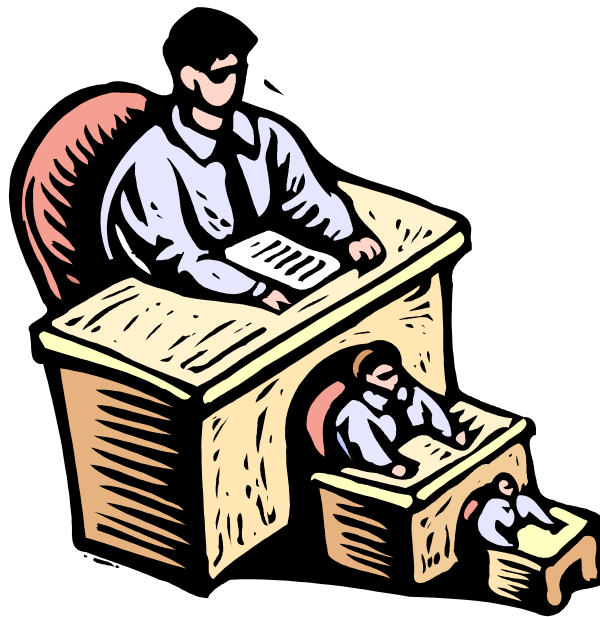

LLEWELYN DAVIES
CHARTERED ACCOUNTANTS

***EMPLOYERS QUICK
GUIDE TO PAYE***



2013-2014

www.llewelyndavies.co.uk

EMPLOYERS QUICK GUIDE TO P.A.Y.E. 2013-2014

New Tax Rates

Emergency Tax code 944L - Tax-free pay is £181.54 per week/£787 per month. Basic Rate Tax remains at 20%.

- Basic Rate 20% from £0 to £32,010
- Higher Rate 40% over £32,011
- Above £ 150,000 50% rate

The Personal tax allowance of £ 9,440 is reduced for income in excess of £ 100,000, tapering down to zero.

Deduction Rate for sub-contractors remains at 20%.

New National Insurance Rates

- Lower Earnings Limit rises to £109.00 per week.
- New Earnings Threshold for employees is £149.00 per week, for employers is £ 148.00 (N.I. to be paid on all earnings over this amount).
- Upper Earnings Limit is £797.00 per week (2% N.I. deducted for any employees earnings over this amount).
- Employees contributions are 12% on all earnings between £149.00 and £797.00 per week (Not contracted-out rate), over £ 797.00 gross per week NIC is 2% on excess.
- Employers contributions are 13.8% on all earnings over £148.00 per week.
- Employers Class 1A NICs on benefits in kind is 13.8% for 2013-2014. These contributions need to be accounted for on forms P11D by 5 July 2014.

Statutory Sick Pay Rate

Statutory Sick Pay rises to £86.70 per week for all employees earning over the Lower Earnings Threshold of £109.00 per week.

Statutory Maternity & Paternity Pay Rates.

See separate leaflet.

Rules on Holiday Pay

The minimum holiday entitlement for full time staff is 28 days a year (pro rata for part time staff) The 28 days can include the eight statutory bank holidays, which fall within the calendar year.

National Minimum Wage

- For 16 – 17 year olds is currently £3.68 per hour. From 01/10/2013 this rate will increase to £ 3.72.
- For 18 – 20 year olds is currently £4.98 per hour. From 01/10/2013 this rate will increase to £ 5.03..
- For 21 year olds and over is currently £6.19 per hour. From 01/10/2013 the rate increases to £ 6.31.

Employment Protection Payments

- The limit on the amount of guarantee payment payable to an employee in respect of any day of lay-off is £23.50 (Maximum of 5 days paid in any 13 week period).
- Qualifying period for claiming unfair dismissal – one year's employment (Effective since 1.6.00).
- The maximum amount of a week's pay for calculating basic or additional awards of compensation for unfair dismissal or redundancy is £450.
- The limit on the amount of a compensatory award for unfair dismissal is £74,200.
- The minimum basic award of compensation for unfair dismissal in relation to health and safety, working time and trustees of personal pension schemes is £5,500.

Time off for Emergencies

The Employment Relations Act 1999 contains a right to take time off for dependents. This entitles employees to take a *reasonable* amount of time off to:

- Provide help when a dependent falls ill, gives birth, is injured or assaulted.
- Make arrangements to take care of a dependent that is ill or injured.
- Deal with the death of a dependent e.g. register the death, arrange the funeral.
- Deal with unexpected disruption in the arrangements of a dependent's care e.g. childminder or nurse fails to turn up.
- Deal with unexpected incidents concerning the employee's child during school hours.

This time-off can be treated as unpaid leave unless the employer decides otherwise.

Disability Discrimination Act (DDA) (Affects employers with 15 or more employees).

If you employ 15 or more staff you will be covered by the provisions of the above act which requires employers to "make reasonable adjustments" to the working environment of disabled people in order for them to get or keep a job. For more information contact the Disability Rights Commission on 08457 622633 or visit the website on (www.disabilitygov.uk).

Stakeholder Pensions

All Employers with five or more employees (excluding self employed) have to provide access to a stakeholder pension scheme for all eligible employees.

We operate PAYE systems for many of our clients. The fees range for weekly and monthly payrolls are as follows: -

£

Weekly (per employee per week) 3 - 11

Monthly (per employee per month) 4 - 15

They vary depending on the quality of the information received and the precise requirements (e.g. we post payslips).

As of 6th April 2013 all employers must report electronically to HMRC via real time information on a weekly / monthly basis.

If you need any further assistance with Payroll matters. Please contact one of our Offices.

We hope the contents are a useful summary. We have taken every care in the preparation of the leaflet, however, we can accept no responsibility for any loss occasioned by any person acting or refraining from action as a result of this material.

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