



Payroll Legislation & Product Changes

2024-25 tax year



Payroll Legislation & Product Changes guide
2024-25 tax year
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Introduction

This release includes the payroll statutory changes for the 2023-24 tax year-end and the new 2024-25 tax year.

Product	Version	Updates
Pegasus Opera 3 / Pegasus Opera 3 SQL SE	2.96.00	There is no upgrade to Online Filing Manager this year. Therefore, you should continue to use Online Filing Manager (4.01.00) to send RTI (Real Time Information) submissions to HMRC (HM Revenue & Customs).

Audience

This guide is provided for Pegasus Partners and customers who need to understand the changes in the new tax year.

Pegasus Help Centre

These guides are available from the Pegasus Help Centre docs.pegasus.co.uk.

Rates and Bands guide	This guide explains the new rates and bands for NI, PAYE and Statutory Payments for the new tax year.
Installation guide	If you are unfamiliar with the installations, you should refer to the Pegasus Opera 3 (2.96.00) installation guide.
Implementation guide	This guide provides a high-level view of Pegasus Opera 3 and how to approach an implementation.
Software Requirements guide	This guide lists the editions of Microsoft Office, Microsoft SQL Server, Microsoft Windows Server, Microsoft Windows desktop, web browsers and Microsoft .NET supported for Pegasus Opera 3 (2.96.00).
Opera 3 Help	The F1 Help is installed with Pegasus Opera 3 and published to the Pegasus Help Centre.

Readme/Release Notes

The Readme or Release Notes are installed with the application. This includes a summary of the payroll changes, details of other non-payroll changes and late-breaking news.

Online Filing Manager

There is no upgrade to Online Filing Manager this year. Continue to use your existing Online Filing Manager software to send your RTI submissions to HMRC. For new installations of Pegasus Opera 3, you must also install Online Filing Manager - included with the Opera 3 installation files download.

Investment Zone NIC Letter changes

Applies to	Employers located within a prescribed geographic area defined as an Investment Zone and only for employees who are working in that area (where the conditions to claim the relief are met).
Effective	6 th April 2024.
More information	For details about the Investment Zones, visit: https://www.gov.uk/government/publications/investment-zones

Summary

The refocused Investment Zones programme is designed to grow the economy, whilst empowering local places and supporting levelling up, by building knowledge-intensive clusters which build on areas' existing strengths.

The package of tax reliefs available in Investment Zones has been carefully designed to bring forward new investment by reducing the cost of doing business. Local government and research institutions will be able to select from a flexible menu of interventions, including the tax offer, when designing their Investment Zone proposal.

Employer National Insurance Contributions (NICs) is to be included in the wider Investment Zone initiative and a reduction in the rate of employer NIC's will be available for all Investment Zone tax site-based businesses i.e., employers located within a prescribed geographic area and only for employees who are working in that area (where the conditions to claim the relief are met). This change in rate would see all employers based within and employing people working within the Investment Zone geographic area, apply a zero-secondary rate of employer NICs for such employees' earnings above the secondary threshold up to and including an upper secondary threshold equivalent to the Freeport upper secondary threshold, where the conditions to claim the relief are met. The balance of earnings above this upper secondary threshold will be charged at 13.8%.

The calculation of primary Class 1 NICs is unaffected.

The relief will be available from the date the first Investment Zone Employer NICs Relief (IZENR) tax site is operational.

For the new NI letters, there will be a point in time (in the future) whereby use of the new letter expires, at which point the employee must be reverted back to the standard equivalent letter: For Investment zones, use of their letters expires approx. 36 months from the date the EE started working for a Investment Zone employer.

Four new Investment Zone NIC category letters will be available from 6 April 2024:

- N - (standard category letter)
- E - (married women and widows entitled to pay reduced NICs)
- K - (employees over the state pension age)

- D - (employees who can defer paying 10% NICs and pay only 2% because they are already paying it in another job).

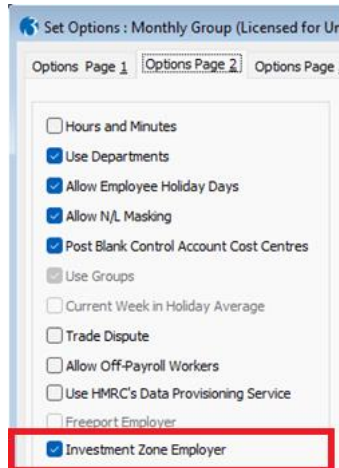
These new category letters mirror existing NIC category letters A, B, C and J, respectively. If an employer has an employee for which they would use a different NIC category letter (e.g., Mariner), they will be able to contact HMRC at the end of the tax year and a manual process will be in place to enable overpaid employer NICs to be claimed back.

NOTE: In the event an Investment Zone tax site becomes operational before 6 April 2024, employers will be able to claim the relief using the existing Freeport NIC Category letters instead. This is a temporary arrangement until the Investment Zone NIC Category letters become available. All Investment Zone Employer NICs Relief claims made from 6 April 2024 onwards (including if the employer has made a claim in relation to the employee prior to 6 April 2024) must be made using the NIC Category letters N, E, K or D.

Software Changes

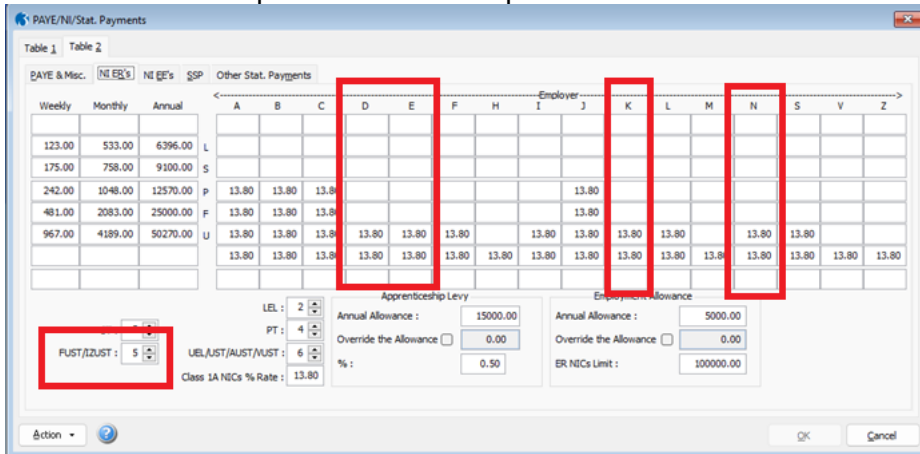
The introduction of Investment Zone functionality means that a new checkbox has been added to Payroll Set Options and when Investment Zones are in use, additional NI Codes are available to assign to an employee if relevant therefore resulting in the calculation process being updated to be able to process the new codes.

The Employee Listing has been enhanced to allow a list of employees to be created, that is for those who are entitled to Investment Zone NIC relief.



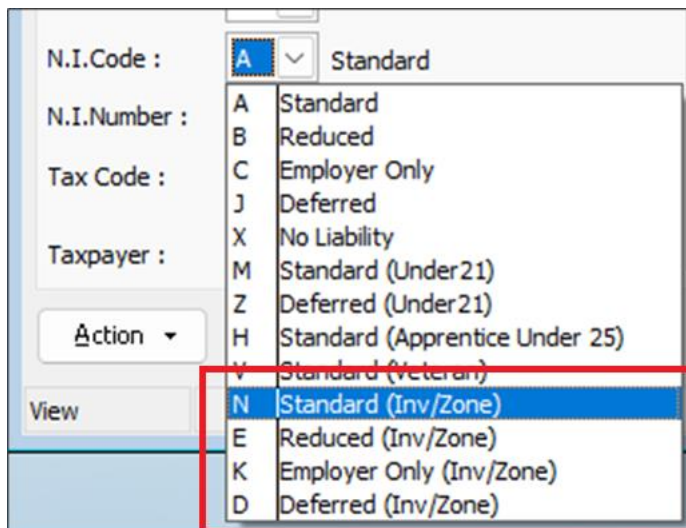
PAYE/NI/Stat. Payments

By selecting Investment Zone Employer functionality, the **Employers** page effective from 6 April 2024 will be updated as follows:



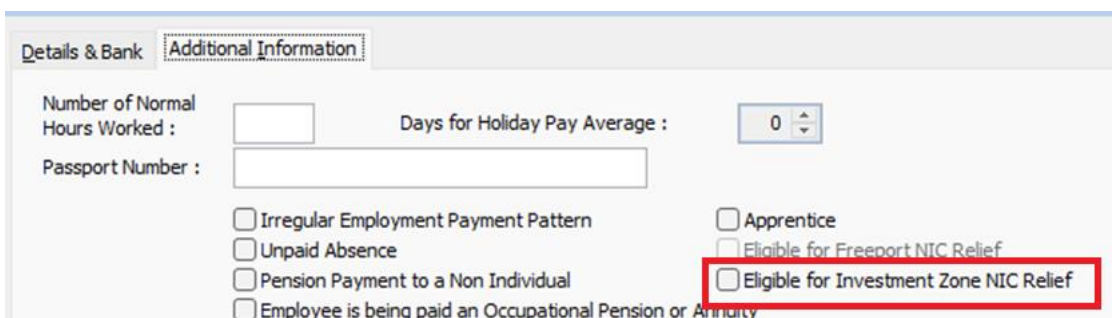
Payroll Processing

When Investment Zone processing is in use, the tax year is 2024/25+ the NI code list will display the new codes shown below.



Details & Bank – Additional Information

A new check box has been added to indicate the employee is eligible for Investment Zone NIC relief. This check box is ticked automatically when applying an investment zone NI code to the employee.



Employee List

The employee list report in the Personnel module has been improved to give the ability to only show freeport employees or investment zone employees. The Summary version of the report is available to be output to excel.

The screenshot shows a dialog box titled "Employee List" with the following options:

- Sequence:** Employee, Department, Group, Job
- Range:** From: 1001 (Richard Godson), To: 3030 (Joyce Shilton)
- Report Type:** Detailed, Summary
- Filters:** Include Leavers, Include only blank e-mail addresses, Include only duplicate e-mail addresses, Include only Freeport Employees, Include only Investment Zone Employees

The "Include only Freeport Employees" and "Include only Investment Zone Employees" options are highlighted with a red box. The dialog also includes "OK" and "Close" buttons at the bottom right.

Statutory Paternity Pay Changes

Applies to	Employees who work in England, Scotland, and Wales.
Effective	6 th April 2024.
More information	For details about Statutory Paternity Leave, visit https://www.gov.uk/employers-paternity-pay-leave

Summary

In its manifesto, the Government committed to make it easier for fathers to take Paternity Leave. Changes to the existing Paternity Pay and Leave (PPL) entitlement, led out of the Department for Business and Trade (DBT), will introduce greater flexibility for fathers, moving to a more equal system of parental leave and pay to promote gender equality. HMRC partly administers this entitlement by providing the forms (SC3, SC4, and SC5) to apply for PPL along with dispute forms (SPP1 and SPP2), requests for advance funding, and online eligibility calculators and guidance for both employers and employees.

Following consultation in 2019 the new policy, which covers Great Britain and not Northern Ireland, will come into effect from 6 April 2024 with the following changes:

- Employed fathers-to-be will be able to provide notice of entitlement 28 days prior to birth/placement of adoption and 4 weeks' notice prior to taking Paternity Leave.
- An employed father will be able to take PPL in 2 non-consecutive periods of 1 week or a 2-week block within 52 weeks of the birth of the child or placement for adoption.

Software Changes

To ensure that the required changes can be applied to employees in Great Britain but not those employed in Northern Ireland it has been necessary to add a checkbox to the Details & Bank form to identify the employee as being subject to Northern Ireland SPP legislation.

To assist with informative messaging, several fields have been added to the SPP section of the Other Stat. Payments tab on the PAYE/NI/Stat. Payments form.

The criteria form of the Employee Record Print has been improved to give the ability to either show or exclude employees who are marked as a Northern Ireland employee.

Changes to the PAYE/NI/Stat. Payments

The highlighted changes have been made on the Other Stat Payments tab for table 2 from 6 April 2024.

SPP	
Earnings Related % Rate :	90.00
Standard Rate :	172.48
Weeks For Paternity Pay Period :	2
Time Limit Days :	364
Northern Ireland Time Limit Days	56
Time Limit Weeks Loss of Child :	8
Pregnancy End Weeks :	16
Employee Notification Days :	28

Details & Bank

A check box has been added to the form to identify an employee who falls within the SPP legislation for Northern Ireland.

The screenshot shows a software interface for 'Details & Bank : 1001 - Richard Godson'. It features two tabs: 'Details & Bank' (selected) and 'Additional Information'. The form contains the following fields:

- Bank Sort Code : 20-45-77 (dropdown) Barclays Bank
- Account Number : 65498654 Kettering Branch
- Payee : R GODSON
- B/Soc Roll Number : [empty]
- Bank Reference : 44958
- Address : 6 The Grove, Wiston Mallet, Northants
- Postcode : NN4 7RW
- Country : [dropdown]
- Northern Ireland Legislation : (highlighted with a red box)
- Employee LEL : 0.00
- Employee UEL : 0.00

Employee Record Print

To aid identification of whether an employee is subject to SPP rules in Northern Ireland, additional radio buttons have been included on the Criteria form.

Employee Record Print

Sequence : Employee

Range

First Employee : 1001 Godson

Last Employee : 3030 Shilton

Report Date : 02/02/2024

Include Leavers

All Employees

Only Off-Payroll Workers

Exclude Off-Payroll Workers

Only Northern Ireland Employees

Exclude Northern Ireland Employees

OK Close

How to process non-consecutive SPP weeks

For further details on how to process non-consecutive SPP weeks, please refer to the **To record Split SPP (Birth)** topic in the Payroll help.

Real Time Information (RTI)

Applies to	All the employees and the employers working under the UK payroll.
Effective	6 th April 2024.
More information	For details about, visit https://www.gov.uk/government/publications/real-time-information-improving-the-operation-of-pay-as-you-earn

Summary

The usual 'year on year' uplifts to support a new tax year. A few things to note here are as follows:

- The additional NI codes applicable to the Investment Zone legislation will be allowable in 2024/25 but not within the remaining periods of 2023/24.
- The validation on a SMP payment having to be paid to a female employee has been removed from 2024/25.

Software Changes

The Full Payment Submission (FPS) changes are minor and date related. The year has been changed to 2023/24 and the minimum and maximum value for dates has been updated so the range is from 6 April 2024 to 5 April 2025.

The Employer Payment Summary (EPS) changes are minor and date related. The year has been changed to 2024/25 and the minimum and maximum value for dates has been updated so the range is from 6 April 2024 to 5 April 2025.

Employer Substitute Forms P60

Applies to	Employers and employees.
Effective	6 th April 2024.
More information	For details about, visit https://www.gov.uk/government/publications/pay-draft-forms-specifications-for-substitute-forms-p60

Summary

The Form P60 is an annual tax form issued to taxpayers at the end of a relevant tax year. It contains exact information about the earnings, the PAYE and NICs paid during the specified tax year.

Software Changes

The following changes have been made for 2023/24 tax year:

- The Tax year has been updated to 2024
- The wording on the form has been updated from 'employment(s)' to 'employments'

P60 End of Year Certificate

Tax year to 5 April **2024**

To the employee:
Please keep this certificate in a safe place as you will need it if you have to fill in a tax return. You also need it to make a claim for tax credits and Universal Credit or to renew your claim.

It also helps you check that your employer is using the correct National Insurance number and deducting the right rate of National Insurance contributions.

By law you are required to tell HM Revenue and Customs about any income that is not fully taxed, even if you are not sent a tax return.

HM Revenue and Customs

The figures marked ★ should be used for your tax return, if you get one

Employee's details

Surname

Forenames or initials

National Insurance number Works/payroll number

Pay and Income Tax details

	Pay		Tax deducted	
	£	p	£	p
In previous employments	<input style="width: 50%;" type="text"/>	<input style="width: 50%;" type="text"/>	<input style="width: 50%;" type="text"/>	<input style="width: 50%;" type="text"/>
In this employment	★ <input style="width: 50%;" type="text"/>	<input style="width: 50%;" type="text"/>	<input style="width: 50%;" type="text"/>	<input style="width: 50%;" type="text"/>
Total for year	<input style="width: 50%;" type="text"/>	<input style="width: 50%;" type="text"/>	<input style="width: 50%;" type="text"/>	<input style="width: 50%;" type="text"/>

Final tax code

National Insurance contributions in this employment

NIC table letter	Earnings at the Lower Earnings Limit (LEL) (where earnings are equal to or exceed the LEL)	Earnings above the LEL, up to and including the Primary Threshold (PT)	Earnings above the PT, up to and including the Upper Earnings Limit (UEL)	Employee's contributions due on all earnings above the PT
	£	£	£	£ p
<input style="width: 100%;" type="text"/>	<input style="width: 50%;" type="text"/>	<input style="width: 50%;" type="text"/>	<input style="width: 50%;" type="text"/>	<input style="width: 50%;" type="text"/>
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Other Software Changes

Auto enrolment changes

The Pensions Regulator will announce any changes to the auto enrolment rates before they become effective, assumed on 6th April 2024 therefore the information is expected to be made available early in this year.

At the present time, The Pensions Regulator has not released detail of any auto enrolment changes for the 2024/25 tax year.

Statutory rates

The confirmed changes to tax bands, NI settings, Statutory payments (SSP, SMP, etc) have been implemented in readiness for the 2024/25 tax year. These include Scottish and Welsh tax bands, but they are subject to Parliamentary approval. At the present time, any changes to student or post graduate loan thresholds have not been confirmed.

Note: A post-upgrade release additional update may be required.

Optimisation

Optimisation changes have been introduced to the Full Payment Submission (FPS) in SE to manage the filing of extremely large data volume of employee information.

General Maintenance

The release includes some general maintenance. For a full list of corrected defects, please go to the Infor Support Portal.

<https://support.infor.com/allogin/allogin.aspx>