# Capital Gold Payroll 2020 upgrade – pre-release information

This release includes the statutory payroll changes for the 2019-20-year end and new 2020-21 tax year. The release also contains several functional improvements.

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| **Product version** | 4.08.00 |
| **Download instructions** | Download instructions will be provided when the new version is released.<br><br>For Pegasus customers, the software will be available from the Infor Download Center.<br><br>For Pegasus partners, the software will be available from Infor Xtreme. |

**Statutory changes**

The statutory changes in this release include changes for Employment Allowance, Company Cars, Termination and Sporting Testimonial payments, Off-Payroll Workers, Statutory Parental Bereavement Pay, P60 – Postgraduate Loans, RTI submissions and Statutory Rates and Thresholds.

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| Employment Allowance | The Employment Allowance is currently claimed by employers to reduce their employers secondary Class 1 NICs bill by up to £3,000. From 6 April 2020, extra checks are needed to ascertain eligibility. Employers can claim the allowance if their secondary Class 1 NICs liability was less than £100,000 in the prior tax year. Employers whose secondary Class 1 NICs liability was £100,000 or more will not be eligible to claim the allowance.<br><br>From the 2020-21 tax year the Employment Allowance is considered to be a type of de minimis state aid because it benefits some businesses over others, which could potentially distort competition and trade within the European Union. This will not apply if the business |

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| | does not engage in economic activity by putting goods or services on the market. Businesses must ensure that the £3,000 allowance when added to other de minimis state aid received or allocated in the claim year plus the previous two tax years does not exceed the de minimis state aid threshold for the trade sector. For further information please refer to https://www.gov.uk/guidance/state-aid.<br><br>For more details about the Employment Allowance, visit www.gov.uk/claim-employment-allowance. |
| Company Cars | From 6 April 2020, additional details need to be recorded for company cars:<br><br>• The date the car was first registered, this is mandatory from April 2020.<br>• The zero-emission miles before exhaust emissions start. This is required from April 2020 only if the car has between 1g/km to 50g/km of CO2 emissions.<br><br>You must register with HMRC online before the start of the tax year that you want to payroll the benefit for company cars. |
| Termination and Sporting Testimonial payments | Before 6 April 2020, termination and sporting testimonial payments were subject to different rules for Income Tax and National Insurance contributions.<br><br>From 6 April 2020, the rules are more closely aligned.<br><br>• Termination payments over a £30,000 threshold, which have not already incurred a Class 1 NICs liability, are subject to Class 1A Employers NICs.<br>• Sporting testimonials over a £100,000 threshold, which have not already incurred a Class 1 NICs liability, are also subject to Class 1A Employers NICs.<br><br>Employers Class 1A NIC is currently 13.8%. For more details about Class 1A NICs on termination payments & sporting testimonials, visit www.gov.uk. |

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| Off-Payroll Workers | From 6 April 2020 the rules for off-payroll working in the private sector (IR35) are changing and the rule changes will affect the following:<br><br>• Workers who provide services through an intermediary<br>• Clients who receive services from a worker through their intermediary<br>• Agencies that provide workers services through an intermediary.<br><br>Before 6 April 2020, public sector clients must decide their off-payroll workers' status and inform them of the decision. The public authority will be required to deduct relevant Income Tax and NI before making payments to workers. Private sector employers should leave that decision to the off-payroll workers' intermediary.<br><br>From 6 April 2020, as well as public sector clients, private medium and large sized employers must also decide their off-payroll workers' status. Both public authorities and medium and large sized employers will be required to deduct relevant Income Tax and NI before making payments to workers.<br><br>Small companies however can still leave that decision to the off-payroll workers' intermediary.<br><br>Small incorporated companies must meet two of the following criteria:<br><br>o fewer than 50 employees<br>o annual turnover of less than £10.2m<br>o balance sheet assets below £5.1m.<br><br>Small unincorporated companies must have an annual turnover of less than £10.2m. |
| Statutory Parental Bereavement | The Statutory Parental Bereavement Pay (SPBP) and Leave allowance and leave entitlement for primary carers who have lost a child is being introduced from 6 |

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| | April 2020. Primary carers include parents, adopters, foster parents and guardians.<br><br>The payment follows the same administration process as other statutory payments such as paternity pay. Payments will be paid out by employers and claimed back through payroll processes.<br><br>Payments will be treated as earnings for Tax and National Insurance Contributions purposes, as per all other Statutory Payments.<br><br>Primary carers are entitled to two weeks leave following the death of a child under 18 or a stillbirth after 24 weeks of pregnancy. The leave is paid at the statutory rate if the employee has 26 weeks continuous service. Employees with less than 26 weeks continuous service can request two weeks unpaid leave. |
| P60 layout | The P60 report designs have been updated to include the Postgraduate Loan as a separate value. |
| RTI submissions | **Employer Payment Summary** – The EPS for submissions relating to tax year 2020/2021 has been updated where relevant.<br><br>On the Online Services \| Send Employer Payment Summary \| EPS Values screen, the following new fields are available:<br>• SPBP Rec<br>• SPBP Comp<br><br>**Full Payment Submission** – The following new fields are included in the Full Payment Submission (FPS) in the 2020-21 tax year:<br>• Off-Payroll Worker settings<br>• Class 1A NICS for Termination/Sporting Testimonial payments<br>• Statutory Parental Bereavement Pay<br>• Zero Emission Mileage Car Benefit |

**Earlier Year Update Submission** – For amendments to data for the 2019-20 tax year onwards, HMRC has removed the restriction of the 19th April, allowing you to submit an FPS to update their records.

- An EYU will still be required if you are amending data for the 2018-19 tax year and before.
- An EYU or FPS can be used if you are amending data for the 2019-20 tax year. However, you must choose only one method for reporting amendments for the whole of the tax year.
- An FPS must be used if you are amending data for the 2020-21 tax year. You will not be able to use an EYU.

| Tax year | Send EYU? | Send FPS? |
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| 2018-19 | Yes | No |
| 2019-20 | Yes | Yes |
| 2020-21+ | No | Yes |

Statutory Rates and Thresholds

The late call for a general election has delayed the release of the budget for financial year 2020/2021. The government have since confirmed that the budget will be delivered on 11th March 2020.

The budget defines the proposed changes to a range of factors affecting payroll, and therefore delaying the confirmation of all the details. **As such this information will be made available in a further release of software in March 2020.**

We appreciate that this is not ideal, but the budget and government process is outside of our control. Please be assured that we are in close contact with HMRC, ensuring we receive the updates as soon as they are available. Several professional bodies are also working

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| | with the government, aiming to minimise the impact this situation has on employers. |

Details of the functional improvements for this release will be made available in the 2020-21 Legislation & Product Changes guide.