

Pay As You Earn

Reporting and paying HMRC in real time: getting it right

Real Time Information

What is reporting PAYE in real time?

All employers will report PAYE in real time from the first payday on or after 6 April 2013.

Reporting PAYE in real time (sometimes called Real Time Information or RTI) means that you will send HMRC data about tax, NICs and other deductions using payroll software on or before each earnings or pension payment is made, rather than at the end of the tax year.

The information you send will tell HMRC how much you should pay. This will make it easier for you to pay the right amount each time, and help avoid building up debt.

Getting reporting in real time right

You report your payroll information by submitting Full Payment Submissions (FPS) and amounts you are claiming, for example statutory payments, on Employer Payment Summaries (EPS). You should also use an EPS to tell us that you have no FPS to send to us as without it we will collect what we believe is due.

To offset any statutory payments recovered against PAYE/NICs for a particular tax month/quarter you need to file your EPS within 14 days of the end of that tax period i.e. by 19th. So for month 1 (6 April to 5 May) you need to file any EPS by 19 May to offset any statutory payments recovered against PAYE/NICs for month 1.

It is therefore good practice to file your EPS as soon as possible after your final FPS for the tax month.

Remember that both the FPS and EPS submissions should always reflect year-to-date figures – that is from the start of each tax year to date. And both returns and payments must align to tax rather than calendar periods – for example a tax month is the 6th day of one month to the 5th day of the next.

You can use our online PAYE Liabilities & Payments Viewer as a means of confirming the submissions that

HMRC has received from you as at the 6th and 20th of each month. You can also view all payments made, but please note that there is a slight delay in the payment information reaching the Viewer so any very recent payments may not be shown.

If you are a contractor you should still file CIS returns on time each month reporting subcontractor tax deductions – if you don't you will be subject to penalties.

Paying HMRC

Due dates for payment remain the same as now, and as now, we expect employers to pay us in full by the due date.

Payment in full is the:

- total amount shown on your FPS for a tax month, including any corrections or adjustments submitted on or before the 19th of the following month;
- less the amount shown on any EPS submitted on or before the 19th of the following month.

Where your RTI submissions indicate an underpayment, we will make contact with you by phone or letter.

If you have any difficulties paying what you owe on time, you should contact us straight away so that we can see if we can help. <http://www.hmrc.gov.uk/payinghmrc/problems/cantpay.htm>

We want you to pay the right amount at the right time and will do our best to help you to do so. We want payments made in full and on time, not penalties for late payment.

It is important to ensure you use the right reference number, and tell us what tax year and tax month your payment is for, when paying HMRC. If you use the wrong number or input it incorrectly your payment will be delayed and this could lead to interest charges.

More information

For detailed guidance on RTI go to hmrc.gov.uk/rti