

TECHNICAL BULLETIN FROM GLOBAL BUSINESS SYSTEMS

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Global Payroll Tax rates - Budget update

Full details of the recent budget have now been received from the Inland Revenue. The only change to details previously issued is that the tax band changes will now take effect on the 18th May 1998 and not from the start of the new Tax year.

Therefore the recently issued rates file PRR08, dated 6/4/98, must **not** be used for Payroll calculations in the period 6/4/98 to 17/5/98. A revised PRR08, dated 7/4/98, has been issued to cover the period 6/4/98 to 17/5/98 and a new rates file PRR09 has been created to cover the period 18/5/98 to 5/4/99.

If a company qualifies for "Small employers' relief" then the "Amend SSP/SMP rates" option should be used from the System Maintenance menu to change both "NI compensation on SMP" and "Percentage reclaimable". These should be set to 7.0% and 100%, respectively in both rates files PRR08 and PRR09. To be sure that you are amending the correct rates file set the date in rates file range prompt to 6/4/98 to select PRR08 and 18/5/98 to select PRR09.

Please note that this bulletin is for advice and guidance only. It does not absolve an employer from their statutory obligations to the Inland Revenue.

AVAILABILITY

Both the new rates files are released via Autozap PR-6.4-69 which is on the Bulletin Board.

MANUAL AMENDMENT OF RATES FILES

Resellers or users may prefer to manually implement these changes from within the Amend Rates menu option of the Payroll software. First ensure that the rates file PRR08 has been installed with the April 98 software changes.

Create the new rates file PRR09 using the template feature within the Create new rates file menu option. The Effective date, End date, Narrative and Maxrate for K codes should be amended as in figure 1 below. Accept the default values for the NI, SSP/SMP and NIC – Fuel rates.

TAX RATES AND BANDS MAINTENANCE			
	Band	Rate (%)	
1	4300.00	20.00	
2	22800.00	23.00	
3	0.00	40.00	

System data	Effective date	18/05/98	End date	05/04/99
	Narrative	Effective 18/05/98 to 05/04/99		
	Rates file name	PRR09	Maxrate for K codes	50.00%

Key Amend, Cancel, System data, <CR> to confirm

Figure 1. PRR09 – Tax Rates from 18th May 1998

TAX RATES AND BANDS MAINTENANCE			
	Band	Rate (%)	
1	4100.00	20.00	
2	22000.00	23.00	
3	0.00	40.00	

System data	Effective date	06/04/98	End date	17/05/98
	Narrative	Effective 06/04/98 to 17/05/98		
	Rates file name	PRR08	Maxrate for K codes	50.00%

Key Amend, System data, <CR> to confirm

Figure 2. PRR08 – Tax Rates from 6th April 1998

Amend the existing rates file PRR08. From the Amend tax rates menu option set the date in rates file range prompt to 6/4/98 and then change the tax rate bands, End date and Narrative to the values shown in figure 2 below.

If you have any questions relating to the above please contact the Service Centre.