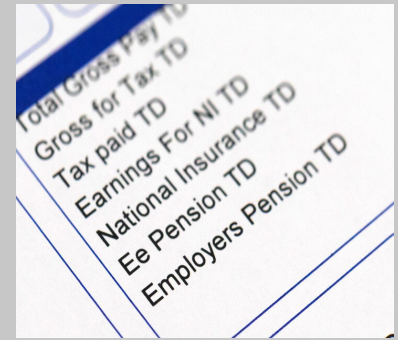




| CHARTERED CERTIFIED ACCOUNTANTS |

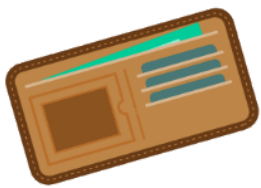


Payroll Tax & Pension

There are certain legal requirements you must comply with when you become an employer, especially around payroll tax and workplace pensions.

PAYE Schemes

You must operate PAYE as part of your payroll, which is HMRC's system to collect Income Tax and National Insurance from employment. If you plan to run the payroll yourself, you'll need to report your employees' payments and deductions to HMRC on or before each payday.



Payments

- Salary/wages.
- Bonuses.
- Statutory sick pay.
- Maternity/paternity pay.



Deductions

- Tax.
- National Insurance.
- Student loan repayments.
- Workplace Pension Contributions.

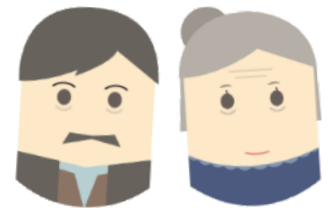
You don't need to register for PAYE if none of your employees are paid £113 or more a week.

Workplace Pensions

As an employer, you must auto-enrol employees who are eligible for a workplace pension scheme. A workplace pension is a way of saving for your employees retirement. A percentage of their pay is put into the pension scheme automatically every payday.

You must auto-enrol employees if they are:

- Aged between 22 and state pension age.
- The worker is classed as an employee.
- Earn more than £10,000 per year.
- Typically working in the UK.



You do not have to contribute to a workplace pension if your employee earns:



- Less than £490 per month.
- Less than £113 per week.
- Less than £452 per 4 weeks

The above may seem complex, but by getting the right advice from the start you will be set up correctly from the start and not incur any unwanted fines or additional costs. By drawing up efficient contracts for employment, this give will clarity to both you and the employee.

It is also worth noting that the legal entity of the business will have an effect on payroll and workplace pensions.

The Pensions Regulator states that all employers, excluding one man band businesses, must provide a pension scheme to their employees, called Auto Enrolment.



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