



PAYROLL SERVICE

One Treasurer who has used the service said:

"I would not have remained as treasurer if we could not have had Pam's help."

Your Payroll Contacts

David Thompson	David will handle initial questions about the HEBA Payroll Service, provide you with the agreement forms if you want to start using the service and be able to answer many general payroll questions. David works in the HEBA Office (usually Tuesdays, Wednesdays and Thursdays) and can be contacted on 0121 472 4986 or email to david@baptist-heartofengland.org
Pam Yorke	Pam runs the payroll service, producing the monthly payslips for your employees and completing your RTI returns to HMRC. Pam can be contacted by email at yorkepayroll@gmail.com

HEBA Payroll Scheme Charges

One of the major responsibilities of a church treasurer is the payment of salaries, settlement of tax, NI and pensions and the annual declaration to HMRC.

If this could be done externally, at a modest cost, this would make the treasurer's role easier and less onerous for anyone new to the role.

The Payroll Scheme is available to all churches in the Association. Below are the charges for tax year 2015/16. The total costs for a single employee/minister is just over £10 per month. The only thing left for the treasurer to do is to settle the actual payments from the information provided and complete the P11D returns.

	2014/15	2015/16
Charge for each Employer	£42.00	£43.00
Charge for each Employee	£78.00	£80.00

If you begin employing a new individual during the year we will only charge for the remaining months in the tax year. For new Employers £3.60 per month and new Employees £6.70 per month.

Please note that HEBA will calculate the net salary to be paid, supply payslips and provide a note of the amounts to be paid to HMRC but it will be the church's responsibility to make the actual payments.

HMRC

Pam Yorke will complete your monthly submissions to HMRC using RTI but the church will continue to be responsible for making payments to HMRC for the PAYE and National Insurance payments that are due.

We would recommend that as treasurers you register for HMRC's Online Service PAYE for Employers. You will then be able to view the "Business Tax Dashboard" as an employer. This will confirm the PAYE & NI you have to pay and the amount you have paid to date this year. This is a very useful tool and will ensure your payments to HMRC are up to date and that you don't receive any unexpected visits from an HMRC Enforcement Officer.

If you have any questions about setting this up do give David Thompson a ring.

There is an example on the below so you can see what information is displayed.

£2000 less to pay out !!

From April 2014 all employers will benefit from an Employment Allowance which will reduce Employers Class 1 National Insurance contributions by up to £2000 per annum.

When Pam does your salary calculations this figure will be deducted from any Employers NI contributions due.

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Online Services

HM Revenue & Customs

HM Revenue & Customs

HM Revenue & Customs

Current position

Tax years

Please select the tax month or year that you want to view by following the relevant link in the 'Date' column.

The 'Amount due in period' is updated twice a month - after the 6th and 19th for the tax month just ended - from all submissions made. Any submissions made between these dates will not be reflected until the next update.

Please note: You should report any amounts you are claiming against your PAYE payments, eg statutory payments, on Employer Payment Summaries (EPS). You should also use an EPS to tell HM Revenue & Customs that you have not paid any employees for a particular month/quarter, as without this information HMRC will collect what it believes is due.

To view a complete list of payments made for a tax year, please follow the link below. [View payments](#)

Real Time Information (RTI) tax years

Date	Amount paid in period (£)	Amount due in period (£)
Current tax year 2013-14		
6th Mar - 5th Apr	£0.00	£0.00
6th Feb - 5th Mar	£0.00	£0.00
6th Jan - 5th Feb	£30.61	£626.36
6th Dec - 5th Jan	£607.81	£607.81
6th Nov - 5th Dec	£608.01	£608.01
6th Oct - 5th Nov	£516.41	£516.41
6th Sep - 5th Oct	£515.41	£515.41
6th Aug - 5th Sep	£515.21	£515.21
6th Jul - 5th Aug	£515.41	£515.41
6th Jun - 5th Jul	£521.81	£521.81
6th May - 5th Jun	£505.01	£505.01
6th Apr - 5th May	£504.41	£504.41
Total	£4840.10	£5435.85

Pre-RTI tax years

Tax year	Amount paid (£)	Amount due (£)
2012-13	£4947.40	£0.00
2011-12	£781.61	£0.00
2010-11	£1187.98	£0.00

<https://online.hmrc.gov.uk/psw/psw/671/B1656/account> 07/03/2014

Do I need to register as an employer?

If you are not currently registered as an employer with HMRC you will need to do so in order to obtain a PAYE reference number and Accounts reference number. To do this go to the HMRC homepage www.hmrc.gov.uk, click on the Employers tab, follow the link 'Employing staff for the first time' and complete the details under 'Registering as an employer'.

End of Year Returns

The introduction of RTI means that the end of year return has changed but it does require treasurers to answer a few questions to enable Pam to submit the final return on your behalf. For 2014/15 there were six questions to answer and there are financial penalties if they are not answered correctly so please respond to any request from Pam without delay.

Form P11D

One of the questions referred to above asks whether a Form P11D is to be completed for the year. This is not a straightforward question so the following a few notes to help.

Please be aware that this note is for general guidance only. It is not written by a tax expert. Treasurers should consult with HMRC to ensure they comply with the law.

P11D's have to be completed by an employer in respect of any employee whose income plus expenses exceeds £8,500. The form includes boxes for all sorts of expenses (the HMRC website lists more than 200 in March 2014) but not everything has to be included. It is complicated and reference should be made to the HMRC website.

The default position is that any and every payment of income, benefits in kind or expenses paid by the employer to an employee needs to be declared to HMRC. There are however some exceptions and exemptions.

- For ministers of religion there are some manse related expenses (provided it is owned or leased by the church) which do not need to be declared. The exemption covers council tax, water rates, buildings insurance, structural repairs and external decoration. The exemption does not cover internal decorations and improvements. There is a space on the P11D for 'Living Accommodation' and for ministers this should be marked 'not applicable'.
- There is an exception relating to the reimbursement of expenses incurred where it is for business purposes and providing there is no 'private use' benefit. This applies only when a dispensation has been obtained from HMRC. Dispensations are usually given for such things as stationery, postage, phone calls, conference fees, travel at agreed HMRC rates etc
- The payment of utility bills is not included in the above exemption. Where the practice is to deduct an amount equivalent to the minister's expenditure on gas and electricity and reimburse this without the deduction of tax or NI, the amount must be included on the P11D declaration. Similarly if the church pays these bills in addition to stipend they need to be included on the P11D return.
- As already mentioned the list of benefits on HMRC website is extensive and all benefits must be included eg. the provision of a car, a loan or holidays.

This return has to be submitted by the church treasurer by the 6th July at the latest. Remember late filing may incur a financial penalty.

Pension requirements

Auto enrolment of pensions is compulsory from 2016.

Please refer to the Baptist Pensions website for comprehensive information.

www.baptistpensions.org.uk

Last Updated 31st March 2015