

TECHNICAL BULLETIN FROM GLOBAL BUSINESS SYSTEMS

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Payroll Rates from 7th Sept 2008

This bulletin contains an urgent reminder to our Global 3000 Payroll V7.5 users that changes to the PAYE tax bands for tax year 2008/09 come into force on 7th September 2008.

A revised rates file including the new bands will be issued as a Payroll V7.5 service pack shortly. If a V7.5 payroll run is needed for a pay date on or after the 7th September 2008 prior to the service pack being issued, the existing rates file can be extended manually to incorporate the new bands using the Rates maintenance function provided by the Global 3000 Payroll V7.5 System Parameters menu as follows:-

The screenshot shows a software window titled "global-dev - P2 - Rates file Maintenance" with a "Tax Year: 2008/2009" label. The window has a menu bar (File, Run, Settings, Options, Help) and a toolbar with icons for Command, N/A, Next, Home, Clear, Enquire, Delete, Insert, Abort, and Move. The main area is titled "Income Tax Rates" and displays the following information:

Effective from 07/09/2008 to 05/04/2009

Tax Bands		Std UK Rates (%)	Scottish Rates (%)
0	0	10.00	10.00
1	34800	20.00	20.00
34801	9999999	40.00	40.00

At the bottom, there are fields for:

- Maximum rate for K codes: 50.00
- Retirement age for men: 65
- Emergency Tax Code: 603L
- For women: 60

Buttons for "OK" and "Close" are at the bottom right. The status bar at the bottom shows "Partition 2 Computer 1D", "11:01:30 PJJ", "PR530/W1", "EDT", and "NUM".

Select "Income Tax" in the Rates & Limits section of the System Maintenance menu of Global 3000 Payroll V7.5 to display the Effective Date list. Press the down cursor to step off the end of the list and add an entry for 07/09/2008 then press "OK" to display the empty Income Tax Rates window effective from 07/09/2008 to 05/04/2009.

Enter the tax bands and other details as shown in the window above remembering to include the zero tax band as per HMRC specification (ignoring the warning) to avoid problems with calculations involving codes BR and D0.

If you operate multiple payrolls, please remember that Payroll obtains its Income Tax Rates from the rates file unit PRR and if PRR is assigned to your data rather than your program unit, you will need to modify the rates held for each of your payroll data sets.

Finally, please remember The service pack updates your payroll rates file to incorporate the new higher rate threshold and the default emergency tax code as described above. It does NOT update existing tax codes on employees. You need to make any such changes that apply to your payroll using the tax codes entry in the Multiple Employee Updates function available from the main menu.

Information on further changes affecting the operation of payrolls from September 2008 are available in the August edition of the Employers Bulletin (Issue 30) published by HMRC. The online version of the bulletin is located at <http://www.hmrc.gov.uk/employers-bulletin/index.htm>