TECHNICAL BULLETIN FROM GLOBAL BUSINESS SYSTEMS

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Global Payroll - The Year Ahead

This bulletin details plans for changes to Global Payroll across the coming year.

The extensive development undergone by Global Payroll between V6.8 and V7.0 mean that it is now possible for TIS Software Ltd to schedule independent delivery of the updates needed for:-

1. Year-end PAYE processing for tax year 2003/04.

2. Year-end Benefits processing for tax year 2003/04.

3. In-year payroll processing for tax year 2004/05.

4. Year-end PAYE processing for tax year 2004/05.

Each of these is to be issued as a separate service pack or release that can be applied as and when best suits your payroll operation.

The Chancellor's pre-budget statement indicated no major structural changes to mainstream forms for either PAYE or Benefits in tax year 2004/05 allowing us to focus payroll development in that period on two specific targets:-

1. A robust and economical electronic End of Year document transfer interface with the Inland Revenue.

2. Accreditation of Global Payroll to the Inland Revenue Payroll Standard.

These targets are part of the schedule of payroll improvements provided by the deliverables listed above to ensure Global Payroll sites have access to the four end of year reporting channels operated by the Inland Revenue in the timescale that their particular payroll operation requires.

What follows is a brief description & timetable for each deliverable.

YEAR-END PAYE PROCESSING FOR TAX YEAR 2003/04

This service pack adds the following features to the V7.0 Global Payroll:-

1. Year End Adjustments - A facility for applying corrections and other adjustments to the data of a pay group once the final pay period in tax year 2003/04 has been closed.

2. P14/P60 Print - A facility for printing P14 and P60 notices using any of the defined Inland Revenue layouts for these documents.

3. Magnetic Media Submission - A facility for generating a Windows/DOS format file containing an End of Year diskette submission in the format defined in the Inland Revenue Magnetic Media specification ca51/52 for tax year 2003/04.

4. EDI Message Generation - A facility for generating Windows/DOS format files containing P14 or P35 End of Year message in the generic flat file format prescribed in the P14 and P35P38AP398S Message Implementation Guidelines for tax year 2003/04.

5. P35 Report - A facility for printing a report containing the P35 part 2 list corresponding to the P14 print, submission or message produced using the facilities above.

The pack is to be made available as soon as the Magnetic Media test submission has been successfully completed. If this precedes the completion of EDI test submissions, EDI message generation will be released in a separate pack once its submission is successfully completed. Currently, the pack is scheduled for release in January 2004.

PLEASE NOTE:- EDI message generation has been developed initially to facilitate our own work towards obtaining Inland Revenue Payroll Standard accreditation for the Global Payroll which involves limited submissions made directly from ourselves to the Inland Revenue. TIS Software Ltd would ask those sites considering using this channel for making submissions to take care following a report from the wild that one large company have experienced unexpectedly high costs using EDI to make end of year submissions under a contract with a Value Added Network (VAN) based on a per thousand character delivery charge. If you already have a VAN arrangement, the temptation is there simply to pass the messages generated by payroll to the VAN and let them get on with it. In light of this report however, it would seem worthwhile running the EDI extract to obtain a rough estimate of the size of the messages that will be involved in the submissions for each of your PAYE references and checking the potential cost of their transmission with your VAN before committing to sending them via that channel.

YEAR-END BENEFITS PROCESSING FOR TAX YEAR 2003/04

This service pack adds the following features to the V7.0 Global Payroll:-

1. Allows Free Fuel to be withdrawn and re-instated during the year,

2. Provides a view of details of the calculation of car and car fuel benefits in relation to the new P11D Working Sheet 2 supplied by the Inland Revenue,

3. Includes latest rates and fuel limits set out in booklet IR172 "Income tax and company cars",

4. Prints a revised P11D showing the changes introduced for tax year 2003/04.

This service pack is scheduled for release in February 2004.

IN-YEAR PROCESSING FOR TAX YEAR 2004/05

This is a full release introducing the V7.1 Global Payroll. It contains all existing in-year payroll programs packaged for use with the tax year 2004/05 payroll data structures and introduces functions for:-

1. Installation of programs for the new tax year to the tax year 2004/05 program unit.

2. Creation of payroll databases in tax year 2004/05 format.

3. Upgrade of information from tax year 2003/04 databases to tax year 2004/05 databases.

4. Tax, NI & other statutory rate changes effective for tax year 2004/05,

5. Payslip History Purge allowing prior year payslip information to be removed from the databases in the new tax year up to a user selected pay period,

6. Improved consolidation options when posting to Global 2000 Nominal Ledger and Cashbook and Global 3000 General Ledger and Cash Manager,

7. Multiple adjustments to the same court order in a pay period,

8. Multiple student loan adjustments in a pay period,

This release, in combination with the Year End PAYE Processing for Tax Year 2003/04 service pack, forms the product TIS Software Ltd is to submit for Inland Revenue Payroll Standard Accreditation. The release is scheduled for March 2004. The schedule for Payroll Standard Accreditation has yet to be finalised with the Inland Revenue.

YEAR-END PAYE PROCESSING FOR TAX YEAR 2004/05

This service pack adds the following features to the V7.1 Global Payroll:-

1. Year End Adjustments - A facility for applying corrections and other adjustments to the data of a pay group once the final pay period in tax year 2004/05 has been closed.

2. P14/P60 Print - A facility for printing P14 and P60 notices using any of the defined Inland Revenue tax year 2004/05 layouts for these documents.

3. Magnetic Media Submission - A facility for generating a Windows/DOS format file containing an End of Year diskette submission in the format defined in the Inland Revenue Magnetic Media specification ca51/52 for tax year 2004/05.

4. EDI Message Generation - A facility for generating Windows/DOS format files containing P14 or P35 End of Year messages in the generic flat file format prescribed in the P14 and P35 Message Implementation Guidelines issued for tax year 2004/05.

5. FBI Document Generation - A facility for generating XML instance documents containing P14 or P35 End of Year messages in the format prescribed in the P14 and P35 schemas issued for tax year 2004/05.

6. P35 Report - A facility for printing a report containing the P35 part 2 list corresponding to the P14/P60 print, submission or message produced via the facilities above.

All end of year document generation procedures in this pack will be produced in accordance with the requirements laid down in the Inland Revenue Quality Standard Validation Specification.

FILING BY INTERNET (FBI) FOR TAX YEAR 2004/05

TIS Software Ltd has been an active member of the GovTalk PAYE Working Party since its inception and taken a keen interest in the evolving Government Gateway filing initiatives. In the past two years, the working party has overseen the Inland Revenue's implementation of the single part FBI submission protocol for a wide variety of in-year and end-of-year forms and documents.

Across the coming nine months, this protocol is to undergo significant expansion to put into place features to:-

• allow the Revenue to accept multi-part, multi-source document submissions,

• allow compressed file submissions and effectively remove existing size limits on submissions,

• establish a test environment through which employers and agents can make test submissions prior to end of year.

The year-end PAYE processing for tax year 2004/05 service pack will contain TIS Software's response to these developments providing export of both test and live formats of 2004/05 year end documents to the Government Gateway in either single or multi-part electronic transmissions in accordance with statutory online filing requirements.

TIS Software can release this pack once a satisfactory transmission from Payroll V7.1 using the Inland Revenue multi-part test submission facility has been completed. This is currently targeted for Autumn 2004.

The most recent contact with the Inland Revenue development group indicates that they are timetabled to complete their development in summer 2004 but do not plan to make test submission facilities available to employers until April 2005.

TIS has pointed out in the strongest possible terms to the department that this is not an acceptable timescale for those employers required under law to make their first electronic submission in May 2005 and we are continuing work with them to find a more appropriate solution.