



**Opera II (6.80)**

**Payroll Release and Upgrade Guide**

**2009-10 Year End &  
2010-11 Tax Year**



Opera II (6.80) Payroll Release and Upgrade Guide:  
2009-10 Year End & 2010-11 Tax Year

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## Introduction

This Release and Upgrade Guide is designed to help you through the payroll upgrade for the 2009-10 year end and the new 2010-11 tax year. It contains all the background information about the legislative changes and other HMRC requirements. Some other changes to the software are also detailed. The guide provides step-by-step points for planning and implementing the upgrade, and includes useful sources of further information. Make sure you follow the upgrade instructions carefully.

### Who Should Read this Guide?

This guide is for Pegasus partners and Opera II customers. The guide assumes you have relevant knowledge of Pegasus Opera II and Online Filing Manager and understand existing HMRC requirements of employers and employees.

### When to Carry Out the Software Upgrade

The software can be installed in any pay period before the end of the 2009-10 tax year. However, it must be installed before processing the 2009-10 year end. This will ensure that the software is in place ready for running year end procedures, submitting a P14 End of Year Summary for each employee and P35 Employer Annual Return to HMRC, and then to start processing in the 2010-11 tax year.

You should aim to carry out the upgrade after the full payroll cycle in the pay period.

### Installation and Upgrade Instructions

Steps to upgrade the software installations are included in this guide.

Full instructions for installing and upgrading Opera II and Online Filing Manager are included in each product's Installation Guide. You may need to refer to those documents when installing the products if you are unfamiliar with the installations. They are included on the Opera II CD.

### System Requirements Guide

This guide details the computer hardware and software specifications to install and use Opera II Enterprise and Opera II Enterprise SQL, including Pegasus Document Management and Pegasus Executive Dashboards. Separate sections detail the suggested minimum hardware requirements and recommended hardware requirements for file server and workstation computers. Guidance includes using Opera II Enterprise and Enterprise SQL in a Terminal Services environment.

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**Note:** The system requirements to run Online Filing Manager are the same as the workstation requirements for Opera II.

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### Online Help

The Online Help in each product has also been updated to help you understand the software changes.

## **Adobe Reader (9.2)**

The latest version of Adobe Reader is included on the CD. If this version is not installed on the computer, you can run the reader's setup program provided to install a copy. Instructions on how to use Adobe Reader are provided with the reader itself.

## Quick overview of legislative and other changes

This section provides a high-level overview of the legislative changes that affect software for the tax year end and the new tax year. More in-depth information about these legislative changes is included in the next section of this guide. Full details of the software changes are in the product-specific sections later in the guide.

These changes affect this year's upgrade:

- The format of the P14 End of Year Summary and P60 End of Year Certificate for the 2009-10 year end has changed. This affects both paper returns and online returns. See **page 7** for details.
- Almost all employers must file their Employer Annual Return (P35) and End of Year Summary (P14) for each employee online for the 2009-10 year end. HMRC may charge a penalty if they file on paper. See **page 8** for details.
- From 6 April 2010, tax codes 'NT' and 'D0' (D-Zero) can also be operated on a cumulative basis as well as a 'week1' or 'month1' basis. This applies only if HMRC tells the employer to do so. See **page 9** for details.
- From 6 April 2010, Scottish Court Orders calculations will change – affecting Earnings Arrestment Orders and Current Maintenance Arrestments. See **page 9** for details.
- Starting on 6 April 2010 and continuing to the 2020-21 tax year, the state pension age for women will gradually increase until it is the same as the current state pension age for men – 65 years. After that, both men and women's state pension age will gradually increase until it is 68 years. See **page 11** for details.
- From 6 April 2010, the NI Lower Earnings Limit will change. See **page 13** for details.
- From 6 April 2010, a new 50% tax rate for earnings above £150,000 per annum is introduced. See **page 14** for details.

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**Note:** Full details of legislative changes are available from local tax offices and from official publications from HM Revenue and Customs (HMRC) and the National Insurance Contributions Office (NICO). See the Where to Find More Information section on page 38 for codes for employers' guides and links to the HMRC web site.

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## More detail of legislative and other changes

This section provides detail of the legislative changes that affect software for the tax year end and the new tax year.

### Changes to the End of Year Summary (P14) and End of Year Certificate (P60)

The format of the P14 End of Year Summary and P60 End of Year Certificate for the 2009-10 year end has changed. It includes the Upper Accrual Point (UAP) threshold that was introduced for the 2009-10 tax year. The necessary values will have been calculated and stored since the start of the 2009-10 tax year.

The following table shows the thresholds that are used for National Insurance calculations that must be included on the returns for the 2009-10 year end. This affects both paper returns and online returns.

Earnings Threshold	2009-10 tax year
1a	Earnings at the Lower Earnings Limit (LEL)
1b	Earnings above the LEL up to and including the Earnings Threshold (ET)
1c	Earnings above the ET up to and including the Upper Accrual Point (UAP)
1d	Earnings above the UAP up to and including the Upper Earnings Limit (UEL)

P14 End of Year Summary <b>2008-09</b> 691							
National Insurance contributions in this employment						( Note: LEL = Lower Earnings Limit, ET = Earnings Threshold UEL = Upper Earnings Limit )	
NIC table letter	Earnings at the LEL (where earnings are equal to or exceed the LEL) (whole £s only) From col.1a on P11	Earnings above the LEL, up to and including the ET (whole £s only) From col.1b on P11	Earnings above the ET, up to and including the UEL (whole £s only) From col.1c on P11	Total of employee's and employer's contributions From col.1d on P11	If amount in col.1d is a minus amount, enter 'R' here	Employee's contributions due on all earnings above the ET From col.1e on P11	Scheme Contracted-out Number  (For Contracted-out Money Purchase schemes OR Contracted-out Money Purchase Stakeholder Pension schemes only)
	1a £	1b £	1c £	1d £ p		1e £ p	S
							S
							S
							S
							S

Paper P14 return for last year's year end without the Upper Accrual Point

P14 End of Year Summary <b>2009-10</b> 692								
National Insurance contributions in this employment						( Note: LEL = Lower Earnings Limit, ET = Earnings Threshold, UAP = Upper Accrual Point, UEL = Upper Earnings Limit )		
NIC table letter	Earnings at the LEL (where earnings are equal to or exceed the LEL) (whole £s) From col.1a on P11	Earnings above the LEL, up to and including the ET (whole £s) From col.1b on P11	Earnings above the ET, up to and including the UAP (whole £s) From col.1c on P11	Earnings above the UAP, up to and including the UEL (whole £s) From col.1d on P11	Total of employee's and employer's contributions From col.1e on P11	If amount in col.1e is a minus amount, enter 'R' here	Employee's contributions due on all earnings above the ET From col.1f on P11	Scheme Contracted-out Number  (For Contracted-out Money Purchase schemes OR Contracted-out Money Purchase Stakeholder Pension schemes only)
	1a £	1b £	1c £	1d £	1e £ p		1f £ p	S
								S
								S
								S
								S

Paper P14 return for this year end that includes the Upper Accrual Point threshold

**Note:** The format of the P35 Employer Annual Return that contains the employer's overall values for the tax year has not changed.

## Online filing of Year-End Returns now mandatory for most employers

Almost all employers must file their P35 Employer Annual Return and P14 End of Year Summaries online for the 2009-10 year end. HMRC may charge a penalty if an employer files on paper.

However, some employers can still file their Employer Annual Return on paper:

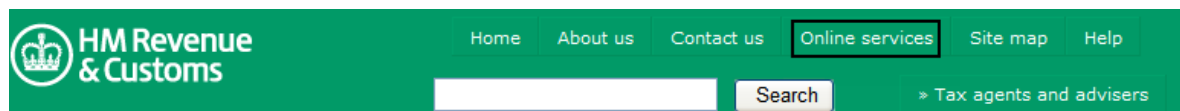
- Employers with fewer than 50 employees who cease paying PAYE during the 2009-10 tax year and their complete return is received by 5 April 2010.
- Employers entitled to operate PAYE using the Simplified Deductions Scheme for personal and domestic employees, only if they have not previously received a tax-free payment for online filing.
- Practising members of religious societies or orders whose beliefs are incompatible with the use of electronic methods of communication.
- Employers who employ someone to provide domestic or personal care or support services at, or from, the employer's home subject to a number of conditions.

Some employers cannot file their P35 Employer Annual Return online so must file it on paper:

- Limited companies filing a return solely to submit an entry in box 28 of form P35 ('CIS deductions suffered').

## Registering for Online Services

Employers can register for online services on the HMRC web site by clicking the **Online Services** button and then selecting the **Login or Register for HMRC Online Services** option.



## About online services

A range of online services are available covering a range of taxes and benefits provided by both HMRC and a number of commercial suppliers. Irrespective of which supplier you decide to use our online services offer a quick, convenient, safe and secure way to deal with a whole range of tax, excise and benefit related issues. They allow you to:

- access real time accounts and amend information such as contact details
- check eligibility and submit claims for benefits
- submit tax, excise and other returns and declarations and pay electronically

On this page:

- [Online Services - options available](#)
- [Login or Register for HMRC Online Services](#)

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**Tip:** For those employers that must file online for the first time, HMRC offers a demonstration service that explains how to register for online services. For information, see this page on the HMRC site - [www.hmrc.gov.uk/demo](http://www.hmrc.gov.uk/demo).

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## Cumulative NT and D0 tax codes

Sometimes tax codes operate on a 'week1' or 'month1' basis which ignores all previous pay and tax in the tax year. Most tax codes however operate on a 'cumulative' basis and have the effect of deducting tax evenly over the tax year.

From 6 April 2010, tax codes 'NT' and 'D0' (D-Zero) can also be operated on a cumulative basis as well as a 'week1' or 'month1' basis.

- The NT code is used for employees who must not have tax deducted from their pay.
- The D0 code is used for employees who have more than one taxable income. It means that they pay tax at 40 per cent on second or additional earnings or pension income because their personal allowances, including the basic rate allowance, is used for the main job or pension. For example, an employee may earn £20,000 in their second job and pay £8,000 Income Tax (40 per cent of £20,000).

## Changes affecting Scottish Court Orders

From 6 April 2010, calculations for Current Maintenance Arrestments (CMA) and Earnings Arrestment Orders (EAO) will change. These regulations fall under Scottish Statutory Instruments 2009 No. 395 - The Diligence against Earnings (Variation) (No. 2) (Scotland) Regulations 2009 Act.

*According to the Act, these Regulations do not apply to existing diligences until the Regulations are intimated to employers, unless employers choose to apply them. If they do not choose to do so the figures substituted by the Diligence against Earnings (Variation) (Scotland) Regulations 2006 will continue to apply until intimation takes place.*

## Current Maintenance Arrestments

Current Maintenance Arrestments (CMAs) are used to obtain funds for an employee's spouse or ex-spouse(s) and their children. The deductions continue until the dependents are no longer the responsibility of the employee. CMAs specify a daily-protected earnings rate for employees that define the amount of pay that is protected before deductions are made.

From 6 April 2010, the amount of protected earnings will increase from £12.00 per day to £13.64 per day.

## Earnings Arrestment Orders

Earnings Arrestment Orders (EAOs) instruct employers to deduct money directly from an employee's wages for unpaid fines, civil debts and council tax that are pursued by the Scottish Court Service. The deductions continue until the fine is paid in full.

The deduction method changes from 6 April 2010.

- Before 6 April 2010, calculations are based on a table of earnings bands with a set deduction for each band. At present, those at opposite ends of the same band are subject to the same set deduction from earnings. There are instances in the tables where someone will have the same deduction from earnings as someone who is earning, for example, £100 more each month.
- From 6 April 2010, a new simplified table is being introduced that defines percentages to calculate the EAOs deduction amount for earnings between defined values. The Regulations introduce new tables that provide that those subject to arrestment of their earnings will have a percentage of their earnings deducted. The Regulations also increase protection for the lowest earners by raising the threshold under which no deduction may be made.

### New percentage-based tables

<b>For Weekly Earnings</b>	
<b>Arrestable Earnings</b>	<b>Amount to be Deducted</b>
Up to £95.77	Nil
From £95.77 up to £346.15	19% of earnings exceeding £95.77 or £4.00 (whichever is more)
From £346.15 to £576.92	£47.57 plus 23% of earnings exceeding £346.15 (47.57 = 19% of (346.15 – 95.77))
More than £576.92	£100.65 plus 50% of earnings exceeding £576.92 (100.65 = 19% of (346.15 – 95.77) + 23% of (576.92 – 346.15))
<b>For Monthly Earnings</b>	
<b>Arrestable Earnings</b>	<b>Amount to be Deducted</b>
Up to £415	Nil
From £415 up to £1,500	19% of earnings exceeding £415 or £15 whichever is greater
From £1,500 up to £2,500	£206.15 plus 23% of earnings exceeding £1,500
More than £2,500	£436.15 plus 50% of earnings exceeding £2,500

**Note:** For more information about these changes, you can view the Regulations (SSI 2009/395) on the OPSI website ([www.opsi.gov.uk](http://www.opsi.gov.uk)).

## Changes to the State Pension Age

Currently, the state pension age is 65 for men born before 6 April 1959 and 60 for women born on or before 5 April 1950. Between 2010 and 2046, the state pension age for women will increase. From 2024, the state pension age for men will also increase.

### Changes affecting women

- Between 6 April 2010 and 5 April 2020, the state pension age for women born on or after 6 April 1950 will increase gradually from 60 to 65. The age rises gradually for women born between these dates, depending on the month in which they were born. This means the earliest date on which they can start receiving state pension may not fall on their birthday.
- From 6 April 2020, the state pension age will be 65 for both men and women born on or after 6 April 1955.

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**Note:** Page 12 includes a table that details the pension age for women born between 6 April 1950 and 6 April 1955, starting in the 2010 tax year.

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### Changes affecting men and women

Between 6 April 2024 and 5 April 2046 the state pension age will increase for both men and women. This increase will gradually happen over two years every decade and will affect both men and women:

- Between 6 April 2024 and 5 April 2026 the state pension age will increase from 65 to 66
- Between 6 April 2034 and 5 April 2036 the state pension age will increase from 66 to 67
- Between 6 April 2044 and 5 April 2046 the state pension age will increase from 67 to 68.

Date of Birth	State Pension age date	Date of Birth	State Pension age date
06/04/1950 – 05/05/1950	06/05/2010	06/11/1952 – 05/12/1952	06/07/2015
06/05/1950 – 05/06/1950	06/07/2010	06/12/1952 – 05/01/1953	06/09/2015
06/06/1950 – 05/07/1950	06/09/2010	06/01/1953 – 05/02/1953	06/11/2015
06/07/1950 – 05/08/1950	06/11/2010	06/02/1953 – 05/03/1953	06/01/2016
06/08/1950 – 05/09/1950	06/01/2011	06/03/1953 – 05/04/1953	06/03/2016
06/09/1950 – 05/10/1950	06/03/2011	06/04/1953 – 05/05/1953	06/05/2016
06/10/1950 – 05/11/1950	06/05/2011	06/05/1953 – 05/06/1953	06/07/2016
06/11/1950 – 05/12/1950	06/07/2011	06/06/1953 – 05/07/1953	06/09/2016
06/12/1950 – 05/01/1951	06/09/2011	06/07/1953 – 05/08/1953	06/11/2016
06/01/1951 – 05/02/1951	06/11/2011	06/08/1953 – 05/09/1953	06/01/2017
06/02/1951 – 05/03/1951	06/01/2012	06/09/1953 – 05/10/1953	06/03/2017
06/03/1951 – 05/04/1951	06/03/2012	06/10/1953 – 05/11/1953	06/05/2017
06/04/1951 – 05/05/1951	06/05/2012	06/11/1953 – 05/12/1953	06/07/2017
06/05/1951 – 05/06/1951	06/07/2012	06/12/1953 – 05/01/1954	06/09/2017
06/06/1951 – 05/07/1951	06/09/2012	06/01/1954 – 05/02/1954	06/11/2017
06/07/1951 – 05/08/1951	06/11/2012	06/02/1954 – 05/03/1954	06/01/2018
06/08/1951 – 05/09/1951	06/01/2013	06/03/1954 – 05/04/1954	06/03/2018
06/09/1951 – 05/10/1951	06/03/2013	06/04/1954 – 05/05/1954	06/05/2018
06/10/1951 – 05/11/1951	06/05/2013	06/05/1954 – 05/06/1954	06/07/2018
06/11/1951 – 05/12/1951	06/07/2013	06/06/1954 – 05/07/1954	06/09/2018
06/12/1951 – 05/01/1952	06/09/2013	06/07/1954 – 05/08/1954	06/11/2018
06/01/1952 – 05/02/1952	06/11/2013	06/08/1954 – 05/09/1954	06/01/2019
06/02/1952 – 05/03/1952	06/01/2014	06/09/1954 – 05/10/1954	06/03/2019
06/03/1952 – 05/04/1952	06/03/2014	06/10/1954 – 05/11/1954	06/05/2019
06/04/1952 – 05/05/1952	06/05/2014	06/11/1954 – 05/12/1954	06/07/2019
06/05/1952 – 05/06/1952	06/07/2014	06/12/1954 – 05/01/1955	06/09/2019
06/06/1952 – 05/07/1952	06/09/2014	06/01/1955 – 05/02/1955	06/11/2019
06/07/1952 – 05/08/1952	06/11/2014	06/02/1955 – 05/03/1955	06/01/2020
06/08/1952 – 05/09/1952	06/01/2015	06/03/1955 – 05/04/1955	06/03/2020
06/09/1952 – 05/10/1952	06/03/2015	06/04/1955	06/04/2020
06/10/1952 – 05/11/1952	06/05/2015		

## NI Bandwidths, and Employee and Employer NI Rates

These are the NI bandwidths and employee and employer rates for the 2010-11 tax year.

Please note the following:

The LEL NI bandwidth has increased by £2 per week.

The ET, UAP and UEL bandwidths have not changed.

The employer and employee NI rates have not changed.

NI Bandwidths				
	LEL	ET	UAP	UEL
<b>Weekly</b>	97.00	110.00	770.00	844.00
<b>Twice Weekly</b>	194.00	220.00	1540.00	1688.00
<b>Four Weekly</b>	388.00	440.00	3080.00	3375.00
<b>Monthly</b>	421.00	476.00	3337.00	3656.00
<b>Yearly</b>	5044.00	5715.00	40040.00	43875.00

Employee Rates										
	A	B	C	D	E	F	G	J	L	S
<b>Above UEL</b>	1%	1%	0%	1%	1%	1%	1%	1%	1%	1%
<b>UAP - UEL</b>	11%	4.85%	0%	11%	4.85%	11%	4.85%	1%	1%	1%
<b>ET - UAP</b>	11%	4.85%	0%	9.4%	4.85%	9.4%	4.85%	1%	1%	1%
<b>LEL - ET</b>	0%	0%	0%	1.6%	0%	1.6%	0%	0%	1.6%	1.6%

Employer Rates										
	A	B	C	D	E	F	G	J	L	S
<b>Above UEL</b>	12.8%	12.8%	12.8%	12.8%	12.8%	12.8%	12.8%	12.8%	12.8%	12.8%
<b>UAP - UEL</b>	12.8%	12.8%	12.8%	12.8%	12.8%	12.8%	12.8%	12.8%	12.8%	12.8%
<b>ET - UAP</b>	12.8%	12.8%	12.8%	9.1%	9.1%	11.4%	11.4%	12.8%	9.1%	11.4%
<b>LEL - ET</b>	0%	0%	0%	3.7%	3.7%	1.4%	1.4%	0%	3.7%	1.4%

## Income Tax Rates and Allowances

### Tax bandwidths & new 50% tax rate

The Basic and Higher rates have not changed for the 2010-11 tax year but a new 50 per cent tax rate comes into effect for earnings above £150,000 per annum.

These are the Income Tax bandwidths for the 2010-11 tax year:

		£ per year
Starting rate	10%	-
Basic rate	20%	0 - 37,400
Higher rate	40%	37401 – 150,000
Additional rate	50%	150,001 +

### Tax allowances

Income Tax allowances have not changed for the 2010-11 tax year. They remain the following:

Income Tax Personal Allowance	£6,475
Personal Allowance for people aged 65-74	£9,490
Personal Allowance for people aged 75 and over	£9,640
Married Couples Allowance (aged less than 75 and born before 6th April 1935)	£6,965
Blind person's allowance	£1,890

### SMP, SPP and SAP Rates

The amount of SMP paid to an employee for payment weeks starting on or after 4 April 2010 remains unchanged at 90% of the employee's average weekly earnings (the earnings-related rate) for the first six weeks of payment. For the remaining weeks, it will be the lesser of the standard rate of £124.88, or the earnings-related rate, which is 90% of the employee's average weekly earnings.

For both SPP and SAP, the weekly rate paid to an employee for payment weeks starting on or after 4 April 2010 will be the lesser of the new standard rate of £124.88, or the earnings-related rate, unchanged at 90% of the employee's average weekly earnings.

### Statutory Sick Pay

The weekly rate for days of absence due to sickness has not changed. It remains as £79.15 for employees with average weekly earnings of £97.00 or more.

## Matrix of software changes

This section provides a matrix of the software changes in Opera II and Online Filing Manager.

**IMPORTANT:** OPERA FOR WINDOWS HAS NOT BEEN UPDATED FOR THIS PAYROLL UPGRADE. CUSTOMERS USING OPERA FOR WINDOWS MUST UPGRADE TO OPERA II.

Details of the software changes are included in the product-specific sections later in this guide.

	Opera II * (6.80)	Online Filing Manager (2.90)
Changes for the End of Year Returns	✓	✓
Improvements to the paper options for the End of Year Summary (P14 and P60)	✓	-
Printing the P35 Substitute	✓	-
Cumulative NT and D0 tax codes	✓	-
Scottish Attachment Orders Amendments	✓	-
Changes to the State Pension Age	✓	-
Processing the P32	✓	-
Income Tax , NI and Statutory Payment Changes	✓	-
Other Changes	✓	✗

✓ Included in this release

✗ Not included

- Not applicable

\* Opera II Enterprise and Opera II Enterprise SQL

## Software changes in Opera II Enterprise and Opera II Enterprise SQL (6.80)

The software changes are included in Opera II Enterprise and Opera II Enterprise SQL (6.80). The following section identifies how the changes indicated in the [Matrix of software amendments](#) section have been implemented in Opera II.

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- P32 Processing .....25**
- 2010-11 PAYE, NI and Statutory Rates in Opera II .....26**

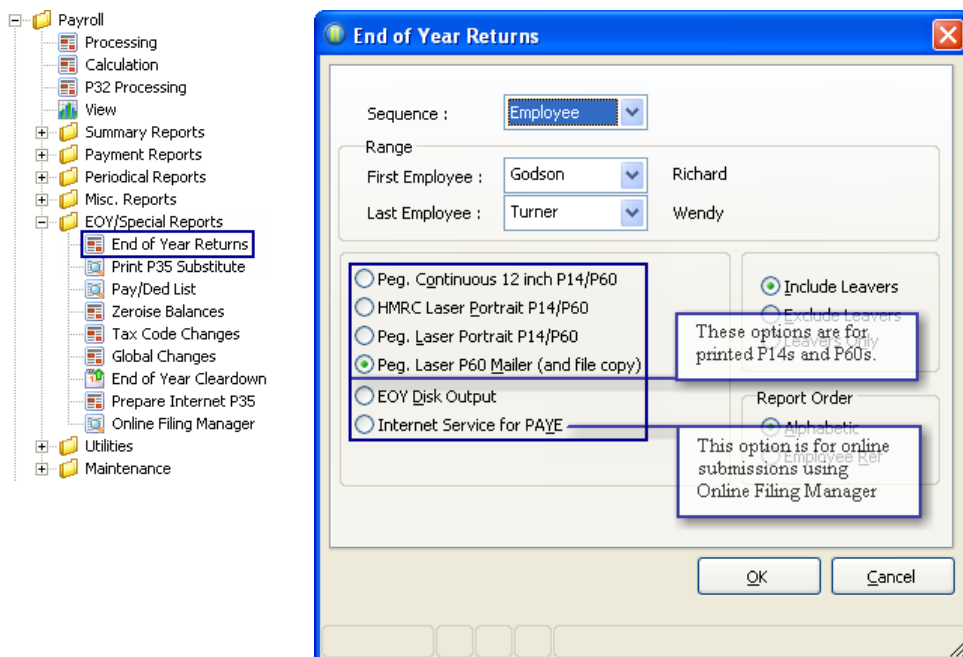
## Changes for the End of Year Returns

### End of Year Summary (P14) and End of Year Certificate (P60)

From 6 April 2010, most employers must file their P35 Employer Annual Return and P14 End of Year Summary for each employee online. They must still provide employees with their printed P60 End of Year Certificate by 31 May 2010.

The P14 End of Year Summary and P60 End of Year Certificate have changed to include the Upper Accrual Point threshold. These changes affect the printed returns and the file for online submissions to HMRC using Online Filing Manager.

The highlighted P14 and P60 options on the **Payroll – EOY/Special Reports – End of Year Returns** form have been updated for this year end. Details of the stationery that should be used for printed P14s and P60s is detailed on page 19.



End of Year Returns command

End of Year Returns form highlighting the changes to options for printed and online P14/P60

### Online P14 End of Year Summary submissions

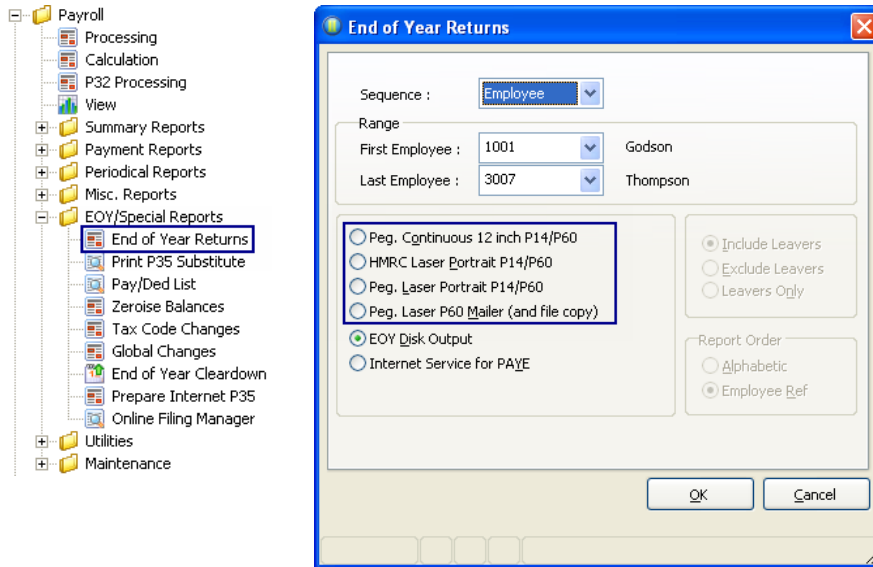
The **Internet Service for PAYE** option is for online submissions to HMRC using Online Filing Manager. The format of the P14 .NET file has changed for the 2009-10 year end. Most employers must now file the Employer Annual Return online (this includes the P14 End of Year Summaries and the P35 Employer Annual Return) so they must use this option.

### P35 Substitute

The P35 Substitute, which lists each employee’s National Insurance contributions and tax deductions, has not changed for the 2009-10 year end.

## Improvements to the Options for Printing P14 & P60 Returns

In addition to the mandatory changes, improvements have been made to the different options to print P14 End of Year Summaries and P60 End of Year Certificates in Opera II. These improvements make it easier to understand the stationery that should be used with each option.



End of Year Returns command

End of Year Returns form highlighting the changes to options for printed P14/P60

## Printed P14 End of Year Summaries and P60 End of Year Certificates

The table on page 19 displays the options available for printing P14 End of Year Summaries and P60 End of Year Certificates from the **Payroll – EOY/Special Reports – End of Year Returns** form. The names of the options have changed in this release. The new name and the old name are included in the table, along with the relevant form code, number of parts, the printer-type the form is designed for and the form’s supplier.

### Dot Matrix Printers

The individual parts of stationery designed for dot matrix printers are automatically printed in sequence. For example, the **Peg Continuous 12 inch P14/P60** option is designed to print on five-part stationery. To print using this option you insert the first part of the stationery into the printer and then each part is printed in sequence.

### Laser Printers

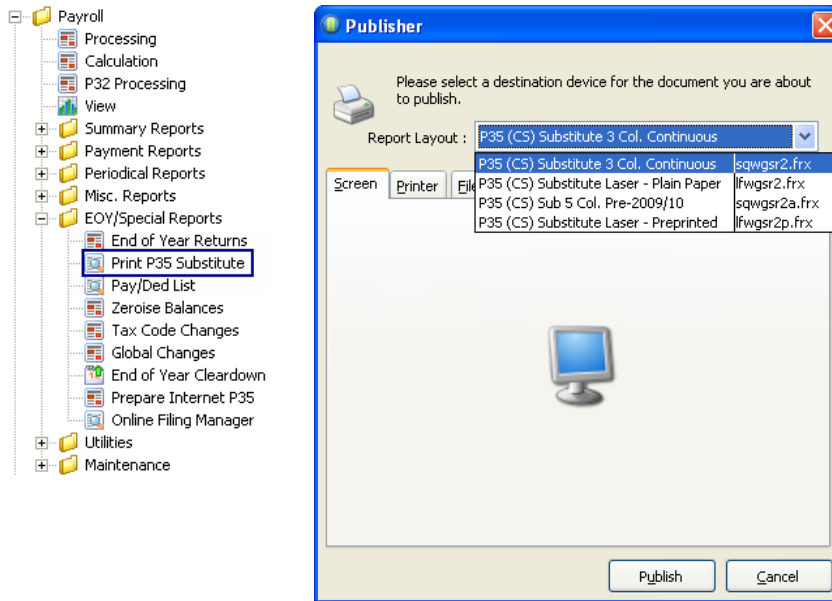
The individual parts of the reports designed for laser printers are printed separately. For example, the **Peg Laser Portrait P14/P60** option is designed to print on four-part stationery. To print using this option you must first insert part 1 into the printer and print that part for each employee. Then you insert part 2 into the printer and print that part for each employee, and so on. To print only the P60 End of Year Certificates, you only print one page per employee.

## Stationery Options for P14s and P60s

<b>New Option</b>	<b>Peg. Continuous 12 inch P14/P60</b>		<p>The TAX-350P form is a five-part return that includes a P60 mailer. The first two parts are the National Insurance and tax copies, the remaining pages are the employee's sealed P60 End of Year Certificate.</p> <p>The TAX-800P form is a two-part return that includes the employee's P60 End of Year Certificate and a file copy P60.</p>
<b>Old Option</b>	Peg. 4-part 80 Col. Continuous P14/P60		
<b>Form Codes</b>	TAX-350P	TAX-800P	
<b>Pages</b>	5	2	
<b>Printer</b>	Dot matrix (continuous paper)		
<b>New Option</b>	<b>HMRC Laser Portrait P14/P60</b>		<p>The stationery includes two P14 End of year Summary - the National Insurance copy and the tax copy - and the employee's P60 End of Year Certificate.</p> <p>A file copy is not included.</p>
<b>Old Option</b>	HMRC Laser Portrait /Peg. 4-Part Laser Portrait		
<b>Form Code</b>	P14(LaserSheet – Portrait)		
<b>Pages</b>	3		
<b>Printer</b>	Laser		
<b>New Option</b>	<b>Peg. Laser Portrait P14/P60</b>		<p>The TAX-425P form is a four-part return that includes National Insurance and tax copies, the employee's P60 End of Year Certificate and a file copy.</p> <p>The TAX-200P form is a two-part return that includes a P60 End of Year Certificate and a file copy.</p>
<b>Old Option</b>	HMRC Laser Portrait /Peg. 4-Part Laser Portrait		
<b>Form Code</b>	TAX-425P	TAX-200P	
<b>Pages</b>	4	2	
<b>Printer</b>	Laser		
<b>New Option</b>	<b>Peg. Laser P60 Mailer (and file copy)</b>		<p>The PEG-P60 form is a two-part return that includes a P60 End of Year Certificate that folds and seals, and a file copy.</p>
<b>Old Option</b>	Peg. Laser 'P60 only' Sealed		
<b>Form Code</b>	PEG-P60		
<b>Pages</b>	2		
<b>Printer</b>	Laser		

## Printing the P35 Substitute

Employers that are allowed to submit paper Employer Annual Returns to HMRC can also use this option to print a file-copy P35 Substitute. Employers that submit their Employer Annual Return to HMRC online can use this option to print a file-copy P35 Substitute.



Print P35 Substitute command

Print P35 Substitute form with new P35 (CS) Substitute Laser – Preprinted report

The following changes have been made:

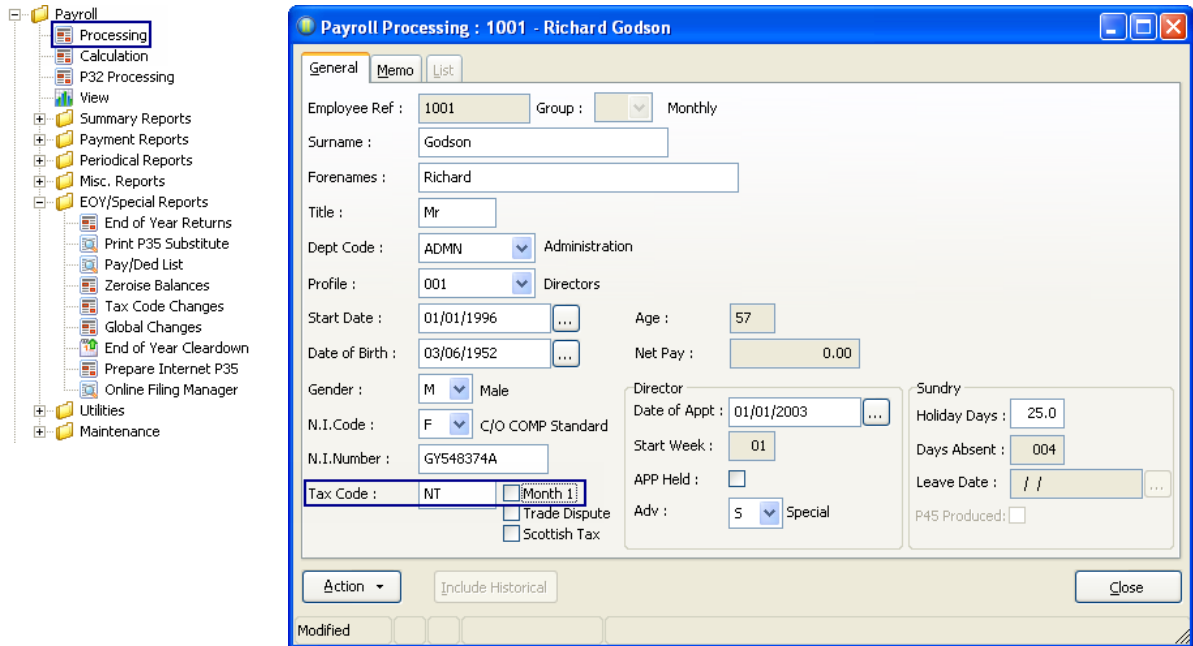
- The three-column report - **P35 (CS) Substitute 3 Col. Continuous** - is designed for continuous dot-matrix stationery. This report prints on form INF-035 (P35) CONTINUOUS.
- The laser report - **P35 (CS) Substitute Laser – Plain Paper** – is designed for plain A4 paper.
- The laser report - **P35 (CS) Substitute Laser – Preprinted** - is designed for laser A4 stationery. This is a new report option that prints on form INF-035L.

**Note:** The P35 (CS) substitute five-column report - P35 (CS) Sub 5 Col. Pre-2009/10 must not be used. HMRC changed to a three-column report in an earlier tax year.

## Cumulative NT and D0 tax codes

From 6 April 2010, the 'NT' and 'D0' (D-Zero) tax codes can be used on either a 'week 1' or a 'month 1' (non-cumulative) basis or at HMRC's request they can also be used on a cumulative basis.

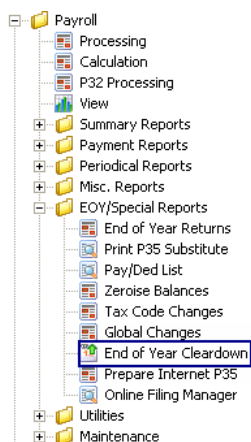
In earlier releases of Opera II, the **Week 1** or **Month 1** indicator on the **Payroll - Processing** form was automatically selected for employees with NT or D0 tax codes. This does not happen automatically any longer. The indicator must now be manually ticked if an employee's tax must be calculated on a 'week 1' or 'month 1' basis or left unticked for cumulative tax deductions.



Payroll Processing command

Payroll Processing form for a monthly paid group

HMRC also mandate that any employee who is operated on a 'week 1' or on a 'month 1' basis must be changed to operate on a cumulative basis at the start of the new tax year. The 'week 1' or 'month 1' indicator is now automatically deselected during the **Payroll - EOY/Special Reports - End of Year Cleardown** command if an employee has an NT or D0 tax code. The audit report produced by the **End of Year Cleardown** command now includes a note when this happens.

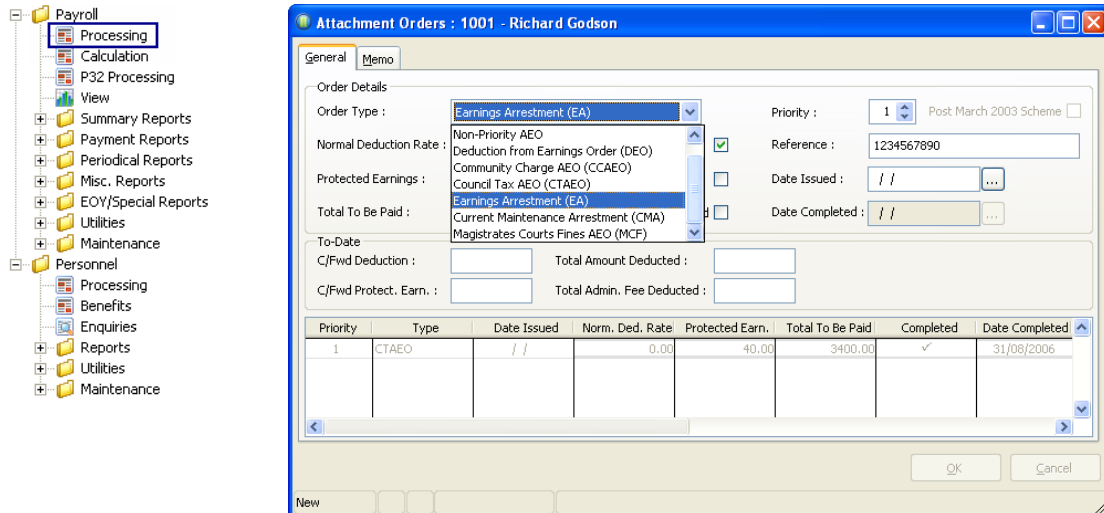


End of Year Cleardown command

## Scottish Attachment Orders Amendments

From 6 April 2010, the daily-protected earnings amount for Current Maintenance Arrestments (CMAs) and the way that Earnings Arrestment Orders (EAOs) is calculated will change. These attachment orders are entered in the **Payroll – Processing – Attachment Orders** command.

The software changes made for this requirement do not affect the user interface. The way of entering CMAs and EAOs on the **Attachment Orders** form is the same way as before. The calculations are done 'behind the scenes'.



Payroll Processing command

Attachment Orders form showing the different types of order attachments

## Current Maintenance Arrestments

The amount of protected earnings in Opera II will increase from £12.00 per day to £13.64 per day for pay dates on or after 6 April 2010.

## Earnings Arrestment Orders

The deduction method for Earnings Arrestment Orders (EAO) changes from 6 April 2010.

- Before 6 April 2010, EAOs calculations in Opera II are based on set deductions for earnings between defined values.
- From 6 April 2010, EAOs calculations in Opera II are based on percentage deductions for different earnings between defined values rather than on set amounts. A table with this information is displayed on page 10.

In the 2010-11 tax year, Opera II will calculate EAOs using the new regulations. If employers want to continue processing EAOs using the existing method, they must calculate the payments manually using the tables supplied by Scottish Courts and overwrite the calculated value on the **Payroll - Processing - Payments and Deductions** form by adding a temporary deduction value.

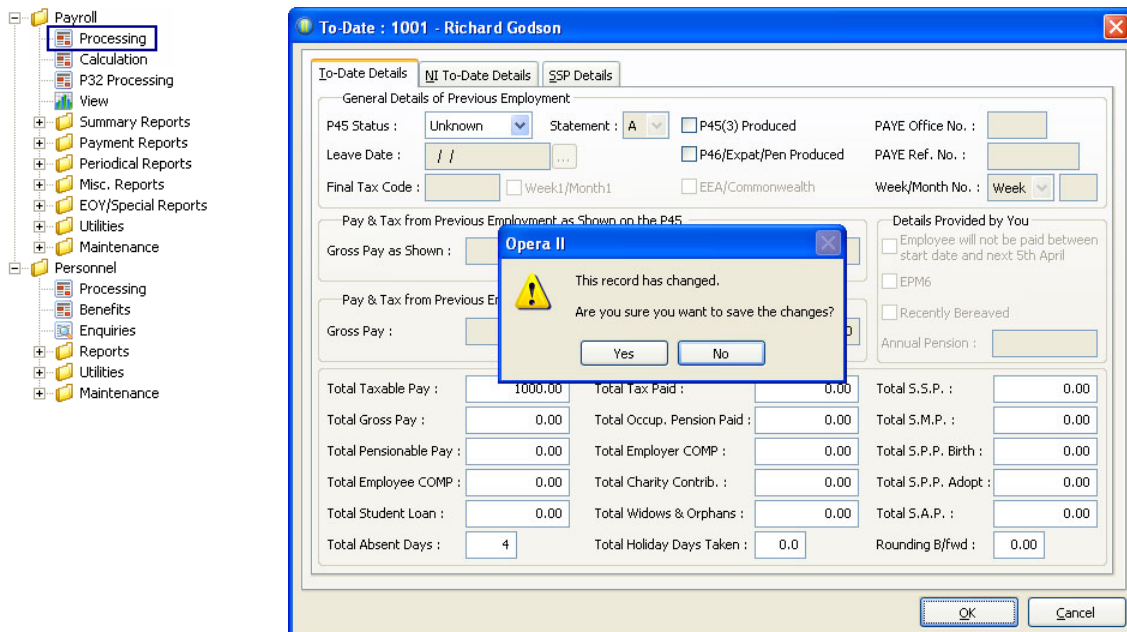
## State Pension Age changes

Currently, the state pension age is 65 for men born before 6 April 1959 and 60 for women born on or before 5 April 1950. Between 2010 and 2046, the state pension age for women will increase. From 2024, the state pension age for men will also increase.

There are a number of checks in the Payroll module to display warning messages when employees are over the state pension age. From the 2010-11 tax year the messages that are displayed now inform the user that a female employee is over the age of 60 rather than is over state pension age. The user must check whether the employee is actually over the state pension age. The table on page 12 provides the information about when an employee is over the state pension age.

## New Message on the To-Date form

A message is now displayed when the **OK** button is clicked on the **Payroll – Processing – To-Date** form after a change is made. The message warns that a change has been made on the form so the user can decide to either cancel or save the change as necessary.

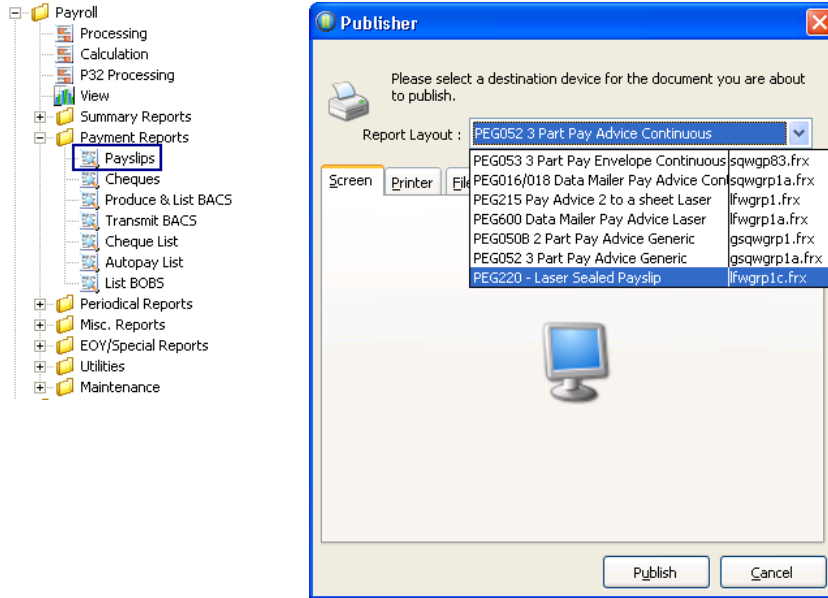


Payroll Processing command

To-Date form showing the new message that is displayed when the OK button is selected

## Amended PEG220 payslip design

The PEG220 laser mailer design has been modified to properly fit the payslip stationery. Previously some of the detail on the payslip did not exactly fit the stationery. This report design (*lfwgrp1c.frx*) will be replaced when Opera II is upgraded. If the report was modified to fit the PEG220 laser mailer or another stationery design, it will need to be backed up before upgrading.



Payslips command

PEG220 Laser Sealed Payslip (report lfwgrp1c.frx)

## P32 Processing

HMRC has clarified a ruling about the month in which weekly, two-weekly and four-weekly payrolls should be included on the P32 Employers Payment Record return. The ruling is that each week should be included in the month where the usual pay date for the week falls. In some circumstances, this means that a week should not be included in the month as it is displayed on the official P32.

This clarification only affects weekly, two-weekly and four-weekly payrolls; monthly payrolls are not affected.

This is best explained with an example.

If the usual pay date for the first five weeks of the year are 6 April, 13 April, 20 April, 27 April and 4 May, according to the P32 return Weeks 1, 2, 3 and 4 should be included in Month 1 and Week 5 should be included in Month 2.

Under the HMRC ruling however, in this example Week 5 should be included in Month 1 rather than in Month 2 because the usual pay date of 4 May falls in Month 1.

This means that:

- Month 1 should include Weeks 1, 2, 3, 4 and 5
- Month 2 should include Weeks 6, 7, 8 and 9.

A new option on the **Payroll – Utilities – Set Options** form called **P32 by Income Tax Month** controls how situations like the example above are processed on the **Payroll - P32 Processing** form. The form shows a depiction of the official P32 return that includes boxes for tax payments, statutory sick pay recovered, National Insurance contributions and so on. When the option is ticked, the **P32 Processing** form displays payment information in the month when the usual pay date falls rather than the month when the week falls on the official P32 return.

The **P32 Processing** form will use this option from the start of the 2010-11 tax year, although it can be ticked before the end of this tax year. Pegasus recommends that the option be ticked before the end of this tax year in readiness for the start of the 2010-11 tax year.

*New option to include weeks on the P32 Processing form using the Usual Pay Date*

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**Note:** For more information about the new option, refer to the Opera II Help.

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## 2010-11 PAYE, NI and Statutory Rates in Opera II

The PAYE, National Insurance and Statutory Payments table in the demonstration data (Orion Vehicles Leasing – Company Z) has changed to reflect the Income Tax changes including the new 50% tax rate, plus changes to the NI Lower Earnings Limit and Statutory Payments rates announced in the Pre-Budget Report.

The new tables must be copied to the live company. Instructions for this are on pages 35 and 36. These figures are based on information provided by HMRC in the Pre-Budget Report in December 2009. The tables should be verified before calculating payrolls in the new tax year.

**PAYE/NI/Stat. Payments**

Table 1 | Table 2

PAYE | NI ER's | NI EE's | SSP | SMP/SPP/SAP

Date Table Becomes Effective : 06/04/2010 ... First Week Number for Table : 1

Year Number for Table : 1011 First Month Number for Table : 1

<-----P,A,Y,E----->

	% Rate	Cumulative Bandwidth		% Rate	Cumulative Bandwidth
1	10.00		11		
2	20.00	37400	12		
3	40.00	150000	13		
4	50.00		14		
5			15		
6			16		
7			17		
8			18		
9			19		
10			20		

Base Rate : 2

Action | OK | Cancel

**PAYE/NI/Stat. Payments**

Table 1 | Table 2

PAYE | NI ER's | NI EE's | SSP | SMP/SPP/SAP

<-----Employer----->

Weekly	Monthly	Annual		A	B	C	D	E	F	G	J	L	S
97.00	421.00	5044.00	L										
110.00	476.00	5715.00	T										
770.00	3337.00	40040.00	A	12.80	12.80	12.80	9.10	9.10	11.40	11.40	12.80	9.10	11.40
844.00	3656.00	43875.00	U	12.80	12.80	12.80	12.80	12.80	12.80	12.80	12.80	12.80	12.80
				12.80	12.80	12.80	12.80	12.80	12.80	12.80	12.80	12.80	12.80

LEL : 2

Threshold : 3

UAP : 4

UEL : 5

Action | OK | Cancel

**PAYE/NI/Stat. Payments**

Table 1 | Table 2

PAYE | NI ER's | NI EE's | **SSP** | SMP/SPP/SAP

	Rate	Range		
0		97.00	Waiting Days :	3
1	79.15		Days to make PIW :	4
2			PIW Link Period Days :	56
3			Maximum SSP Weeks :	28
4			Warning Week No. :	23
5			Max PIW Link Years :	3
6			Relevant Period :	8
7			Recovery Percentage :	13.00
8				
9				

Action | OK | Cancel

**PAYE/NI/Stat. Payments**

Table 1 | Table 2

PAYE | NI ER's | NI EE's | SSP | **SMP/SPP/SAP**

SMP		SPP	
Earnings Related % Rate :	90.00	Earnings Related % Rate :	90.00
Standard Rate :	124.88	Standard Rate :	124.88
Max Wks for Earn Rel % Rate :	6	Weeks For Maternity Pay Period :	39
Max Wks for Standard Amount :	33	Weeks for Earliest MPP Start :	11
Reclaim Percentage Regular :	92.00	Weeks for Medical Evidence :	20
NIC Compensation % Regular :	0.00	Qualifying Weeks :	15
Reclaim Percentage SER :	100.00	Weeks for Continuous Employment :	26
NIC Compensation % SER :	4.50	Pregnancy End Weeks :	16
Use Minimum Value :	<input type="checkbox"/>	Pregnancy Related Illness Weeks :	4
Any Day MPP Start :	<input checked="" type="checkbox"/>	Employee Notification Days :	28
		Relevant Period :	8
		SAP	
		Earnings Related % Rate :	90.00
		Standard Rate :	124.88
		Weeks for Adoption Pay Period :	39
		Weeks for Earliest APP Start :	2

Action | OK | Cancel

## Software Changes in Online Filing Manager (2.90)

Software changes for the 2009-10 year end are included in Online Filing Manager (2.90), which works with Opera II (6.80). This section identifies how the changes indicated in the [Matrix of software changes](#) section have been implemented within Online Filing Manager.

### Changes to the XML File Content

The format of the XML file used by Online Filing Manager to file the P35 Employer Annual Return and P14 End of Year Summaries online has changed:

- The tax year has been changed to 2009-10
- The year end date has been changed to 5 April 2010.
- The Upper Accrual Point threshold is included in the file. This threshold was introduced at the beginning of the 2009-10 tax year.

### Changes to the PAYE End of Year Wizard

Various changes have been made for the P35 Employer Annual Return:

During Step 3 (Additional Information)

- The caption *Are you a Construction Industry Limited company holding a CIS 4 Registration Card?* is now *Are you a limited company that has had CIS deductions made from payments received for work in the construction industry?*
- The maximum value allowed in Box 26 (tax-free incentive payment) has increased from £750 to £825.

During Step 4

- New warning messages are displayed if the value entered in box 27 (NOW PAYABLE) is either more than or less than the employer needs to pay HMRC. These messages are to warn the user if they have accidentally typed the wrong value before the submission is sent to HMRC.

---

**IMPORTANT:** THE *EYRS* FILE THAT IS CREATED IN OPERA II FOR THE SUBMISSION OF END OF YEAR RETURNS ON FLOPPY DISK CANNOT BE USED IN ONLINE FILING MANAGER. THE *.NET* FILES CREATED IN OPERA II (6.80) MUST BE USED.

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## Checklist: Upgrading from Opera for Windows to Opera II (6.80)

Opera for Windows has not been updated for this payroll upgrade release. This section describes the suggested steps to upgrade customers who use one or more modules in Opera for Windows to Opera II Enterprise or Opera II Enterprise SQL before processing the year end.

### Before upgrading the software



1.	Close Opera for Windows and make sure that no one is logged in to the system.	
2.	Take a backup of the Opera for Windows data.	

### Upgrading the software

3.	Install Opera II Enterprise or Opera II Enterprise SQL (6.80) on the file server. If you need assistance with this, please refer to the Opera II Installation Guide.	
4.	Log on to Opera II using the <b>ADMIN</b> login and enter the licence and activation details on the <b>Activation Details</b> form supplied with the software.	

### Upgrading the Opera for Windows data

5.	To copy the Opera for Windows data to Opera II, open the <b>System - Maintenance - Company Profiles</b> form. Click <b>Action</b> and then click <b>Upgrade Wizard</b> . In the Upgrade Wizard, click <b>Next</b> twice and enter the location of the Opera for Windows <b>System</b> folder in the box. Then follow the instructions in the wizard and click <b>Start</b> to copy the data to the new location and to create the company in Opera II.	
6.	To give the required users access to the new company, open the <b>System - Maintenance - User Profiles</b> form and tick the new company for each user. Then close the <b>User Profiles</b> form and login to Opera II using one of the user login names.	
7.	To convert the data to Opera II format, run the <b>System - Utilities - Update Data Structures</b> command and tick the new company. Follow the instructions in the wizard to complete the process.	

### After upgrading the Opera for Windows data

8.	Set up each module as required. If you need assistance, please refer to the Opera II Implementation Guide or the Opera II Help.	
9.	Install the Opera II Client software on each workstation. If you need assistance, please refer to the Opera II Installation Guide.	

## Checklist: Upgrading from earlier versions of Opera II to Opera II (6.80)

This section includes the steps required to upgrade to either Opera II Enterprise or Opera II Enterprise (6.80) before completing the year end tasks in the Payroll module.

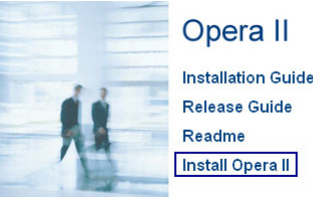
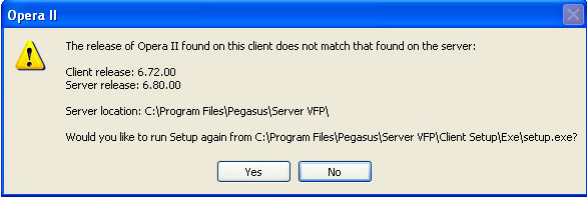
### Before upgrading the software



1.	Close the current pay periods by running the <b>Payroll - Utilities - Update</b> command in each company after running the normal payroll processes. This must be done for all payroll groups.	
2.	Run the <b>System - Utilities - Backup</b> command to back up each company's data files.	
3.	Close Opera II and make sure that no one is logged in to the system.	

### Upgrading the software on the File Server

The upgrade process involves updating both the Server software and Client software

4.	<p>Upgrade the Opera II Server software to Opera II (6.80) using the Opera II CD. The <b>Installation Setup</b> menu is displayed when the CD is inserted into the computer or when <b>Menu.exe</b> is run.</p> <p>Click <b>Opera II</b> and then click <b>Install Opera II</b>. Then follow the instructions on the screen until the upgrade is finished.</p>  <p>If you need assistance with the upgrade, follow the instructions in the relevant section in the product's Installation Guide. You can open the guide from the <b>Setup</b> menu shown above. Use the <i>Upgrading from Opera II (6.60) to Opera II (6.80)</i> bookmark on the left of the guide to find the relevant section.</p>	
5.	<p>If the Opera II Client software is installed on the server computer, upgrade the Client software by running Opera II on the Opera II Server as normal and then clicking the <b>Yes</b> button on this form to upgrade the software.</p>  <p>You must enter a new activation key when you log on. This is provided with the software. Follow the instructions in the relevant section in the Opera II Installation Guide if you need assistance with the upgrade. Use the "Upgrading Opera II Client Installations" bookmark on the left of the guide to find the section you need.</p>	
6.	<p>Run the <b>System - Utilities - Update Data Structures</b> command on each company to update the installation to the new data structures. This may take some time if there are many companies or if there are companies with large datasets to update. If the Additional Systems feature is used the process must be completed for each system.</p> <p>Full instructions and further information about the <b>Update Data Structures</b> command are in the Installation Guide.</p>	

### Upgrading the software on the Client computers

7.	Upgrade the Client software by running Opera II on each Client computer. Click the <b>Yes</b> button to the same question displayed in step 6. The <b>System - Utilities - Update Data Structures</b> command must be run on each company if it was not run on the Server computer.	
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## Checklist: Upgrading to Online Filing Manager (2.90)

This section includes the steps required to upgrade to Online Filing Manager (2.90) if the employer submits their P35 Employer Annual Return and P14 End of Year Summaries online. Most employers must send the returns online this year.


THIS SHOULD BE DONE AFTER UPGRADING TO OPERA II ENTERPRISE OR OPERA II ENTERPRISE SQL (6.80) BUT BEFORE COMPLETING THE YEAR-END IN OPERA II.

### Before upgrading the software



1.	Make sure Online Filing Manager is closed.
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### Upgrading the software

2.	<p>Upgrade to Online Filing Manager (2.90) using the Opera II CD. The <b>Setup</b> menu is displayed when the CD is inserted into the computer or when <b>Menu.exe</b> is run.</p> <p>Click <b>Pegasus Online Filing Manager</b> and click <b>Install Online Filing Manager</b>. Then follow the instructions on the screen until the upgrade is finished.</p> <div style="text-align: center;">  </div> <p>If you need assistance with the upgrade, follow the instructions in the relevant section in the product's Installation Guide. You can open the guide from the <b>Setup</b> menu shown above. Use the <i>Upgrading from earlier versions of Online Filing Manager</i> bookmark on the left of the guide to find the relevant section.</p>
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## Checklist: Completing the year end (employers that file online)

This is a reminder of the tasks that employers submitting their year end returns online must carry out at the end of the 2009-10 tax year for each of the companies in Opera II.

These steps must be followed for each company and payroll group after calculating all the employees' payments and deductions. If the **Additional Systems** feature is used - which allows more than 36 companies to be used - the process must be completed for each system.

### Before completing the year end

✓

1.	If a data backup was not done before Opera II was upgraded, run the <b>System - Utilities - Backup</b> command to back up each company.	
2.	Check that the <b>Current Tax Year</b> box on the <b>Payroll - Utilities - Set Options</b> form is set to <i>0910</i> for the 2009-10 tax year.	

### Completing the year end

3.	Print the <b>Payroll - Summary Reports - To-Date Summary</b> report.	
4.	Open the <b>Payroll - P32 Processing</b> form and make sure funding and payments are up to date. If necessary, consolidate the P32 values from other payroll companies.	
5.	Open the <b>Payroll - EOY/Special Reports - End of Year Returns</b> form and select the <b>Internet Service for PAYE</b> option to create the <i>.NET</i> file for online submission of employees' P14 End of Year Summaries.	
6.	Create the <i>.NET</i> file for online submission of the P35 Employer Annual Return. If there is more than one Payroll company in Opera II, this must be done in the P32 parent company.  Open the <b>Payroll - EOY/Special Reports - Prepare Internet P35</b> form and check that the <i>Statutory Payments Recovered</i> and <i>Compensation</i> values are correct. Amend them if required. Then click <b>OK</b> . You are asked whether you want to submit the returns to HMRC now. If you decide to do so, follow the instructions on page 33.	
7.	Open the <b>Payroll - EOY/Special Reports - End of Year Returns</b> form and print the required P60 End of Year Certificates for all employees. For guidance on the different options and the stationery that can be used, see page 19.	
8.	Open the <b>Payroll - EOY/Special Reports - Print P35 Substitute</b> form and print a file-copy P35 Deductions Working Sheet if required.	
9.	Print the <b>Payroll - EOY/Special Reports - Pay/Ded List</b> to print a list of payments and deductions for the current period. Then print any other reports needed for the final period in the 2009-10 tax year.	
10.	If Payroll is linked to the Nominal Ledger, run the <b>Payroll - Utilities - N/L Analysis</b> command to update the Nominal Ledger.	
11.	If Payroll is linked to the Cashbook, run the <b>Payroll - Utilities - Cashbook Transfer</b> command to update the Cashbook.	
12.	If employees are paid by BACS, run the <b>Payroll - Payment Reports - Produce &amp; List BACS</b> command to create the BACS payment file.	
13.	Run the <b>Payroll - Utilities - Update</b> command for the final pay period.	
14.	Run the <b>Payroll - EOY/Special Reports - End of Year Cleardown</b> command. This clears to-date values such as Income Tax and National Insurance Contributions from the employee's records and makes the payroll ready for the next tax year. Click to select those you want to clear balances or press <b>F5</b> to select all payments and deductions.	
15.	Check that the <b>Current Tax Year</b> box on the <b>Payroll - Utilities - Set Options</b> form is set to <i>1011</i> for the new tax year. Also, check the 2010-11 pay calendar on the <b>Payroll - Utilities - Calendar</b> form.	

## Checklist: Filing year end returns online in Online Filing Manager

This is a reminder of the tasks to carry out in Online Filing Manager after completing the year end tasks in Opera II at the end of the 2009-10 tax year. The submission must include the .NET files created in Opera II (6.80) for the P35 Employer Annual Return and P14 End of Year Summaries. The deadline date for the submission is 19 May 2010.

### Before sending a live submission



1.	Check that Online Filing Manager (2.90) is installed. Run Online Filing Manager and click the <b>Help</b> menu. Then click <b>About</b> .	
2.	<p>Run the <b>Processing – Send a Test Submission – Test PAYE End of Year</b> command to send a test submission to HMRC.</p> <p>The .NET file that includes the year end information is saved in the company's data folder, which by default is, depending on the Windows product used, <i>c:\Documents and Settings\All Users\Application Data\Pegasus\Server XXX\Data</i> or <i>c:\ProgramData\Pegasus\Server XXX</i> (where XXX is either VFP or SQL).</p> <p>If there is more than one company in Opera II with the same employer's PAYE reference, Online Filing Manager uses the .NET file for each company <u>only</u> if they are in the same folder when the test submission is sent. If they are not in the same folder, they <b>MUST</b> all be copied to a common folder before sending the test submission.</p> <p><b>A LIVE SUBMISSION WILL BE REJECTED BY HMRC IF THE EMPLOYER'S GOVERNMENT GATEWAY CREDENTIALS ARE INCORRECT OR IF A PROBLEM EXISTS IN THE FILE THAT WAS NOT DETECTED IN A TEST SUBMISSION.</b></p>	


### Sending a live submission

3.	<p>Run the <b>Processing – Send to Government Gateway – PAYE End of Year</b> command to send the P35 Employer Annual Return and P14 End of Year Summaries to HMRC.</p> <p>The .NET file that includes the year end information is saved in the company's data folder, which by default is, depending on the Windows product used, <i>c:\Documents and Settings\All Users\Application Data\Pegasus\Server XXX\Data</i> or <i>c:\ProgramData\Pegasus\Server XXX</i> (where XXX is either VFP or SQL).</p> <p>If there is more than one company in Opera II with the same employer's PAYE reference, Online Filing Manager uses the .NET file for each company <u>only</u> if they are in the same folder when the submission is sent. If they are not in the same folder, they <b>MUST</b> all be copied to a common folder before sending the test submission.</p> <p><b>EACH EMPLOYER CAN MAKE ONLY ONE LIVE SUBMISSION TO HMRC PER TAX YEAR SO ALL .NET FILES MUST BE SUBMITTED AT THE SAME TIME.</b></p> <p><b>THE SUBMISSION MUST BE SENT BY 19 MAY 2010.</b></p>	
4.	<p>If a message is not displayed on the screen after sending a live submission that indicates that the submission has either succeeded or failed, check the status of the submission by running the <b>Processing – Check Submission Status</b> command.</p> <p><b>THE TIME NEEDED FOR A MESSAGE TO BE DISPLAYED DEPENDS ON HOW MANY EMPLOYERS ARE SENDING SUBMISSIONS AT THE SAME TIME. DO NOT SEND THE SUBMISSION AGAIN UNLESS YOU ARE SURE THE ORIGINAL SUBMISSION HAS FAILED.</b></p>	

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## Checklist: Completing the year end (employers that do not file online)

This is a reminder of the tasks that employers not submitting their year end returns online must carry out at the end of the 2009-10 tax year for each of the companies in Opera II.

These steps must be followed for each company and payroll group after calculating all the employees' payments and deductions. If the Additional Systems feature is used - which allows more than 36 companies to be used - the process must be completed for each system.

### Before completing the year end



1.	If a data backup was not done before Opera II was upgraded, run the <b>System - Utilities - Backup</b> command to back up each company.	
2.	Check that the <b>Current Tax Year</b> box on the <b>Payroll - Utilities - Set Options</b> form is set to <i>0910</i> for the 2009-10 tax year.	

### Completing the year end

3.	Print the <b>Payroll - Summary Reports - To-Date Summary</b> report.	
4.	Open the <b>Payroll - P32 Processing</b> form and make sure funding and payments are up to date. If necessary, consolidate the P32 values from other payroll companies	
5.	Open the <b>Payroll - EOY/Special Reports - End of Year Returns</b> form and select the option to print the P14 End of Year Summaries to submit to HMRC. Make sure the stationery is for the 2009-10 tax year. For guidance on the different options and the stationery that can be used, see page 19.	
6.	Open the <b>Payroll - EOY/Special Reports - End of Year Returns</b> form and print the required Print P60 End of Year Certificates for all employees. For guidance on the different options and the stationery that can be used, see page 19.	
7.	Open the <b>Payroll - EOY/Special Reports - Print P35 Substitute</b> form and print the P35 Deductions Working Sheet to submit to HMRC. For guidance on the different options and the stationery that can be used, see page 20.	
8.	Print the <b>Payroll - EOY/Special Reports - Pay/Ded List</b> to print a list of payments and deductions for the current period. Then print any other reports needed for the final period in the 2009-10 tax year.	
9.	If Payroll is linked to the Nominal Ledger, run the <b>Payroll - Utilities - N/L Analysis</b> command to update the Nominal Ledger.	
10.	If Payroll is linked to the Cashbook, run the <b>Payroll - Utilities - Cashbook Transfer</b> command to update the Cashbook.	
11.	If employees are paid by BACS, run the <b>Payroll - Payment Reports - Produce &amp; List BACS</b> command to create the BACS payment file.	
12.	Run the <b>Payroll - Utilities - Update</b> command for the final pay period.	
13.	Run the <b>Payroll - EOY/Special Reports - End of Year Cleardown</b> command. This clears to-date values such as Income Tax and National Insurance Contributions from the employee's records and makes the payroll ready for the next tax year. Click to select those you want to clear balances or press <b>F5</b> to select all payments and deductions.	
14.	Check that the <b>Current Tax Year</b> box on the <b>Payroll - Utilities - Set Options</b> form is set to <i>1011</i> for the new tax year. Also, check the 2010-11 pay calendar on the <b>Payroll - Utilities - Calendar</b> form.	

## Checklist: Starting the 2010-11 tax year

This is a reminder of the tasks that employers need to carry out at the start of the 2010-11 tax year for each of the companies in Opera II. Before using Opera II Enterprise or Opera II Enterprise SQL in the new tax year, changes need to be made to the rates, thresholds and bandwidths for National Insurance, Income Tax, and Statutory Payments. These are included in the Opera II demonstration data tables and need to be copied to all live companies. There are separate steps to copy the demonstration data tables for Opera II Enterprise and Opera II Enterprise SQL.

### **VFP** Obtaining the Latest NI and tax tables from the demonstration data in Opera II Enterprise

These steps must be followed for each company and payroll group. If the Additional Systems feature is used - which allows more than 36 companies to be used - the process must be completed for each system.

**DO NOT FOLLOW THESE INSTRUCTIONS IF COMPANY Z IS A LIVE COMPANY.**

1.	Take a data back up by running the <b>System - Utilities - Backup</b> command.	<input type="checkbox"/>
2.	Make sure the user can access the demonstration data company. Open the <b>System - Maintenance - User Profiles</b> form and locate the active user ID record. If company Z is not included in the <b>Allow Access to Company Codes</b> list, click to select it. Then save the changes, close the form and re-logout to Opera II.	<input type="checkbox"/>
3.	Check that the data path for the demonstration data company is correct. Open the <b>System - Maintenance - Company Profiles</b> form. In the <b>Data Path</b> box, make sure the path is set to the location of the Opera II (6.80) demonstration data. The default location is \\Servername\Server VFP Dynamic\Demodata.	<input type="checkbox"/>
4.	Run the <b>Payroll - Utilities - Copy NI Tables</b> command to copy the NI, Income Tax and Statutory Payments tables for the 2010-11 tax year. In the <b>Copy From</b> list, select <b>Z</b> and then click <b>OK</b> .	<input type="checkbox"/>
5.	Open the <b>Payroll - Utilities - PAYE/NI/Stat. Payments</b> form to review the new rates and thresholds. Check the details on the <b>PAYE</b> tab and on the <b>NI ER's, NI EE's, SSP</b> and <b>SMP/SPP/SAP</b> tabs in turn.	<input type="checkbox"/>



### **SQL Obtaining the Latest NI and tax tables from the demonstration data in Opera II Enterprise SQL**

The demonstration data for Opera Enterprise SQL installations must first be refreshed before the updated National Insurance, Income Tax, and Statutory Payments tables can be copied to the live company.

**These steps must be followed for each company and payroll group. If the Additional Systems feature is used - which allows more than 36 companies to be used - the process must be completed for each system.**

**DO NOT FOLLOW THESE INSTRUCTIONS IF COMPANY Z IS A LIVE COMPANY.**



1.	Ensure that Orion Vehicles Leasing is not the default company.	<input type="checkbox"/>
2.	Take a data back up by running the <b>System - Utilities - Backup</b> command.	<input type="checkbox"/>
3.	Make sure the user can access the demonstration data company.  Open the <b>System - Maintenance - User Profiles</b> form and locate the active user ID record. If company Z is not included in the <b>Allow Access to Company Codes</b> list, click to select it. Then save the changes, close the form and re-logout to Opera II.	<input type="checkbox"/>
4.	Close Opera II and make sure all other users close Opera II.	<input type="checkbox"/>
5.	In Microsoft SQL Server, drop the demodata database.  This removes the database from SQL Server so a new database with the latest data can be created.	<input type="checkbox"/>
6.	Update the location of the live data.  Using Windows Explorer on the Opera II Server, copy all files contained in the <b>DemoData</b> folder to the <b>Data</b> folder. The default location is, depending on the Windows product used, <i>c:\Documents and Settings\All Users\Application Data\Pegasus\Server XXX\Data</i> or <i>c:\ProgramData\Pegasus\Server XXX</i> (where XXX is either VFP or SQL).  Replace the original files.	<input type="checkbox"/>
7.	Log in to Opera II, run the <b>System - Utilities - Update Data Structures</b> command and select Orion Vehicles Limited. This recreates the database for the demonstration data according to latest data structures and removes redundant files.	<input type="checkbox"/>
8.	Run the <b>Payroll - Utilities - Copy NI Tables</b> command to copy the NI, Income Tax and Statutory Payments tables for the 2010-11 tax year. In the <b>Copy From</b> list, select <b>Z</b> and then click <b>OK</b> .	<input type="checkbox"/>
9.	Open the <b>Payroll - Utilities - PAYE/NI/Stat. Payments</b> form to review the new rates and thresholds. Check the details on the <b>PAYE</b> tab and on the <b>NI ER's</b> , <b>NI EE's</b> , <b>SSP</b> and <b>SMP/SPP/SAP</b> tabs in turn.	<input type="checkbox"/>

### Final Checks before processing in the new tax year

After copying the demonstration data to all companies and checking the rates and thresholds on the Payroll - Utilities - PAYE/NI/Stat. Payments form, these tasks should be considered before starting to process the payrolls in the new tax year.

**These steps must be followed for each company and payroll group. If the Additional Systems feature is used - which allows more than 36 companies to be used - the process must be completed for each system.**



1.	If weekly, two-weekly or four-weekly payrolls are used, select the <b>P32 by Income Tax Month</b> option on the <b>Payroll – Utilities – Set Options</b> form.
2.	<p>Define the Small Employers Relief for SMP, SPP and SAP.</p> <p>The HMRC definition of a small employer for the 2010-11 tax year is one who paid, or was liable to pay, a total of £45,000 or less gross National Insurance during the 2009-10 Tax year. If the company qualifies as a small employer, open the <b>Payroll - Utilities - Set Options</b> form and make sure the <b>Entitled to Small Employer’s Relief for SMP/SPP/SAP</b> option is ticked on the default payroll group’s <b>Options Page 2</b> tab.</p>
3.	<p>Check Employee Details.</p> <p>Employers may need to review and amend employee details. For example, changes to an individual’s tax or NI status, or company director status will require changes to be made to the employee records. If new employees start at the beginning of the new tax year, new records must be set up before processing the first payroll period.</p> <p>Amended tax code notifications may also have been received for some employees on PAYE Coding Notices. Such changes must be applied before processing the first payroll period.</p> <p>Open the <b>Payroll - Processing</b> form to maintain employee records.</p>

## Where to Find More Information

You can find information about payroll related topics from the following resources.

### General PAYE and NIC Issues

Employers can get help on PAYE and NIC issues from their PAYE Tax Office, or a Tax Enquiry Centre (quoting their PAYE reference number) for PAYE matters; the National Insurance Contributions Office via the local Social Security office for National Insurance matters; or the Employer's Helpline by phoning 0845 7 143 143 (calls are charged at the local rate).

### Guidance on the Legislative Payroll Changes

HMRC provides information on legislative changes in these employer guides, available from either the Employer's Orderline on 0845 7 646 646 (calls are charged at the local rate), or from your nearest HMRC office.

- E10** Finishing the Tax Year
- E11** Starting the Tax Year
- E12** PAYE and NIC Rates and Limits
- E13** Day-to-Day Payroll
- E14** Sick Pay
- E15** Maternity Pay
- E16** Adoption Pay
- E19** Paternity Pay
- CWG2** Employer Further Guide to PAYE and NICs
- CA33** Class 1A NI Contributions on Car and Fuel Benefits
- CWG5** Class 1A NI Contributions on Benefits in Kind
- CA44** National Insurance for Company Directors

## Links to useful web sites

The following web site links might be helpful in relation to payroll matters.

HMRC	<a href="http://www.hmrc.gov.uk/">www.hmrc.gov.uk/</a>
PAYE end-of-year tasks at a glance	<a href="http://www.hmrc.gov.uk/payepayroll/yearend/checklist.htm">www.hmrc.gov.uk/payepayroll/yearend/checklist.htm</a>
Employer Orderline Download area	<a href="http://www.hmrc.gov.uk/employers/emp-form.htm">www.hmrc.gov.uk/employers/emp-form.htm</a>
PAYE Online services	<a href="http://www.hmrc.gov.uk/payeonline/">www.hmrc.gov.uk/payeonline/</a>
Department for Work and Pensions	<a href="http://www.dwp.gov.uk/">www.dwp.gov.uk/</a>
Office of Public Sector Information (OPSI)	<a href="http://www.opsi.gov.uk/">www.opsi.gov.uk/</a>
Government Gateway for Internet Submissions	<a href="http://www.gateway.gov.uk/">www.gateway.gov.uk/</a>
Jobcentre Plus (DWP)	<a href="http://www.jobcentreplus.gov.uk/">www.jobcentreplus.gov.uk/</a>
Institute of Payroll Professionals	<a href="http://www.payrollprofession.org/">www.payrollprofession.org/</a>
Pensions Regulator	<a href="http://www.thepensionsregulator.gov.uk/">www.thepensionsregulator.gov.uk/</a>
Pegasus Online Filing Guide	<a href="http://www.pegasus.co.uk/onlinefiling/">www.pegasus.co.uk/onlinefiling/</a>
Directgov State-Pension age calculator	<a href="http://pensions.direct.gov.uk/en/state-pension-age-calculator/home.asp">pensions.direct.gov.uk/en/state-pension-age-calculator/home.asp</a>

## Key dates for the payroll diary

Here are some important dates for payroll matters in the next tax year.

19 April 2010	The last date for any 2009-10 PAYE and National Insurance payments to reach the Accounts Office. Interest is chargeable on any payments received after this date
19 May 2010	The last date for the 2009-10 P14 End of Year Summaries and P35 Employer Annual Return to reach HMRC. Penalties are chargeable on any forms received after this date
31 May 2010	The last date for giving a 2009-10 End of Year Certificate P60 to each relevant employee
6 July 2010	The last date for your 2009-10 form P9D and form P11D or substitutes, to reach the Inspector of Taxes and for giving a copy of the 2009-10 form P9D-P11D or equivalent information to each relevant employee
19 July 2010	The date for payment of any 2009-10 Class 1A NICs on employee benefits
19th of each month/quarter	The last date for sending your monthly/quarterly PAYE and NIC payments to the Accounts Office unless paid electronically
22nd of each month/quarter	Starting with the first monthly payment (due 22 May 2010 ), the last date for sending your monthly/quarterly PAYE and National Insurance payments to the Accounts Office but only if paid electronically

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**Note:** Large employers (250 or more employees) must make monthly PAYE and National Insurance payments electronically. HMRC recommend that all employers make payments electronically.

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**Tip:** The employer diary on the HMRC web site includes the dates employers need to know for filing returns and paying Income Tax and National Insurance. To see the diary, go to [www.hmrc.gov.uk/employers](http://www.hmrc.gov.uk/employers), and select Employer Diary from under 'quick links'.

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