

APRIL 2020

PAYROLL BULLETIN

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Calculation of Holiday Pay

From 1st April 2020, the reference period to be used for calculating holiday pay is increased from 12 weeks to 52 weeks. This means that you will be required to average the daily/hourly rate for holiday pay for any employee who receives regular commission, bonus or additional pay (including overtime) over the preceding 52 weeks. For term time casual employees, the following calculation should be used:

5.6 weeks / number of weeks worked

Our default calculation will remain as 12.07% and if the above formula applies, please inform your normal Baxter payroll administrator.

Tax & NI Rates

The new tax, NI, SMP, SSP etc. rates are found at the end of this bulletin for your information.

Employment Allowance

The employment allowance will increase from a maximum of £3000 per year to a maximum of £4000. A change in the eligibility criteria means that employers with an annual employer national insurance bill of £100k or higher can no longer claim the employment allowance. Your Baxter Payroll Administrator will ensure that a claim is made if applicable.

Parental Bereavement Leave

From 6th April 2020, working parents who suffer the loss of a child under 18 are entitled to 2 weeks statutory bereavement leave and pay which is equal to the current SMP rate (£151.20 from 6th April 2020). This can be taken within a 56 week window.

E-Payslips / E-Payroll Reports

If you currently receive hard copy payslips/payroll reports and would like to switch to our electronic versions, please contact your normal Baxter payroll administrator. We are actively encouraging our clients to switch to this method as it is both environmentally friendly and secure.

ADACS / AWACS Reports

As a BACS service user, you may, from time to time receive emails from BACS informing you to log onto their website and download ADACS/AWACS reports. These messages are important as they are used to inform you of any changes to employees' bank details or instances where payment has been rejected. Please therefore ensure that these reports are accessed as soon as possible and copies sent to us for our attention. (If in any doubt that the email is genuinely from BACS, please contact your IT Department before opening these emails.)

Payroll Journal

A new payroll journal report is now available which will use the cost centres / departments already configured within our system. This report can be provided in .pdf or Excel format. A one-off set up fee of £150 will apply.

Please contact your normal payroll administrator should you wish to receive this report or alternatively would like to see a template before making a decision.

20 / 21
**STATUTORY
RATES**

The Government has announced a number of changes to Tax & National Insurance rates and bands for the forthcoming tax year. As these will impact both employee net pay and employer costs, please see below a summary of changes that will come into effect from the 2020/21 tax year:

Tax Bands

	FROM £	TO £
20 % Tax Band	0.01	37,500
40 % Tax Band	37,501	150,000
45 % Tax Band	150,001	And above

The Emergency code is 1250L (1250L for 2019/20)

All Week 1/Month 1 markings will be removed, unless advised by HMRC

National Insurance

	Weekly	Monthly	Annual
LEL	120.00	520.00	6,240.00
PT	183.00	792.00	9,500.00
ST	169.00	732.00	8,788.00
UEL/UST/AUST	962.00	4,167.00	50,000.00

Employment Allowance

The employment allowance increases by £1,000, from £3,000 to £4,000. Also, from 6 April 2020 you will only be able to claim the allowance if your Class 1 National Insurance bill was below £100,000 in the previous tax year.

Employee National Insurance

Table A

Earnings between the PT and UEL	12%
Earnings above the UEL	2%

Employer National Insurance

Table A

Earnings between the ST	13.8%
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Statutory Sick Pay (SSP)

From 6 April 2020 Weekly rate	£95.85
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Statutory Maternity/Adoption/Paternity Pay

90% of average weekly pay	6 weeks
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Next 33 weeks the lower of the following:

£151.20 - from 6th April 2020

Or 90% of the employee's average weekly earnings, whichever is lower

Statutory Shared Parental Pay (ShPP)

Can share up to 50 weeks of leave and up to 37 weeks of pay.

£151.20 - from 6th April 2020

Or 90% of the employee's average weekly earnings, whichever is lower

Student Loan

There will now be three student loan plan types:

Threshold 1 (Plan 1)	£19,390 pa
Earnings above threshold	9%
Threshold 2 (Plan 2)	£26,575 pa
Earnings above threshold	9%
Postgraduate Loan	£21,000 pa
Earnings above threshold	6%

National Minimum Wage

25+	£8.72 p/hr
21-24	£8.20 p/hr
18-20	£6.45 p/hr
Under 18 (above compulsory school leaving age)	£4.55 p/hr
Apprentice under 19	£4.15 p/hr
Apprentice aged 19 and over, but in 1st year of apprenticeship	£4.15 p/hr

Mileage Allowance

Car	For tax purposes, 45p for the first 10,000 business miles in a tax year, then 25p for each subsequent mile. For NI purposes, 45p for all business miles.
Motorcycle	24p for both tax and NI purposes and for all business miles.
Cycle	20p for both tax and NI purposes and for all business miles.



Service Feedback

We are committed to ongoing customer care/quality and continually seek to improve the payroll service that we offer our clients. To assist us to best serve your school, could you please complete the feedback questionnaire that can be found by clicking the link below.

We will then review and action every comment wherever it is possible.

**COMPLETE THE
QUESTIONNAIRE NOW!**



Useful Contacts

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HMRC employee helpline: 0300 200 3300

HMRC employer helpline: 0300 200 3200

Teachers' Pension employee helpline: 0345 606 6166

Teachers' Pension employer helpline: 0345 300 3756

<https://www.teacherspensions.co.uk/>

www.thepensionsregulator.gov.uk

<http://www.acas.org.uk/>