



Capital Gold Payroll (4.09.01)

Legislation & Product Changes guide

2021-22 Tax Year

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Legislation & Product Changes guide
2021-22 tax year
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Release Summary

This release includes the statutory payroll changes for the 2021-22 tax year, plus a number of other improvements.

Statutory changes:

Student Loans:

- Student Loan annual thresholds have been updated in line with legislation for 2021/2022
- Scottish Student Loan Plan Type 4 changes for tax year 2021/2022.

National Minimum Wage/National Living Wage 2021/2022

- Changes for NMW/NLW – 2021/2022

Starter Checklist Process Amendments:

RTI Changes:

- FPS
- EPS

Pensions:

- LGPS Bands for England/Wales have been updated for 2021/2022 –
- Teachers` Pension tiers have been updated for 2021/2022.

Full Payment Submission (FPS) for a previous tax year:

- Send amended FPS data for a previous tax year.

Other improvements:

Program Changes:

- P60 Changes for year-end 2020/2021 and to Include Statutory Parental Bereavement Pay
- Demo database update 2021/2022
- Cater for Diesel meets RDE2 regulation from the car database and Car Fuel Benefit Multiplier increased to £24,600.00
- State Aid update- Business sector for De Minimis State Aid has changed from Industrial to Industrial/Other in the Company Options form
- Year-end Restart values for tax code uplift M, N & L
- Plain Paper P60 has been added.

Furlough Scheme:

- Calculations have been added for the Furlough Scheme extension until April 2021 as per the government update.

PAYE Legislation Changes:

- Updates to Tax, NI, Statutory Payments, NMW/NLW, AE rates and parameters in line with legislation for 2021/2022.

Capital Gold Payroll User Guides

Capital Gold Payroll PDF guides are available in the User Guides section at docs.pegasus.co.uk.

PDF Guide	Description
Legislation & product changes guide	This Legislation & product changes guide is in PDF format, and in HTML format so that it can be read in your web browser.
Installation guide	This PDF guide helps with the installation of Capital Gold Payroll.
Checklists guide	This PDF guide describes the steps necessary to upgrade to Capital Gold Payroll (4.09), and then complete the payroll year-end and start the new tax year.
Auto Enrolment guide	This guide provides information on how Capital Gold Payroll can help you carry out Auto Enrolment responsibilities. It covers how your payroll software can help you with Automatic Enrolment, pension funds, and pension deductions.
Auto Enrolment Configuration Tool guide	This guide explains how to use the Auto Enrolment Configuration Tool in Capital Gold Payroll.
Rates and Bands guide	This guide explains the new rates and bands for NI, PAYE and Statutory Payments for the new tax year.

Statutory changes

Statutory payroll changes in this release of Capital Gold Payroll include changes for Student Loans, National Minimum and Living Wage, Starter Checklist, RTI submissions, Pensions, Earlier Year Submission, Other Improvements and Statutory Rates and Thresholds.

Student Loan Thresholds

The annual thresholds have changed for 2021/2022:

- Plan Type 1 increased from £19,390 to £19,895
- Plan Type 2 increased from £26,575 to £27,295
- Plan Type 4 is new for April 2021 and has a threshold of £25,000
- Postgraduate Student Loans remains at £21,000.

Software changes

The annual thresholds have been updated in Capital Gold Payroll in line with legislation for 2021/2022:

Print Tax/NI/Pension Rates

We have updated File | Print Tax/NI/Pension to include the new threshold for Student Loan Plan Type 4.

Student Loan Plan Type 1	9 % above 19895.00
Student Loan Plan Type 2	9 % above 27295.00
Student Loan Plan Type 4	9 % above 25000.00
Postgraduate Student Loan	6 % above 21000.00

Payroll Calculations

Although the threshold differs when calculating Student Loan Plan Type 4, there is no change to the rate or method when calculating student loan deduction.

Example - Plan Type 4 (using 2021/2022 monthly thresholds)

Student Loan Plan Type	4
Nlable Pay	2,500
Annual Threshold	25,000
Monthly Threshold	2,083.33
Deduction Rate	9%
Student Loan Deduction	$2,500 - 2,083.33 * 9\% = £37$ (rounded down to nearest £)

RTI

RTI submissions have been updated to include all Student Loan Plan Types. The FPS Student Loan Year to-date value will be a combination of Plan Type 1, 2 and 4 deductions where all, or either, have existed in the current year.

Applies to	Employees subject to student loan repayments.
Effective	From 6 April 2021.
More information	For further details about the student loan, visit https://www.gov.uk/browse/education/student-finance .

Updates for National Minimum Wage/National Living Wage 2021/2022

HMRC has revised the National Minimum Wage (NMW) and the National Living Wage (NLW) age brackets and rates for the tax year 2021/2022. The new NMW/NLW ages and rates for April 2021 are:

Age	Rate
23 and over	£8.91
21-22	£8.36
18-20	£6.56
16-17	£4.62
Apprentice Rate	£4.30

Software changes

Following these changes, we have updated the software to perform checks using the new parameters.

Note: The system does not make automatic rate changes for employees. It only checks the rates and ages are the correct parameters for the tax year. It is your responsibility to change them. Before updating the software, if you have entered your own rates on the Admin | File | Companies | Minimum/Living Wages Rates screen with a date later than 1 April 2021, the system will not overwrite these figures, you will need to change them manually.

National Minimum and Living Wage Rates

Effective from: 01 April 2021

Age From	Age To	Rate	Apprentice	1st Apprentice Year
0	0	4.30	<input type="checkbox"/>	<input checked="" type="checkbox"/>
0	18	4.30	<input checked="" type="checkbox"/>	<input type="checkbox"/>
16	17	4.62	<input type="checkbox"/>	<input type="checkbox"/>
18	20	6.56	<input type="checkbox"/>	<input type="checkbox"/>
21	22	8.36	<input type="checkbox"/>	<input type="checkbox"/>
23	999	8.91	<input type="checkbox"/>	<input type="checkbox"/>
			<input type="checkbox"/>	<input type="checkbox"/>
			<input type="checkbox"/>	<input type="checkbox"/>
			<input type="checkbox"/>	<input type="checkbox"/>
			<input type="checkbox"/>	<input type="checkbox"/>

Buttons: Add, Delete, OK, Cancel

	<p>Reports</p> <p>We have updated all reports in line with the new NMW and NLW parameters.</p>
Applies to	All employees.
Effective	From 1 April 2021.
More information	For details about national minimum wage and national living wage rates, visit https://www.gov.uk/national-minimum-wage-rates .

Starter Checklist Process Amendments

Changes have been made by HMRC to the Starter Checklist including new statement text and student loan options.

Software changes	<p>Statements A, B and C have been updated in line with HMRC requirements. The new statements are:</p> <p>Statement A: "Do not choose this statement if you're in receipt of a State, Works or Private Pension. Choose this statement if the following applies. This is my first job since 6 April and since the 6 April I've not received payments from any of the following:</p> <ul style="list-style-type: none"> • Jobseeker's Allowance • Employment and Support Allowance • Incapacity Benefit" <p>Statement B: "Do not choose this statement if you're in receipt of a State, Works or Private Pension. Choose this statement if the following applies. Since 6 April I have had another job but I do not have a P45. And/or since the 6 April I have received payments from any of the following:</p> <ul style="list-style-type: none"> • Jobseeker's Allowance • Employment and Support Allowance • Incapacity Benefit" <p>Statement C: "Choose this statement if:</p> <ul style="list-style-type: none"> • you have another job and/or • you're in receipt of a State, Works or Private Pension" <p>In light of changes made by HMRC to the Starter Checklist, on the Employee Details Tax/NI Starter Details New Starter tab, we have renamed the Present Circumstances frame to Student Loans and Postgraduate Loan.</p> <p>Also, on the Starter Checklist, we have added a new frame, Transfer from Another Payroll System. We have also renamed the following fields:</p> <ul style="list-style-type: none"> • This is not a new employee has been renamed This employee is not a new starter to the PAYE Scheme • Previous Employee Code tick box has been changed to Previous Employee Code/RTI Pay ID.
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Starter Checklist Reports

We have updated the **New Starter Reports** to match the layout provided by HMRC.

Applies to	New starters.
Effective	From 6 April 2021.
More information	For details about the starter checklist, visit https://www.gov.uk/government/publications/payee-starter-checklist .

RTI

The FPS and the EPS schema have been updated for tax year 2021/2022 by HMRC.	
Software changes	<ul style="list-style-type: none"> The FPS schema has been updated for tax year 2021/2022 in line with government legislation Updated the EPS schema for submissions relating to tax year 2021/2022.
Applies to	RTI submissions.
Effective	From 6 April 2021.

More information	For details about reporting to HMRC, visit https://www.gov.uk/running-payroll/reporting-to-hmrc .
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Pensions

The LGPS Bands for England/Wales and Scotland have been updated for 2021/2022.

The Teachers' Pension tiers have been updated for 2021/2022.

Software changes The LGPS England/Wales Amendments screen has been updated for 2021/2022.

The screenshot shows a window titled "LGPS England/Wales Amendments" with a close button (X). Inside the window, there is a message: "These values should only be amended if you have been instructed to do so by the LGPS." Below this message is a dropdown menu for "Effective from" set to "01 April 2021". The main area contains a table of pension bands with their respective start and end values and rates. At the bottom, there are "OK" and "Cancel" buttons.

Band	From	To	Rate
Band 1	0.00	14600.99	5.50 %
Band 2	14601.00	22900.99	5.80 %
Band 3	22901.00	37200.99	6.50 %
Band 4	37201.00	47100.99	6.80 %
Band 5	47101.00	65900.99	8.50 %
Band 6	65901.00	93400.99	9.90 %
Band 7	93401.00	110000.99	10.50 %
Band 8	110001.00	165000.99	11.40 %
Band 9	165001.00	0.00	12.50 %

The LGPS Bands for Scotland have been updated for 2021/2022.

LGPS Scotland Amendments

These values should only be amended if you have been instructed to do so by the LGPS.

Effective from: 01 April 2021

Band 1	0.00	To	22300.99	=	5.50	%
Band 2	22301.00	To	27300.99	=	7.25	%
Band 3	27301.00	To	37400.99	=	8.50	%
Band 4	37401.00	To	49900.99	=	9.50	%
Band 5	49901.00	To	0.00	=	12.00	%

OK Cancel

The Teachers' Pension Amendments screen has been updated for 2021/2022.

Teachers' Pension Amendments

These values should only be amended if you have been instructed to do so by the Teachers' Pension Agency.

Effective from: 01 April 2021

Tier 1	0.00	To	28309.99	=	7.40	%
Tier 2	28310.00	To	38108.99	=	8.60	%
Tier 3	38109.00	To	45185.99	=	9.60	%
Tier 4	45186.00	To	59885.99	=	10.20	%
Tier 5	59886.00	To	81661.99	=	11.30	%
Tier 6	81662.00	To	0.00	=	11.70	%
Tier 7	0.00	To	0.00	=	0.00	%
Tier 8	0.00	To	0.00	=	0.00	%

OK Cancel

Applies to	Employees with LGPS and Teachers' Pension Schemes.
Effective	From 1 April 2021.
More information	For details about LGPS, visit https://www.gov.uk/government/collections/local-government-pensions . For details about teacher pension schemes https://www.gov.uk/government/collections/teachers-pension-scheme .

Full Payment Submission (FPS) for a previous tax year

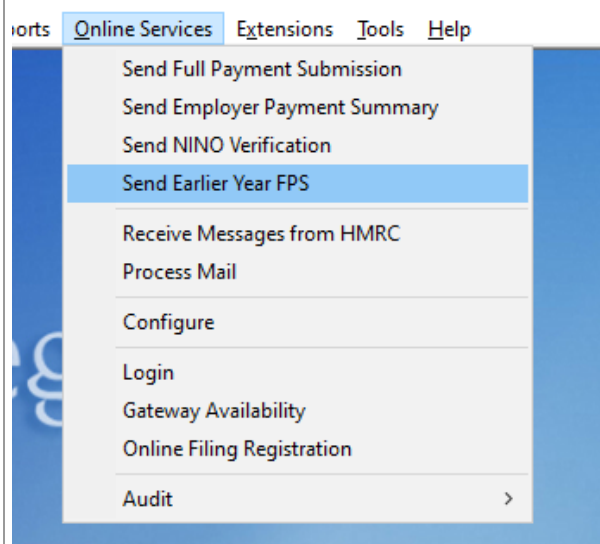
An Earlier Year FPS allows you to submit a Full Payment Submission (FPS) to HMRC for a previous tax year and after 19th April in the current tax year:

- You can only send an Earlier Year Update for submissions up to Tax Year 2019/2020
- From Tax Year 2021/2022, you can send an Earlier Year FPS to correct data from the previous year.

Software changes

For a company in tax year 2021/2022, the Earlier Year Update (EYU) option will no longer be available on the Online Services menu as you can no longer send an EYU to correct any mistakes made in the previous tax year.

To enable you to submit an Earlier Year FPS, a new menu item on the **Online Services** tab, **Send Earlier Year FPS** has been added.



Note: Please refer to the F1 help topic for **Send Earlier Year FPS** for further information.

Applies to

All employers.

Effective

From 6 April 2021.

More information

For details about error corrections, visit <https://www.gov.uk/payroll-errors/correcting-pay-or-deductions>.

Other Improvements

- Updated the P60s for year-end 2020/2021 and to include Statutory Parental Bereavement Pay (SPBP).
- Demo database update 2021/2022.
- To ensure the cash equivalent employee car values are calculated against the correct table value and percentages when creating or amending a company car. The Euro Standard field has been set to '6d (temp)' or '6d' respectively and entries to Fuel Type = Diesel meets RDE2 Regulation in the software.
- State Aid – Business sector for De Minimis State Aid has changed from Industrial to Industrial/Other in the Company Options form.
- Year-end Restart – During the Year End Restart, CGP will uplift employee tax codes L, M, and N.
- The ability to print P60s on plain paper has been provided.
- Furlough scheme has been extended to the end of April 2021. For details about furlough scheme extension to end of April 2021, visit <https://www.gov.uk/guidance/claim-for-wage-costs-through-the-coronavirus-job-retention-scheme>.
- Previously, when a new employee had more than one student loan selected in the Starter Checklist, the software assigned the lowest number by plan type by default. The software has been updated so that it now assigns the number based on the lowest annual threshold of the selected loans.
- Necessary updates to support the extension of the CJRS until 30 September 2021. For details about CJRS extension to end of September 2021, visit [Changes to the Coronavirus Job Retention Scheme from July 2021 - GOV.UK \(www.gov.uk\)](https://www.gov.uk/guidance/changes-to-the-coronavirus-job-retention-scheme)

New NI, PAYE and Statutory Payments rates and bands

Rates and Bands

The rates and bands for tax, National Insurance, Statutory Payments, etc., have all been updated for the 2021/2022 tax year.

Company Car Fuel Benefit

The company car benefit multiplier has been updated for the tax year 2021/22.

Auto Enrolment

The AE Parameters have been updated in line with the legislation for the 2021/2022 tax year.

Note: The new Rates & Bandwidths will be released in a separate guide [Payroll_Upgrade_2021_Rates_Bands_Guide.pdf](#) available on the Pegasus Help Centre.