

TECHNICAL BULLETIN FROM GLOBAL BUSINESS SYSTEMS

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Payroll Class 1A NIC's for July 6th

Some sites have expressed concern that the change in the operating procedure for reporting class 1A NICs on benefits arising in tax year ending 5 April 2001 combined with the increased scope of benefits subject to class 1A contributions may cause problems. The automatic use of fuel charges from tax year ending 5 April 2002 if the system date is later than 17 May 2001 and the lack of printed totals for expense types other than cars & fuel are of particular concern.

In response to this concern, Global Business Systems is revising its class 1A NICs handling to:

- use the tax year for which benefits are recorded to determine the source of its fuel scale charges. Charges are taken from rates file PRR17 for benefits recorded for year to 5 April 2001 and from rates file PRR18 for benefits recorded for the year to 5 April 2002,
- provide the ability to associate a box number with each benefit code to identify which box on form P11D it contributes to,
- provide a printed end of year schedule of benefits grouped by benefit type,
- provide a look-alike report for form P11D(2001) making it clearer what goes where on the new forms.

If you have payroll sites that are expecting to have to produce extensive numbers of P11D's, you may wish to advise them of our work in this area. They can use existing procedures to set up their benefit records and provided they do not print a final report, they will be able to use the new procedures to add box numbers to benefit records they have set up.

We hope to issue the software revisions before end of June 2001 and to provide a set of example data on the Global website to assist in its use.

Important note for users of the existing Global Payroll class 1A NICs procedures: The scale charges distributed in rates file PRR17 (effective from 6 April 2001 to 17 May 2001) are the ones to use for benefits arising in tax year ending 5 April 2001. The scale charges in rates file PRR18 are for benefits recorded for tax year ending 5 April 2002. Until

the software revision described above has been applied, it is essential to set the system date to a date prior to 18 May 2001 when recording benefit records for tax year ending 5 April 2001.