




**Sarah Nicholson** MCIPPDip  
Payroll Manager




**Andrew Morilla** MCIPPDip  
Senior Payroll Administrator

*For more information, please visit our website or contact us today for a free, no-obligation consultation to see how we can help:*

**The Exchange**  
5 Bank Street, Bury  
BL9 0DN

 <https://www.dtegroup.com/services/payroll-outsourcing.php>

 [Payroll@dtegroup.com](mailto:Payroll@dtegroup.com)

 0161 767 1213

## Payroll Update for the New Tax Year

March, 2019

### **INCOME TAX THRESHOLDS 2019/20**

The following changes were announced in or alongside Autumn Budget 2018:

Basic Personal Allowance - £12,500

Emergency Tax Code - 1250L Week1/Month1 basis

Income limit for personal allowance remains at £100,000

All 2019/20 PAYE rates and thresholds for UK, Scotland and Wales can be found on [this government link](#).

### **STUDENT LOAN & POSTGRADUATE LOAN RATES 2019/20**

Plan 1 - £18,935.00 Threshold at 9% rate.

Plan 2 - £25,725.00 Threshold at 9% rate.

Postgraduate - £21,000 Threshold at 6% rate. (New from April 2019)

\*These thresholds are applied based on the earnings received in the pay frequency. For example, a monthly Plan 1 employee would pay student loan on earnings above £1,577.92 (£18,935 / 12).

\*\* An employee could have two student loans in operation. A Plan 1 or 2 and a postgraduate loan.

### **GUIDANCE ON PAYSLEIPS**

All employees must receive an itemised payslip.

Further guidance has been released by the government and 8 examples provided [showing different scenarios](#).

DTE Payroll Outsourcing are already adhering to the guidance on itemised payslips. Any payments which are based on time worked can no longer be paid as a lump sum item. For example, if you previously advised an overtime amount of £50.00 this would now need to be shown as £10.00 per hour \* 5 hours on the payslip.

## **AUTO ENROLMENT PENSION CHANGES**

The minimum contributions you and your staff pay into your automatic enrolment workplace pension scheme will increase from 6th April 2019. This is also sometimes known as phasing.

The table below shows the minimum contributions you must pay and the date when they must increase:

Date	Employer Minimum Contribution	Staff Contribution	Total minimum contribution
New rate: 6 April 2019 onwards	3%	5%	8%

Please refer to [this link](#) for more information.

[This document](#) provides a letter explaining the changes, if you wish to communicate with your employees, we would recommend you do this prior to their first payment in April.

The increase in minimum percentage contributions will be dealt with automatically by **DTE Payroll Outsourcing** as part of processing the April pay run, however, if we identify any employees as having a fixed amount rather than a percentage (which falls below the minimum contributions) we will contact you to discuss revising the fixed amount.

## **HOLIDAY PAY CALCULATIONS ON OVERTIME AND COMMISSION**

Case law dictates that all types of overtime should be included when calculating holiday pay:

guaranteed overtime where the employer is obliged to offer the extra hours and the employee is obliged to accept them.

non-guaranteed overtime where the employer is not obliged to offer it but when they do the employee is obliged to accept it, and.

voluntary overtime where there is no obligation on either the employer or the employee and is worked regularly.

Overtime that is only worked on a genuinely occasional and infrequent basis does not have to be included. Currently there is no definition of what 'occasional and infrequent basis' means and until a decision has been made employers are not under an obligation to factor in this type of overtime.

Commission should be included. This is usually an amount of money a worker receives because of making sales and can make up some or all their earnings.

For more information on holiday entitlement, please [follow this link](#).

Please contact **DTE Payroll Outsourcing** if you are not including the above in your holiday pay calculation and we can assist you in ensuring compliance.



## **NATIONAL MINIMUM & LIVING WAGE (EFFECTIVE FROM 1ST APRIL 2019)**

Living Rate (25 years +) - £8.21

Employees (21-24 years) - £7.70

Employees (18-20 years) - £6.15

Employees (16-17 years) - £4.35

Apprentice Rate - £3.90

**DTE Payroll Outsourcing** will prepare a report in April 2019 to identify your staff who are being paid at the NMW/NLW, these employees will be automatically uplifted to the relevant pay rate in April. If employees are paid by a salary and we do not hold their contracted hours we will not be able to verify if their pay meets the NMW/NLW regulation. Please ensure that all pay rates are checked and salaries are adjusted in line with the above figures as it is the employer's responsibility to make certain employees are paid the correct rate of pay.

**Please note: Rates can be increased on the next payroll if the 1st April falls part way through a pay reference period.**

If employees are paid NMW we need to use a calculation of 52.18 weeks per annum when working out staff's salaries. This is derived from  $4 * 365 \text{ days} + 1 \text{ leap year} = 1461 / 4 / 7 = 52.18 \text{ weeks}$ .

There are certain deductions that cannot be applied to those on NMW such as salary sacrifice, £1.00 admin fee for AEO, administration charges for DBS checks and Uniforms / Protective clothing. This list is not exhaustive, please refer to the below link for a more comprehensive list.

For all the guidance on the entitlement and enforcement of National Minimum Wage, please follow [this link](#).

## **EMPLOYMENT ALLOWANCE AND APPRENTICESHIP LEVY**

Employment Allowance for 2019/20 remains at £3,000 as long the business meets the eligibility criteria.

**DTE Payroll Outsourcing** will continue to claim the allowance on the company's behalf unless we are told otherwise.

Apprenticeship Levy payments remain at the same wage bill threshold of £3 million and above.

## **PAYROLLING BENEFITS IN KIND**

If you would like to take advantage of payrolling employee benefits which would remove the requirement to submit forms P11D, please refer to [this link](#).

If you think this is of interest to you please contact **DTE Payroll Outsourcing** for more information.

## **MYEPAYWINDOW – EPAYSLIP CUSTOMERS**

From April 2019, we will have the facility to submit leaver's P45s directly to their account via MyePayWindow portal.

If you are not already signed up to the MyePayWindow service and would be interested in doing so, please get in touch for more details.

