

6. Paper filer employers



Low Incomes
Tax Reform
Group
A voice for the unrepresented

Under Real Time Information (RTI) most employers have to submit their employer Pay As You Earn (PAYE) information electronically. However, there are a small group of employers (of which you might be one) who are allowed to file paper returns on a quarterly basis.

Who can be excused from operating RTI electronically?

HMRC expect most people to use online filing. Only a handful of employers are exempt from online filing and so they can send information to HMRC on paper. You cannot choose to use paper filing because you prefer it. You can only use paper filing if you are:

1. Someone who takes on a personal assistant (PA), called a care and support employer by HMRC, and who meets the conditions explained below
2. Exempt from online filing on religious grounds
3. Considered by HMRC to be unable to file online (often called the 'digitally excluded')

You may find it useful to read our factsheets 'Choosing a filing method' and 'RTI' in conjunction with this factsheet.

Exemption for care and support employers

You can file on paper providing your PA provides the care and support services at home, and all three of the following conditions are met:

1. The care or support services must be provided to the employer or a member of their family.
2. The recipient of the services must have a physical or mental disability, or be elderly or infirm.
3. The employer must be filing their return themselves, not having someone else such as a friend or accountant doing it on their behalf.

GOV.UK contains confirmation of the exemption: <https://www.gov.uk/guidance/find-out-which-employers-are-exempt-from-online-payroll-reporting>



How do I apply for paper filing?

If you are a new employer, you should be able to request paper filing when you telephone HMRC to register as an employer. If you are an existing employer and wish to switch to paper filing, you may be asked to write to HMRC with full details, for your application to be considered.

See our website for more details: <https://disabilitytaxguide.org.uk/Setting-things-up/filing-options/>

How will I make the correct PAYE calculations if I'm not using payroll software?

There are manual tax tables or an online PAYE calculator to help you calculate payroll tax, National Insurance contributions (NICs) and any Student Loan deductions.

The tables look complicated but are quite easy to use.

For Student Loan deductions for example, you go to the table which corresponds to your employee's plan type and look up the amount of weekly or monthly earnings in the left hand column to find the corresponding Student Loan deduction in the right hand column. If the exact amount of earnings isn't shown, look for the nearest figure below and use the amount of Student Loan deduction shown for that range of earnings. All the other tables work in a similar way.

For more information see: <https://disabilitytaxguide.org.uk/paying-wages/paper-filing1/calculations/>

www.disabilitytaxguide.org.uk

Paper filing—more detail

Paper filers should:

- Complete a paper deductions working sheet (form RT11) when a payment of earnings is made
- Complete a form (RT2), and send it to HMRC each tax quarter – 19 July, 19 October, 19 January, 19 April. You have to send these forms to HMRC by these deadlines or you may incur penalties
- Complete a form (RT5), if necessary, to report any adjustments to the amounts due, e.g. for statutory payments such as maternity pay or to report that no payments have been made to employees in the quarter.

To help you complete the forms, there is a guide called RT6.

There is also a paper filing helpbook – RT7: Guidance for Employers exempt from filing Real Time Information online. This helpbook contains step-by-step guidance which has been specifically produced to help you understand:

- your responsibilities and obligations as an employer
- how to send your payroll information to HMRC
- what forms to fill in and when
- how and when to pay HMRC
- where you can get more help and support.

HMRC will send the relevant forms and guidance to you – they are not available from HMRC's website.

For more information on what paper filing entails, see our website:

<https://disabilitytaxguide.org.uk/paying-wages/paper-filing1/>

Two important things to remember....

1) HMRC would like to stress that the vast majority of employers would find electronic RTI reporting quicker, easier and more convenient, particularly as they have developed their own free RTI software, Basic PAYE Tools, for you to use. Indeed many employers who qualify for the paper exemption are choosing to deal with HMRC online anyway, as they find it more secure and reliable.

You can find out more about online filing here: <https://disabilitytaxguide.org.uk/paying-wages/reporting-payee-in-real-time/>

2) If you are going to proceed with being a paper filing employer – please make sure you tell your employee. This is because if they claim Universal Credit they will need to report their earnings from you to the Department for Work and Pensions (DWP) themselves.



What if I have a question about paper filing?

HMRC's paper filing helpline should be able to deal with paper filing Queries: 0300 200 3205. You may find that after a certain number of rings, you are transferred to the normal Employer Helpline (if there is no one available to take your call for example). If this happens you should ask that the Employer Helpline adviser tries putting you through to the paper filing helpline again.

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