekly and monthly employees is **not** a split payroll.

## 10.3 General

An EAS contains identity information for all employees. HMRC will consider any employee not on your EAS as not employed by you and, if you later want to pay them, HMRC will treat the employee as a new starter. It is important that you set up all current employees on Superpay before submitting your EAS, even if they are not going to be paid for a while.

The EAS is only part one of a company's alignment. The company has not completed RTI alignment until the First FPS has also been sent.

## 10.4 EAS filing history

Superpay displays the success or failure of an EAS on the submission screen. This differs from all other Superpay filing options which have one screen for filing and a second screen for the *History*. Instead, a single EAS screen fulfils both functions since an EAS is sent once only and once successful an EAS will never need to be sent again.

Once you have filed your EAS successfully you can return to this screen at any time to view the success message.

## 10.5 EAS screen display

- Before you file for the first time  
If this is your first time on the EAS screen you will see the standard filing screen and press *Space* to file.

- If you previously had a filing error  
HMRC's error message is displayed. Press *Esc* to clear the message and press *Space* to return to the standard filing prompt. Press *Space* again to file your EAS again.
- If you previously had a successful *Test* submission  
In this case, press *Space* to file again ensuring the screen now show *Live* filing.
- If you have successfully filed  
In this case, Superpay displays HMRC's *Success* confirmation. You may return to view this screen at any time to see HMRC's response. Superpay stores the submission and HMRC's response in its database if they are needed in the future.

## 10.6 EAS filing results

You need to wait until Superpay has received a response from HMRC. When a response is received the screen will update to show either a success message or an error.

- If an error is displayed you should make a note of the error, press *Esc* to leave the screen and correct the error. Return to the EAS screen when the error has been corrected.
- If your submission was a *Live Success*, HMRC's confirmation message is displayed.

If there is no current response from HMRC, you can escape from this screen and come back and view the results later.

## 10.7 Wait before filing first FPS

HMRC recommends that you wait at least 24 hours before you file your First FPS for a company that has sent an EAS to ensure that the EAS is fully processed at their end before any FPS's arrive.

If you need to pay your employees in Week 1 and there are less than 24 hours between filing your EAS and when your employees need to be paid, it does not matter if you are a day late filing your first FPS. HMRC's guidance for the week beginning 6<sup>th</sup> April 2013 states that you must file your FPS as soon as possible, which may be after the payday.

## 10.8 Time limit for filing First FPS if EAS filed

HMRC require that the first FPS is sent within 30 days of an EAS.

If you have to file an EAS because you have more than 250 employees but you know you will not be paying anyone for some time, do not file your EAS immediately. Instead you need to wait until nearer the pay day before you file your EAS.

# 11 Sundry items

---

## 11.1 Payroll ID

HMRC's RTI guides stress the importance of setting a *payroll ID changed indicator* if an employee changes their payroll ID at any point. Superpay uses employee codes as the payroll ID and automatically tracks changes so that the indicator will be automatically set when needed. You may change employee codes exactly as you do now.

## 11.2 Benefits in kind taxed through the payroll

If your client pays tax on Benefits in kind (BIK) through their payroll you must set up a new *B* (for benefit) flag on the *Payslip headings* screen for the relevant pay item(s). When *Run payroll* encounters any gross pay items with this new *B* Payslip headings flag the appropriate BIK totals will be included in the subsequent FPS.

# 12 Superpay agents under RTI

---

Superpay 4 has always supported multiple agents but they are only used if you have multiple agents registered with HMRC and need to enter the filing credentials of each agent.

Under RTI, multiple Superpay agents can now also be used to divide companies into filing groups across multiple operators. This is intended to make it easier for agents who have multiple operators, each primarily running their own set of companies within a single Superpay database. If you split companies into groups it will be easier to file large batches of companies simultaneously without accidentally filing a company that is run by another operator. It will also allow you to report on any outstanding items for only your own clients instead of every company in Superpay.

It is possible to set up multiple Superpay agents but only be a single registered agent with HMRC. You can enter the same filing credentials on each Superpay agent, which means all submissions will be sent to HMRC as the sole registered agent.

If you prefer to use a single Superpay agent you can continue to use agent filing as you do now and select the appropriate companies each time you file.

## 12.1 Setting up additional agents

To add a new agent to Superpay, press F2 while on the Agents menu and select Add a new agent. Choose a new agent number and press Enter. It doesn't matter what number is used as long as it is unique for each agent. Complete the agent record for the new agent and store the record.

## 12.2 Default agent and assigning companies to agents

One agent in the database will be the default agent. Any new company created will be assigned to this agent by default, as well as any company that is not explicitly set to either no agent or a specific agent. You can change the default agent by opening another agent record and setting Default agent to yes but you cannot have no default agent.

On the company record for each company there is a choice of which agent that company belongs to at the bottom of the Identification box:

- 1. None – Only select this option if the company will file with its own credentials instead of using agent credentials
- 2. Default – The company is assigned to the default agent. If you change the default agent, this company will belong to the new default agent instead.
- 3. Agent number – Choose this if you want to assign the company to a specific agent. Enter the agent number in the empty space to the right of this selection.

## 12.3 Starting agent

You can choose the agent that will be selected when you start Superpay in the User settings. This can be set individually for each operator on the network. Go to the User settings screen in the Utilities menu and change the Start as agent number field, in the Miscellaneous box. If this is blank the default agent will be chosen each time Superpay is started.

## **12.4 Changing current agent temporarily**

Once you have more than one agent set up you can change agent by pressing F2 while on the Agents menu. Choose Change agent and enter the number of the agent to change to. You can display a list of agents by pressing Ctrl + F or entering a ? and pressing enter, exactly the same as the list for choosing company numbers or employee codes.

Your agent choice will be lost when you escape out of the Agent menu and return to the Main menu. When you return to the agent menu your starting agent will be selected again automatically.

You can see your current agent at the top of the Agent menu screen.

# 13 Submit FPS's (agent)

---

There are two different ways for an agent to file an FPS. Both will file the same submissions but they select the companies to be included in each submission in different ways. You can experiment with both to determine which is most suitable for your use.

## 13.1 Send bulk FPS's

Bulk filing is used for submitting large numbers of clients for a single period simultaneously. You will choose a range of companies, which may be all companies, and the tax period to be filed for all companies. Superpay will find all unfiled payslips for the selected companies and tax period and submit a batch of FPS's for those payslips.

This may be ideal if you:

- Run a large number of weekly payrolls with a payday at the end of the week. You can run the payrolls through the week and send the reports to the clients as normal, then send all FPS's at once at the end of the week before the payday.
- Run a large number of monthly payrolls with a payday at the end of the month, similar to the above weekly scenario but submitting at the end of the month.
- Run payrolls for multiple periods ahead of time with similar payment dates and file each week or each month as the paydays arrive. Once all the payslips have been run you can use bulk filing before each payday to file only the payslips that need filing for that period.

It may not be ideal if you:

- Run payrolls for the same tax month with widely varying paydays but only want to file a payroll near the payday to give the client time to confirm what you have done. It is not designed to be easy to select only specific companies out of a large number of unfiled companies.
- Want to file a small number of companies with different tax periods for each company. This screen will only let you select a single tax period each time you submit a batch of companies.

If a company has no unfiled payslips in the chosen period it will simply be skipped during filing. You do not need to worry that Superpay will attempt to file something where no payslips have been run or that it will re-file previously filed payslips.

To file bulk FPS's:

- Select 9. Agents from the Main menu
- Select 1. FPS
- Select 1. Send bulk FPS's
- Enter the range of companies to be included and press Enter. If you leave it blank Superpay will select all companies. Valid ranges include '1-1000', '1,3,78' and '1-500, 730, 1000-1500'.
- Enter the tax period to be filed.
- Superpay will display the number of companies found within the range selected. Note that this does not mean that every company in the range will have something to file. During submission Superpay will work out which companies have payslips to file; at this stage it will simply count all companies within the selected range.

- Press Space to file. Superpay will process each company individually and display a progress message to show which company it is up to.
- When all companies have been processed a summary is displayed on screen. This will indicate how many companies were submitted and, if relevant, how many were skipped because they had nothing to file and how many companies failed validation and were not submitted.

Press Escape and check Filing history to see the status of the filing batch. If the status is 'All accepted' then every company was successfully filed. If not, a count of errors is displayed. You can press enter on any batch to view the list of companies in the submission, then press enter on any company to view the error.

## 13.2 Send FPS's

Standard filing is used for submitting a number of clients for different periods simultaneously. You will enter a list of companies and a tax period for each company, then Superpay will find all unfiled payslips for those periods and file a batch of FPS's.

It is most suited to filing small numbers of clients as each company must be entered individually. It isn't ideal if you have a large number of companies to file, for which you should bulk filing instead.

To file FPS's:

- Select 9. Agents from the Main menu
- Select 1. FPS
- Select 2. Send FPS's
- Enter a list of company numbers to be filed, along with the tax period for each company.
- When you are happy with the list, press F2 and select File FPS's. Superpay will process each company individually and display a progress message to show which company it is up to.
- When all companies have been processed a summary is displayed on screen. This will indicate how many companies were submitted and, if relevant, how many were skipped because they had nothing to file and how many companies failed validation and were not submitted.
- Press Escape and check Filing history to see the status of the filing batch. If the status is 'All accepted' then every company was successfully filed. If not, a count of errors is displayed. You can press enter on any batch to view the list of companies in the submission, then press enter on any company to view the error.

# 14 Submit recovery EPS's (agent)

---

- Select 9. Agents from the Main menu
- Select 2. EPS
- Select 1. Send recovery EPS's
- Enter the range of companies to be included and press Enter. If you leave it blank Superpay will select all companies. Valid ranges include '1-1000', '1,3,78' and '1-500, 730, 1000-1500'.
- Enter the tax period to be filed.
- Superpay will display the number of companies found within the range selected. Note that this does not mean that every company in the range will have something to file. During submission Superpay will work out which companies have recoveries to file; at this stage it will simply count all companies within the selected range.
- Press Space to file. Superpay will process each company individually and display a progress message to show which company it is up to.
- When all companies have been processed a summary is displayed on screen. This will indicate how many companies were submitted and, if relevant, how many were skipped because they had nothing to file and how many companies failed validation and were not submitted.
- Press Escape and check Filing history to see the status of the filing batch. If the status is 'All accepted' then every company was successfully filed. If not, a count of errors is displayed. You can press enter on any batch to view the list of companies in the submission, then press enter on any company to view the error.

Calculating recoveries requires Superpay to read the entire year's totals for each company selected. This may take some time if you have large clients or a large database.

However, Superpay will only file a recovery EPS for a company that has new recoveries to report. You may find it useful to file recovery EPS's for a large range of clients as the EPS deadline approaches each month, which will ensure that all outstanding recovery EPS's are sent each month.

# 15 Outstanding items report (agent)

---

- Select 9. Agents from the main menu
- Select 4. RTI outstanding items
- Select the type of report you want from the menu
- Enter the cut-off date for the report. Superpay will prompt you with the end of the current tax month.

The outstanding items report for agents is similar to the one for single companies but provides a single line summary of each company's outstanding items instead of a detailed breakdown. If you want a detailed list of what is outstanding for a company you must run the single company version. Only companies with outstanding items will appear on the report; any company that does not require additional filing will be omitted.

Checking the EPS status for all companies can take a long time as Superpay will need to calculate the year to date figures for each company, which may be a time consuming task. The reports without EPS's will check for everything else, such as unfiled payslips or leavers, but will simply list the last time an EPS was filed instead of checking if an EPS is due now.

If you only use a single Superpay agent there is no difference between the current agent and all agent reports. However, if you use multiple agents the current agent reports will not check any companies assigned to another agent than the currently selected agent.

# 16 Submit inactivity EPS's (agent)

---

Superpay has no reliable method to check if an inactivity EPS is due for a company so you must be careful when filing inactivity periods for batches of clients. As with FPS's, there are two ways to submit inactivity EPS's for clients.

## 16.1 Send bulk inactivity EPS's

Bulk filing is used for submitting large numbers of clients that will be inactive for the same period of time simultaneously. It is recommended to only use this option if you have a large number of schemes that will be inactive at the same time as it is easy to accidentally select a company unintentionally when using large ranges.

To file bulk inactivity EPS's:

- Select 9. Agents from the Main menu
- Select 2. EPS
- Select 5. Send bulk inactivity EPS's
- Enter the range of companies to be included and press Enter. If you leave it blank Superpay will select all companies. Valid ranges include '1-1000', '1,3,78' and '1-500, 730, 1000-1500'.
- Enter the final month of the current inactivity. This must be no more than 6 months in the future.
- Superpay will display the number of companies found within the range selected and the length of the inactivity period. Superpay will file an inactivity EPS for every company in the chosen range.
- Press Space to file. Superpay will process each company individually and display a progress message to show which company it is up to.
- When all companies have been processed a summary is displayed on screen. This will indicate how many companies were submitted and, if relevant, how many companies failed validation and were not submitted.
- Press Escape and check Filing history to see the status of the filing batch. If the status is 'All accepted' then every company was successfully filed. If not, a count of errors is displayed. You can press enter on any batch to view the list of companies in the submission, then press enter on any company to view the error.

## 16.2 Send inactivity EPS's

Standard filing is used for submitting a number of clients with potentially different periods of inactivity simultaneously. You will enter a list of companies and the final inactive month for each company.

This is recommended for inactivity filing for all but very large numbers of companies as it is easier to see what exactly will be submitted.

To file inactivity EPS's:

- Select 9. Agents from the Main menu
- Select 2. EPS
- Select 5. Send bulk inactivity EPS's

- Enter a list of company numbers to be filed, along with the final month of each company's period of inactivity.
- When you are happy with the list, press F2 and select File EPS's. Superpay will process each company individually and display a progress message to show which company it is up to.
- When all companies have been processed a summary is displayed on screen. This will indicate how many companies were submitted and, if relevant, how many companies failed validation and were not submitted.
- Press Escape and check Filing history to see the status of the filing batch. If the status is 'All accepted' then every company was successfully filed. If not, a count of errors is displayed. You can press enter on any batch to view the list of companies in the submission, then press enter on any company to view the error.

# 17 Agents taking over an existing payroll

---

## 17.1 Summary

Agents who take over a payroll after 6<sup>th</sup> April 2013 will need to take some additional steps to ensure that there are no complications relating to employment records with HMRC. These only apply if the scheme has already been started under RTI by the client or a previous accountant.

Newly opened schemes do **not** need to follow these steps.

## 17.2 RTI alignment

A scheme sends alignment information to HMRC during the scheme's first ever submission for RTI. New agents will not usually send alignment information to HMRC when they take over a new client. You need to align a client's data only if it is a new PAYE scheme.

## 17.3 Payroll ID

Under RTI every employment for each employee may have a unique payroll ID assigned to it. Most employees will only have one employment but it is possible for an individual to have multiple contracts for different jobs with a single employer.

The payroll ID allows HMRC to distinguish these employments when processing an individual's FPS's. The ID is only mandatory if an employee has multiple employments but it can be included for all employees.

If a payroll ID changes you must include additional information that informs HMRC that this is a changed ID and what the old payroll ID was. If you do not include this information a new employment is set up for the new ID that is not linked to the old ID, which will cause complications when it comes to working out employments and PAYE liability.

Example:

- A scheme employs a single employee with an ID of A1 up to month 6. Their last FPS for month 6 showed YTD tax of £1000 and YTD NI of £300.
- Before month 7 the employee's ID is changed to A2.
- During month 7 the employee's YTD tax increases to £1200 and their YTD NI increases to £350. An FPS for month 7 is sent containing the new A2 ID, but HMRC are not informed that this employee is the former A1 employee.
- HMRC now see 2 employments for this company:
  - A1 – Last paid month 6, YTD tax of £1000 and YTD NI of £300
  - A2 – Last paid month 7, YTD tax of £1200 and YTD NI of £350
- HMRC calculates that the scheme's YTD liability for month 7 is £2850, the total of A1 and A2, but the employer only pays £250 - the new liabilities for month 7 - bringing their total paid YTD to £1550. HMRC will contact the employer informing them that they have underpaid their liabilities at month 7 and must pay the additional amount immediately.

## 17.4 Payroll IDs with different software

Superpay uses the employee code as the payroll ID for all employees. It automatically tracks changes in payroll ID and includes the change in the normal FPS's where relevant. It is not

something that you need to manually track as long as the company continues to be run in Superpay.

However, other software may use IDs in incompatible formats or may not use IDs at all for single employments. The ID field is very long and can be in nearly any format, which you may not be able to enter into other software such as Superpay. Similarly, Superpay's IDs may not work in other software if they require an ID to use a different format.

Some software may also not allow users to customise payroll IDs or it may not be obvious that a payroll ID is being used.

## 17.5 Acquire the payroll's previous payroll IDs

It is very important that you find out what payroll IDs your client has previously used, if any. You must know the IDs before the first payroll is run through Superpay, otherwise duplicate employments will be created when you file an FPS for the first time.

You cannot enter the old payroll IDs after you have starting running payrolls for this client; at that point HMRC will already have created duplicate employment records and it will be too late to correct the situation automatically.

These IDs can be up to 35 characters long, made up of nearly any characters and will need to be entered individually for each employee.

The client may have previously had no payroll IDs, in which case you will not need to enter them, but you must ensure that they are not simply unaware of the payroll IDs used by the previous software or accountant.

## 17.6 Set up an existing scheme in Superpay

After 6<sup>th</sup> April, when you start running payrolls for a new client they will have already completed RTI alignment and may have existing payroll IDs. It is important that Superpay does not attempt to realign the company with an EAS or first FPS and that Superpay can inform HMRC of any changes of payroll ID.

- Company record

If the client has been filing RTI returns you can assume that their EAS and first FPS have been completed – the first time an FPS is filed for a scheme the alignment process is completed. In these cases, you need to press F2 on their Company record and choose *Edit RTI alignment status*. Enter y in both the *Completed EAS* and *First FPS* fields.

If the company has not yet filed any RTI submissions you will align them in the usual way.

- Employee record

When setting up an employee, press *Esc* on the default RTI starter screen to set up the record without completing the starter form. Press *F2* and select *Set already started*. Enter *Y* for Started and complete the old payroll ID if they had one.

If they previously had no payroll ID you can leave the ID box blank, otherwise enter the payroll ID previously used.

# 18 Split scheme – set up

---

## 18.1 What is a split payroll

A split payroll is any scheme which is either split across multiple Superpay companies or is partially run within other software. A payroll in a single company with weekly and monthly employees is **not** a split payroll.

If you do not run any split schemes do not to read this section of the instructions.

## 18.2 RTI alignment and EPS submissions

Split payrolls require special handling for RTI and must be set up properly to ensure that all employees are aligned correctly. It is essential that you do not set up any one part of the split company as if it was a 'normal' scheme.

A split scheme must file a special EAS for all employees which may be submitted in multiple parts. In addition, the scheme must file only one EPS at the end of each tax month with the combined recoveries for the entire scheme.

## 18.3 P35s for 2012-13

When creating your master company (see below), make sure that you enter a date prior to 5<sup>th</sup> April 2013 in Superpay so that the company is created in 2012/13 and **not** in 2013/14. When you have set up the split scheme master company it will also be used for filing your 2012/13 P35.

However, you are still unable to file a part 2012/13 P35/P14s through Superpay for **external** split schemes. If someone else will be submitting the P35 for part of the scheme you must use HMRC's site for this process as in previous years.

## 18.4 Master and split companies

Superpay separates each company in a split scheme into two types of companies:

- Split company

A part of the scheme containing employees. Each Superpay company you currently run for a split scheme will be a split company and contains employees specific to that part of the scheme. You will run payroll and file FPS's from each split company independently.

- Master company

A new company that will be used for filing the EAS and EPS's for the split scheme. Your database will contain only one master company for the entire split scheme, which will have no employees and only be used for filing the EAS and EPS's. No payrolls are run and no FPS's are filed from the master company. You will need to create a new company to be the master company within your database.

## 18.5 Set company type on Company record

You must set an indicator in each split company and in the master company to show that the company is part of a split scheme. On the second page of the Company record there is a Split company field in the Options box. Press F7 and choose from one of the following options.

- Not split – Default value and used for non-split schemes
- Split company – A single part of the split scheme
- Master, all in current database (internal) – The master company
- Master, some external data (external) – The master company

Split company applies to all your Superpay split companies that already exist. The Master company options are described below.

There are two types of master company and you must select the appropriate type to make the correct submissions.

If all parts of the scheme are contained within a single Superpay database, even if someone else runs some of the split companies using the same database, select master internal.

If any part of the payroll is in another independent Superpay database, run by another accountant or run in other software you must select master external.

Superpay will tie together all split or master companies that share a PAYE reference as part of the same split scheme for any combined filing, such as the EAS. It is essential that you set the PAYE reference and split company setting accurately for each company. Any mistakes will make your EAS inaccurate, which means some employees will not be aligned and instead be flagged as new starters in their first payrolls.

If there are any dummy or copied Superpay companies that share a PAYE reference but should not be included in any filing make sure that they are set with a split company type of Not split. They will not be combined with the rest of the split scheme despite sharing a PAYE reference.

## 18.6 Internal and external split schemes

Superpay defines two types of split schemes which require different filing procedures for the EAS and EPS's.

An internal split scheme is a scheme where all parts of the scheme are contained within a single Superpay database. It doesn't matter if each split company is run by different operators with different passwords, only that they are within a single database.

Superpay will automatically read all split companies and combine their data into a single EAS or a single EPS without further intervention. This also calculates the correct SSP recovery for the scheme each tax month.

An external split scheme is a scheme where there is at least one part of the scheme not available within the current database. Common examples of this are cases where part of the scheme is run:

- Within an independent Superpay database that is not part of the main Superpay database.
- Within a copy of Superpay that is at another site with no data connection to the main site
- Within a different payroll package

- By another accountant using either Superpay or their own payroll software
- By the client themselves using either Superpay or their own payroll software

If the scheme is an external split scheme you will need to follow different procedures for filing the EAS and EPS's. The EAS is split into parts, similar to the process for split P35s, and any EPS will need to be manually adjusted to reflect the entire scheme's recoveries.

### **18.7 Linking split companies to a master company**

Superpay will automatically link any split company to a master company that shares the same PAYE reference. Assuming you have set up the split company field properly for each split company and for the master there are no additional steps needed. The split companies will automatically be combined for any EAS or EPS.

If there are any dummy, copied or otherwise not-live Superpay companies that share a PAYE reference but should not be included in any filing you need to set them up with a split company type of Not split. Any not split company will not be combined with the rest of the scheme despite sharing a PAYE reference.

### **18.8 First FPS's in a split scheme**

The EAS for a split scheme is different from normal companies and must contain all employees in the scheme but the first FPS is not. Each split company will submit its own first FPS containing only the employees in that part of the split, which may also mean that some split companies don't file any first FPS until later in the year if nobody is paid.

### **18.9 Superpay passwords**

You may set up a company password for a split company as you would for a normal company. However, any report or screen that may show the pay of the split companies that belong to this master company will require knowledge of the split company passwords as well as the master company.

You will not need to know the passwords for any reporting that does not reveal information on how much employees are paid, e.g. the EAS.

For example, you have a master company with a password, 14 split companies without a password and 2 split companies with passwords, You will need to know the password for the master company to access it and then the passwords for the 2 split companies to submit a recovery EPS or view the monthly summary for the entire scheme. You will only need to know the password for the master company to submit the EAS.

### **18.10 Nil EPS's**

A split scheme is only required to submit a nil EPS if no part of the scheme is paying any employees for a tax month. If at least one part of the scheme has paid an employee and submitted an FPS, no other split companies in the scheme need to submit a nil EPS for the month.

### **18.11 Outstanding items report and external split companies**

Superpay's outstanding items report cannot accurately check details related to the EPS for external split schemes. You cannot rely on the report to inform you if a recovery EPS or nil EPS is due for a tax

month because Superpay has no guaranteed method to check previous EPS filings, current recovery figures or the presence of payslips in the part of the scheme that is external.

You will need to manually work out if any kind of EPS is due for external split companies each month.

The report is accurate for the other checks, such as unfiled payslips.

### **18.12 Agent filing**

You cannot file split companies from the agent filing screens in Superpay. There are potential complications relating to split companies that require special handling, which means no split companies will show up on any agent filing screen or be included in submissions from these screens.

# 19 Split scheme - EAS

---

## 19.1 Internal split schemes

The EAS is filed in the same way as a normal company, except that it is done from the master company. Superpay will search all split companies for employees and include them in the submission automatically.

In the master company, select EAS from the RTI menu. The preview screen will indicate how many companies have been found for combining into this EAS. You should make sure that this is the expected number of companies as any mistakes will cause problems later on.

File and wait for HMRC's response in the same way as a non-split company. Once you have successfully sent the EAS, wait 24 hours before filing any FPS.

## 19.2 External split schemes

An external split EAS contains two additional fields:

- *Total number of parts* – the total number of parts this EAS will be spread across. For example, if there are two Superpay databases there will be two parts to the EAS. Each part of the submission needs to indicate how many parts are expected in total.
- *Part ID* – A unique ID per part of the EAS. It doesn't matter what format the ID is in as long as each part is unique.

Before filing an EAS, you must know both of these for your submission. Superpay will combine all split companies in the current database into a single part but you need to contact the people who are running the other parts of the scheme to work out how many parts will be submitted and what IDs will be used.

### 19.2.1 Total number of parts

Other software may not combine multiple parts of a company run from the same database into a single submission and you must not assume that anyone else submitting part of an EAS is going to combine their companies like Superpay does for a single database.

Some examples of how the total number of parts may be calculated:

You run a single Superpay company containing the directors of a company while your client runs the main payroll containing the other employees in a single Superpay company. Your director submission is one part and the client's employee submission is the other part, making 2 total parts.

You run 11 companies in a single Superpay database, each representing a branch of a single employer, and another account submits the payroll for another 8 branches using different software. Your 11 branches will be one part of the submission. You must find out from the other accountant how many parts their 8 branches will be spread across and add that number to your 1 to find the total number of parts.

One operator in your company runs 3 companies in a Superpay database at one site and another operator runs 2 companies in a separate Superpay database at another site. The 3 companies at the first site will be combined into one part and the 2 companies at the other site will be combined into a second part, making 2 total parts.

### 19.2.2 Part ID

Superpay will prompt you for up to a 3 digit number to identify each part of the EAS. It will then combine this with a randomly generated string of characters to ensure that the part ID submitted is unique.

In general terms, an ID is up to 12 characters long and may contain letters, numbers and punctuation. Superpay will generate most of the ID automatically but other software may use a different ID format. It doesn't matter if your ID is 1 character or 12 characters long, just that it is unique. For example, 1 and 2 are acceptable part IDs for a submission made up of two parts.

### 19.2.3 Filing

In the master company, select EAS from the RTI menu. The preview screen will indicate how many companies have been found in this database for combining into this EAS part. You should make sure that this is the expected number of companies as any mistakes will cause problems later on.

You will be prompted for the total number of parts in the submission. Enter the number of parts and press Enter. You will then be prompted for the part ID of this submission. Enter up to 3 digits and press Enter, then press Space to confirm the filing.

Wait for HMRC's response in the same way as a non-split company. Once all parts of the EAS have been successfully submitted, wait 24 hours before filing any FPS.

# 20 Split scheme – FPS

---

## 20.1 Summary

The FPS's for a split scheme are submitted from each individual split company in exactly the same way as a normal company. There are no special instructions for FPS filing.

## 20.2 First FPS

After you have submitted your EAS, each part of the scheme will then send its own individual first FPS containing only employees for that part of the scheme. The first FPS is not divided into parts like the EAS and does not need to reflect the entire scheme, only the part that this first FPS applies to.

# 21 Split scheme - Recovery EPS

---

A split scheme must submit only one recovery EPS, which will contain the total year to date recoveries of all parts of the payroll. You cannot submit the EPS in parts to be totalled by HMRC.

## 21.1 Internal split schemes

The recovery EPS is filed in the same way as a normal company, except that it is done from the master company. Superpay will calculate the recoveries based on the totals all split companies automatically.

In the master company, select EPS, then Recovery EPS from the RTI menu. The preview screen will show the totals for the scheme. Press Space to file then go to the EPS history screen to check that it was successful, exactly as for a normal company.

## 21.2 External split schemes

You must determine who will be filing the recovery EPS for the scheme before filing anything. For example, if the payroll is spread across three sites, only one site will file the EPS but they will need to know the recovery figures from the other sites.

If you will be filing the EPS, select EPS, then Recovery EPS from the RTI menu. Superpay will display the calculated recoveries for this part of the scheme. You will need to enter any adjustments to the recoveries in the next column to correct each YTD figure in the EPS, whether positive or negative.

Once you are happy with the EPS, press F2 and File to send the EPS, then go to the EPS history screen to check that it was successful.

# 22 Leavers

---

## 22.1 General

A leaver's status is filed with their final FPS submission and there is no separate leaver P45 filing. This means that if an employee leaves you must set them as a leaver on their Employee record:

- **after** you run their last payslip, and
- **before** you file their final payslip FPS.

In theory you need to know that employee is leaving **before** you run their last payslip. Since this doesn't always happen in practice, Superpay has a *Send outstanding leavers* menu option.

## 22.2 Send outstanding leavers

If you set an employee as a leaver on their Employee record **after** their last FPS has been filed you will need to resubmit their last FPS with their leave date. The *Send outstanding leavers* option on the *RTI* menu does this for you.

When you choose this option, Superpay displays the number of leavers which have been set as leavers but have not yet been filed as leavers with HMRC. If there are some leaver FPS's to file:

- Press F2 and choose *Send*.
- Check the *FPS history* screen to see if the leavers' submissions have been successful or not. Each leaver's FPS submission shows the leaver's last payslip's tax period. Their employee name is not shown on the history screen.

## 22.3 Paper Leaver P45

Under RTI you still need to supply your clients with a 3 part paper P45 for each leaver.

## 22.4 Pay after filing a leaver FPS

If you need to pay a leaver after they have been given a P45 and you have filed their leaver FPS:

- Go to their Employee record.
- Press F2 and *Cancel* their leaver status.
- Change their tax code to OTX.
- Process an additional payslip for them and indicate this is *Pay after leaving* (see 2.4 above).
- Do not issue a new P45 which includes the extra pay and tax. Instead provide the employee with a letter – see <http://www.hmrc.gov.uk/payerti/employee/employee-leaves.htm>.
- Re-set the employee as a leaver and file their FPS.

You must not undo and re-run a leaver's last payslip to add extra pay.

## 22.5 Employee decides not to leave

If an employee decides not to leave or you have set them as a leaver by mistake and filed an FPS for them:

- Go to their Employee record.

- Press F2 and *Cancel* their leaver status.
- Continue making payments to them as if you had never filed their leaver FPS.

You cannot do this if the employee has been given a P45. In this case you will need to set up the employee again as a starter and give them a different employee code. Do not include their previous earnings and tax deducted.