



# Earnie

Year-End Guide

April 2020






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## Year-end Guide

Welcome to your guide to completing payroll Year-end procedures for 2019/2020.

The guide contains:

-  **Year-end preparation** - what you need to do before starting Year-end procedures
-  **Year-end help** - step-by-step instructions for completing and submitting your final Full Payment Submission/Employer Payment Summary for the Tax Year and moving your companies into the new Tax Year
-  **Company checklist** - you can print a checklist for EACH of your companies and use it along with the Year-end guide, ticking each step as you complete it

HMRC's Gateway is ready now for your submissions - you do not need to wait until the 6th April to file your Final FPS/EPS.

Remember to install the year-end update of Earnie™ first.

See page 4 of this guide for download instructions.

## Year-end Preparation

Before you start Year-end procedures, there are some important checks to make.

### Year-end Forms

If you are using pre-printed P60 forms from HMRC, remember to order well in advance - order P60 Single Sheet forms for 2019/2020. Forms must be PORTRAIT LASER style:

-  Go to **Reports > Library Selection > Miscellaneous**. Select P60 HMRC Laser Single Sheet to install this report

Alternatively, you will be able to print the P60s on plain A4 paper using the Plain Paper Laser P60 during the Year-end process:

-  Go to **Reports > Library Selection > Miscellaneous**. Select Plain Paper Laser P60 to install this report

You will need to print P60 forms for your current employees only; you do not need to print them for employees who have left.

Remember that if you are using the **OpenPayslips** element of the **AE** suite, you can publish P60s to the cloud and eliminate the need for stationery altogether.

Contact us for more details on 01594 545022.

## Have you made a backup of your data?

Make sure you know your back up procedure. Make sure that you have made a secure backup of your data. This should be stored safely away from the computer.

To back up your data. Go to **File > Backup & Restore > Backup Company Data** or follow your standard backup routine.

## Download and Install the Year-end update - Version 1.34\*

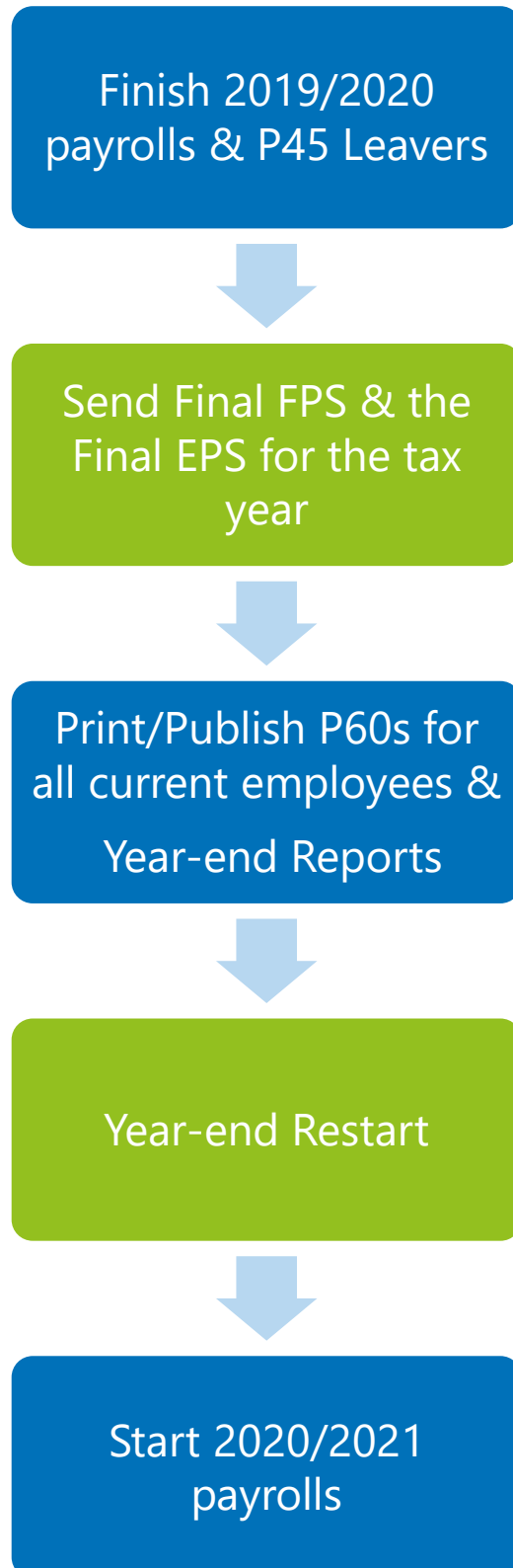
Have you downloaded and installed the Year-end update from the Farmplan website?

To make sure, check the version number in the title bar along the top of the screen. It should read 1.34\*. If you need to install the latest program, go to the Support area of the Farmplan website and select Earnie Payroll – <https://farmplan.co.uk/support/earnie-payroll/>; please ensure you have closed Earnie before you start and restart your PC after the update has completed.

## Have you read this guide through carefully?

Familiarise yourself with the Year-end process before you start. We recommend that you also read the separate booklet detailing the enhancements included in this release. See **Help > Update Notes** within the program.

## Year-end Overview



## Year-end Check List

Use this checklist if you plan to send your final submissions before you start running payrolls in the 2020/2021 tax year.

<b>Company name</b>	
<b>Company number</b>	
<b>Completed by</b>	
<b>Date</b>	

Before you start make sure you have downloaded and installed version 1.34\* of Earnie™

- Step 1 Complete payrolls up to the end of 2019/2020
- Step 2 Issue outstanding P45s for 2019/2020
- Step 3 Check year-to-date NI for Directors if you started using Earnie™ part way through the tax year
- Step 4 Back up your 2019/2020 data. Use the space below to keep a record of where you saved it and when you did this:  
**Back-up details**  
Location/filename \_\_\_\_\_  
Date/Time \_\_\_\_\_
- Step 5 Submit your **FPS**. If an **EPS** is NOT required for March, tick **Final Submission for Year**
- Step 6 Submit your **Final Employer Payment Summary for Year**, if required, to HMRC (Tick **Final Employer Payment Summary for Tax Year**)
- Step 7 Print or publish **P60s** and give to your employees by 31st May 2020
- Step 8 From the **Year-end** menu run the **Year-end Restart**
- Step 9 If your company newly qualifies as a small employer, tick the **Small Employer Relief** box
- Step 10 Reselect any reports you use regularly (unless they are bespoke)
- Step 11 Make sure you know about changes to the software and payroll legislation – click on **Help** and select **Update Notes**

## Step 1 – Complete Payrolls




Complete payrolls up to the end of the 2019/2020 tax year. Remember to do Month End Processing for period 12.

## Step 2 – Issue P45s

Issue P45s for employees you do not intend to pay in the 2020/2021 tax year.

## Step 3 – Directors' National Insurance

### Do I need to run a week 53/54/56?

-  Weekly payroll with a pay date of 5<sup>th</sup> April should be week 53
-  2-weekly payroll with a pay date of 5<sup>th</sup> April should be week 54
-  4-weekly payroll with a pay date of 5<sup>th</sup> April should be week 56

For week 53, 54 and 56 payrolls Earnie will automatically apply the week 1 tax basis as outlined by HMRC. You do **NOT** have to make any changes

If you started using Earnie part way through the 2018/2019 tax year AND imported your data from another payroll system, check year-to-date NI calculations for Directors. Follow HMRC leaflet [CA44 National Insurance for company directors](#) or use the Directors' National Insurance contributions calculator listed on their [website](#).

## Step 4 – Backup Data

Back up 2019/2020 data. Go to **File > Backup & Restore > Backup Company Data** or follow your standard backup routine. Make sure that the backup is stored in a safe place away from your computer so that it can be easily accessed in the future if necessary.

**Be sure not to overwrite this in the future, you will need to retain for your records.**

## Step 5 - Send Final FPS for the tax year (when no EPS needs to be sent for March)

If no EPS needs to be sent for March - send final FPS for the tax year

If you need to send an EPS for March to indicate adjustments made due to Statutory Payments reclaimed/recovered or that no employees have been paid, go to [Step 6](#)

1. Go to **Online Services > Send Full Payment Submission**, tick **Final Submission for Year** and click **Next**
2. Check the figures on the **Full Payment Submission > Final Confirmation** screen. Click **Print Summary** and/or **Print Details** to print a copy for your records
3. Click **Send** to submit the **Full Payment Submission**. Now go to [Step 7](#)

## Step 6 - Send FPS followed by a final EPS for the tax year

Send FPS followed by a final EPS for the tax year

Complete this step if you need to send a **Final Employer Payment Summary for year** to indicate adjustments due to Statutory Payments reclaimed/recovered in the final pay period or if no employees have been paid in this month or if **Apprenticeship Levy** is or has ever been due during the tax year:

1. Following your usual procedures, send an FPS for your final pay period without ticking **Final Submission for year**
2. Go to **Online Services > Send Employer Payment Summary**, tick **Final Employer Payment Summary for Tax Year** then click **Next**
3. Check the figures on the **Employer Payment Summary Values** screen and amend them if necessary
4. For example, you may pay some employees via Earnie™ and some via another payroll system, and the company has the same PAYE tax reference in each. In this case the EPS values must be combined before submitting
5. Click **Next**
6. Check the values on the **Employer Payment Summary – Year to Date Values** section. Click **Print** if you require an EPS Confirmation report

Click **Send** to submit to HMRC



## Step 7 - Print or Publish P60 Year-end Forms



### Print or Publish P60 year-end forms

If you are using pre-printed P60 forms, make sure your printer is loaded with forms designed for the current tax year, then go to **Year-end > Print Year-end Forms**.


If you have difficulty aligning your forms, try using the HP LaserJet 2100 printer driver with your printer. You can install it via Windows. You could also adjust the report margins using the **Margins** button on the **Print Report** screen. Remember to set these back to their original values when you have finished printing the P60s.

### Year-end Reports



Go to **Reports – Library Selection – Summaries** – Select the following reports to install:

-  **Year to Date Summaries**
-  **Employers Annual Summary**

If you need to start running 2020/2021 payrolls before printing P60s:

-  If you need to start running payrolls in the new tax year, before printing P60s, perform the **Year-end Restart** and then run payrolls in the new tax year as normal

When you are ready to print your P60s if doing this after Year-end:

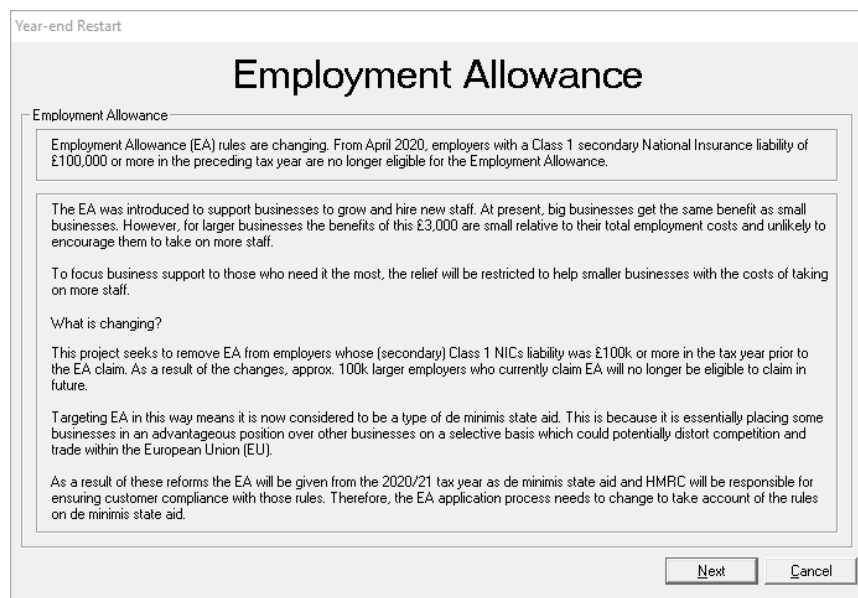
1. From the **Year-end** menu, select **Use Last Year's Company Data**. This restores the data to what it was before the **Year-end Restart**
  2. A confirmation message is displayed. When the previous year's data is in use, the tax year is displayed in the title bar after the company name
  3. Print P60s as described in the **Final Submission of the tax year** section of this guide
-  Once finished, return to your current data by selecting **Use Last Year's Company Data** from the **Year-end** menu. **Do not** perform a second **Year-end Restart** when you are using last year's data
  -  The Last Year copy is **NOT** a substitute for your end of year backup. When Earnie™ makes the automatic copy during the **Year-end Restart**. The data already stored in the **Last Year** folder for the current company is overwritten. This happens every time a **Year-end Restart** is done for that company; consequently, only the previous tax year's copy is ever available

To print your Year-end reports, go to **Year-end – Year-to-date Summary** where you will find both reports ready to print. you can go back and do these after the Year-end restart if you wish.

## Step 8 - Year-end Restart

### Year-end Restart

1. Go to **Year-end > Year-end Restart**. The **Year-end Restart** clears all to-date information for the 2019/2020 tax year
2. Select **Yes** to start
3. On the **Company > Alter Company Options > Company** tab, if you have **Employment Allowance** ticked, the following screen will be displayed:



The screenshot shows a window titled "Year-end Restart" with a sub-header "Employment Allowance". The main content area contains the following text:

Employment Allowance (EA) rules are changing. From April 2020, employers with a Class 1 secondary National Insurance liability of £100,000 or more in the preceding tax year are no longer eligible for the Employment Allowance.

The EA was introduced to support businesses to grow and hire new staff. At present, big businesses get the same benefit as small businesses. However, for larger businesses the benefits of this £3,000 are small relative to their total employment costs and unlikely to encourage them to take on more staff.

To focus business support to those who need it the most, the relief will be restricted to help smaller businesses with the costs of taking on more staff.

What is changing?

This project seeks to remove EA from employers whose (secondary) Class 1 NICs liability was £100k or more in the tax year prior to the EA claim. As a result of the changes, approx. 100k larger employers who currently claim EA will no longer be eligible to claim in future.

Targeting EA in this way means it is now considered to be a type of de minimis state aid. This is because it is essentially placing some businesses in an advantageous position over other businesses on a selective basis which could potentially distort competition and trade within the European Union (EU).

As a result of these reforms the EA will be given from the 2020/21 tax year as de minimis state aid and HMRC will be responsible for ensuring customer compliance with those rules. Therefore, the EA application process needs to change to take account of the rules on de minimis state aid.

At the bottom right of the window are two buttons: "Next" and "Cancel".

**This screen will only appear if you are currently claiming Employment Allowance**









4. Click **Next**
5. From the **Employment Allowance** screen select from the options:

#### **Claim Employment Allowance**

Continue to claim Employment Allowance. My Employer's NI bill for 2019/2020 was below £100,000

#### **Do not claim Employment Allowance**

Stop claiming Employment Allowance

6. If you select to continue to claim Employment Allowance the **State Aid** screen will be displayed. Select the relevant De minimis state aid option from:
  -  De minimis state aid does not apply
  -  Agriculture
  -  Fisheries and Aquaculture
  -  Road Transport
  -  Industrial
7. Click **OK**
8. **Pay Rate** and **Payment/Deduction** annual totals are now cleared:
  -  Ticked items are set to zero
  -  Un-tick those you do not wish to clear
  -  Any items with a reducing balance should NOT be cleared
9. Do you wish to clear any History, Diary or Costing records for previous tax years? Alter the tax year to clear the figures or leave them set to **None**, then click **OK**
10. Click **OK** on the next screen to confirm the new tax year is 2020/2021. Employee tax codes will be updated automatically, if required
11. If the company qualified for Small Employer Relief in 2019/2020, you are asked if you need to un-tick the **Small Employer Relief** box for the new tax year. If you respond **Yes**, Earnie™ automatically removes the tick for you
12. Click **OK** to complete the process

## Step 9 - Small Employer Relief

If your company NEWLY qualifies as a small employer for the 2019/2020 tax year, go to **Company - Alter Company Options**, tick the **Small Employer Relief** box and click **OK**.

The definition of a small employer for tax year 2020/2021 is one who paid, or was liable to pay, total gross employees' plus employer's Class 1 National Insurance contributions of £45,000 or less during the 2019/2020 tax year. Companies who qualify for small employer relief can claim extra compensation for statutory payments

## Step 10 - Reselect Reports

Go to **Reports > Library Selection** and reselect any reports you use regularly (unless they are bespoke) to make sure you have the latest versions.

## Step 11 - Help and Update Notes

Read **Help > Update Notes** to learn about changes to the software.

Make sure you know about changes to the software and payroll legislation – click on **Help** and select **Update Notes**

## Useful numbers

HMRC online service helpdesk	HMRC employer helpline
Tel: 0300 200 3600	Tel: 0300 200 3200
Fax: 0844 366 7828	Tel: 0300 200 3211 (new business)
Email: <a href="mailto:helpdesk@ir-efile.gov.uk">helpdesk@ir-efile.gov.uk</a>	

## Further Information

You will find further information on our FAQs section of the Farmplan website:

<https://farmplan.co.uk/support/earnie-payroll/>

[How do I run my Year End in Earnie? \(video and checklist\)](#)





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