

6. Paper filer employers



Low Incomes
Tax Reform
Group
A voice for the unrepresented

Even before the Real Time Information (RTI) began, most employers had to submit their employer Pay As You Earn (PAYE) information electronically. However, there were exceptions to this for certain employers who may have found this difficult, including those employing staff to provide them with care. These exceptions continue under RTI.

Who can be excused from operating RTI electronically?

HMRC expect most people to use online filing. Only a handful of employers are exempt from online filing so that they can send information to HMRC on paper. You cannot choose to use paper filing because you prefer it. You can only use paper filing if you are:

1. Someone who takes on a personal assistant, called a care and support employer by HMRC, and who meets the conditions explained below
2. Exempt from online filing on religious grounds
3. Considered by HMRC to be unable to file online (often called the 'digitally excluded')

You may find it useful to read our factsheets 'Choosing a filing method' and 'RTI' in conjunction with this factsheet.



Exemption for care and support employers

You can file on paper providing your personal assistant provides the care and support services at home, and all three of the following conditions are met:

1. The care or support services must be provided to the employer or a member of their family.
2. The recipient of the services must have a physical or mental disability, or be elderly or infirm.
3. The employer must be filing their return themselves, not having someone else such as a friend or accountant doing it on their behalf.

Exemption for people unable to file online

If you do not qualify for paper filing by meeting the exemption for care and support employers in the box above, or by qualifying for an exemption on religious grounds, you may still be able to file on paper if HMRC consider you to be unable to file online. If you can show that:

1. You will have significant difficulty in using an online channel; or
2. You are unable to use an online channel

then HMRC will allow you to use paper instead, for the foreseeable future. You can find out more about the exception on the HMRC website: www.gov.uk/find-out-which-employers-are-exempt-from-online-payroll-reporting#2.

Paper process RTI - a delayed start

The RTI system was introduced for most employers from 2013/14. However, for those employers unable to deal with their payroll electronically, RTI started from 2014/15. This is because the RTI paper process that runs alongside the RTI electronic process took some time to design and test.

If you are an employer who uses paper filing, you may have been working with old style PAYE reporting up to 2013/14 – either under the traditional scheme or the Simplified Deductions Scheme. These schemes are now closed and you should have transitioned to the RTI paper process from April 2014. If you did not do this, contact HMRC as soon as possible.

www.disabilitytaxguide.org.uk

Reporting PAYE before 6 April 2014 (traditional)	Reporting PAYE before 6 April 2014 (simplified)	Reporting PAYE from 6 April 2014 (RTI paper process)
You use form P11 as your deductions working sheet	You use form P12 as your deductions working sheet	You use the new form RT11 as your deductions working sheet for each employee. This is very similar to form P11/P12.
You report PAYE at the end of year	You report PAYE at the end of year	You report PAYE each quarter by the deadlines of 19 July, 19 October, 19 January and 19 April each year. You have to send these forms to HMRC by these deadlines or you may incur penalties.
You send forms P14 and P35 to HMRC at the end of the tax year. Any end of year 2013/14 tasks, should have been completed early in the 2014/15 tax year. If you have any tasks outstanding, you should contact HMRC as soon as possible.	You send forms P12 and P37 to HMRC at the end of the tax year. Any end of year 2013/14 tasks, should have been completed early in the 2014/15 tax year. If you have any tasks outstanding, you should contact HMRC as soon as possible.	You complete and return the following paper forms by the relevant quarterly deadline: RT2 – <i>Full quarterly payment summary</i> . RT3 – <i>Full quarterly payment summary – supplement</i> (to provide information about certain complex circumstances if necessary). RT5 – <i>Employer payment summary</i> (to report that you made no payments to employees within a quarterly period, or to recover statutory payments). You need only complete the forms which are relevant to you.
You report starters and leavers using forms P45 parts 1 and 3 or P46	You report starters and leavers using forms P12 and P16A	You include starter and leaver details on your quarterly return forms. You must ensure the data you include is up-to-date, complete and correct. You still provide form P45 to your employee when they leave.

Two important things to remember....

- 1) HMRC would like to stress that the vast majority of employers would find electronic RTI reporting quicker, easier and more convenient, particularly as they have developed their own free RTI software, Basic PAYE Tools, for you to use. Indeed many exempt employers are already dealing with HMRC online as they find it more secure and reliable.
- 2) If you are going to proceed with being a paper filing employer – please make sure you tell your employee. This is because if they claim Universal Credit they will need to report their earnings from you to the Department for Work and Pensions (DWP) themselves.



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