

Situations where employers will not have to report PAYE information ‘on or before’ the time they pay their employee

Employers who have to operate PAYE for at least one employee will have to report PAYE information in real time. The information must be reported on or before payments are made to employees unless one of the scenarios outlined in this table occur. More information about when an employer needs to register for PAYE is at <http://www.hmrc.gov.uk/payee/intro/register.htm>.

What is the situation?	What is included?	When do the payments have to be reported?
<p>Ad hoc payments made outside of the regular payroll.</p> <p>These include marginal items of pay for National Insurance purposes.</p>	<p>For example:</p> <ul style="list-style-type: none"> • A new starter is notified late to the person running the payroll. • An overtime payment is missed off the payroll run by mistake, despite the employer taking reasonable care to ensure these are reported. • An ad hoc payment on account of earnings. <p>A loan from the employer to the employee is not subject to PAYE and does not need to be reported to HMRC. A loan is an amount of money given by an employer to an employee with the expectation that this amount is repaid to the employer.</p> <p>Guidance on the difference between a loan and a payment on account of earnings can be found here: http://www.hmrc.gov.uk/manuals/eimanual/EIM42280.htm</p> <p>Note: Payments on account of earnings are not considered to be ad hoc where it is established practice for some earnings to be paid outside the normal payroll cycle – e.g. where overtime is always paid more frequently</p>	<p>The next time the regular payroll is run.</p> <p>A loan from the employer to the employee does not need to be reported.</p> <p>Note about National Insurance Where the payment is not a marginal item of pay for National Insurance purposes (see page 6 of this guide: http://www.hmrc.gov.uk/guidance/cwg2.pdf), National Insurance should be calculated for the period that the payment was made in.</p>

	than the basic salary or wage payments. Such payments must be reported on or before the time they are made.	
Payments to employees for whom employers do not have to maintain a Deductions Working Sheet (P11) – this is sometimes called a payroll record.	<p>Payments to:</p> <ul style="list-style-type: none"> • Casual employees who work for less than a week and do not provide a P45. • Permanent employees who do not present a P45 to the employer and who are paid below the Lower Earnings Limit (£107 per week in 2012/13). 	<p>The earliest of:</p> <ul style="list-style-type: none"> • the next 'regular' return the employer is required to send; or • seven days following the day on which the payment is made.
Payments which vary according to the work done on the day, where it is impractical to report on or before.	<p>Payments which meet all of the following conditions:</p> <ul style="list-style-type: none"> • made to employees for work done on the day of payment; and • made non-electronically (e.g. cash or cheque); and • made at a time or place where it would be impractical for it to be reported 'on or before' the time of payment; and • where the employer cannot know how much the payment will be in time to report the information in advance of the payment being made. <p>This includes, for example, where someone is employed to pick crops in a field and they are paid in cash based on the amount that they have picked. It also includes catering staff paid by the hour at the end of their shift.</p>	<p>The earliest of:</p> <ul style="list-style-type: none"> • the next 'regular' return the employer is required to send; or • seven days following the day on which the payment is made.
Benefits and expenses that are	For example, where an employee claims expenses	The earliest of:

<p>not subject to tax under PAYE, but are subject to Class 1 National Insurance Contributions.</p>	<p>from their employer for the employee's private phone bill.</p> <p>The table on page 62 of this guidance sets out the types of payment that are included in this category. http://www.hmrc.gov.uk/guidance/cwg2.pdf</p>	<ul style="list-style-type: none"> the time that the employer calculates the NICs that are due on the payment, or otherwise runs their payroll; or 14 days after the end of the tax month in which the payment was made – e.g. for a payment made between 6 July and 5 August, this would be 19 August. <p>Where appropriate, this is subject to the national Insurance easement <i>Late notification of marginal items of pay</i> on page 6 of this guidance http://www.hmrc.gov.uk/guidance/cwg2.pdf, which will continue to apply.</p>
<p>Notional payments</p>	<p>Certain types of payment where there is no transfer of money from the employer to the employee. These include certain payments by an intermediary of an employer, certain payments by non UK employers, or payment made using special types of income.</p> <p>For example, when an employer awards shares to an employee for less than their market value, this may be a notional payment.</p> <p>Our guidance about what a notional payment is can be found here http://www.hmrc.gov.uk/payerti/payroll/special-pay/non-cash.htm#1.</p>	<p>The earliest of:</p> <ul style="list-style-type: none"> the time that the employer operates PAYE on the payment; or 14 days after the end of the of the tax month in which the payment was made – e.g. for a payment made between 6 July and 5 August, this would be 19 August.
<p>Earnings and notional payments delivered by overseas employers and third parties to employees for</p>	<p>Payments where an employer is operating reasonable and currently accepted payroll/administrative practices and it is not possible to operate PAYE and/or calculate</p>	<p>HMRC will apply a common sense approach in-year where employers in these situations have a reasonable excuse for not reporting the</p>

<p>duties performed on assignment in the UK or overseas.</p> <p>Employment income paid in respect of employment-related securities (for example, on the exercise of share options).</p>	<p>NICs to be deducted by the PAYE deadline.</p>	<p>information by the end of the pay period or 19th of the following month.</p> <p>We would expect that the late reporting would normally be no later than the next regular payroll date.</p>
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