

Payroll set-up checklist

This isn't an exhaustive list but should act as a reminder of the main things you need to do

✓ Before you start

- Confirm the status of your personal assistant (PA) for tax purposes – e.g. will your PA be an 'employee' or 'self-employed'?

We provide information to help you do this on our website:

<https://disabilitytaxguide.org.uk/tax-status>

- If an employee, do you need to register with HM Revenue & Customs (HMRC) for Pay As You Earn (PAYE) purposes?

We outline when you need to do this here:

<https://disabilitytaxguide.org.uk/Setting-things-up/registering-as-an-employer/>

- If yes, carefully consider your options for operating PAYE – will you do this yourself or use a payroll agency/accountant?

Find out more here:

<https://disabilitytaxguide.org.uk/Setting-things-up/#using>

✓ Setting things up

- Decide if you are going to run your payroll on-line or on paper (if you qualify).

For more information see here:

<https://disabilitytaxguide.org.uk/Setting-things-up/filing-options/>

- Register as an employer with HMRC and if filing online, register for HMRC's PAYE for Employers online service.

Instructions on how to do this can be found here:

<https://disabilitytaxguide.org.uk/Setting-things-up/registering-as-an-employer/#online>

- If filing online, choose and install appropriate payroll software and set up your employer and employee information.

Different software options can be found here:

<https://disabilitytaxguide.org.uk/paying-wages/reporting-payee-in-real-time/rti-software/>

- If paper filing, make sure you receive the appropriate forms and guidance from HMRC.

If necessary, you can also obtain these from the Employer Orderline:

<https://www.gov.uk/government/organisations/hm-revenue-customs/contact/employer-stationery-and-forms-ordering>

- Choose the most appropriate payment period for your staff e.g. weekly, fortnightly or monthly and if paying them by bank transfer, set them up as a new payee.

Find out more on the payment period options on our website:

<https://disabilitytaxguide.org.uk/paying-wages/taking-on-a-new-employee/#often>

- Get familiar with what PAYE forms you might need to give your employee and when.

There is a handy summary on GOV.UK here:

<https://www.gov.uk/payee-forms-p45-p60-p11d>

- Make sure you understand your record keeping obligations. In a nutshell you need to keep them for 3 years from the end of the tax year they relate to.
We talk about record keeping here:
<https://disabilitytaxguide.org.uk/paying-wages/keeping-records1/>
- Put security measures in place to protect your employee data and payroll information e.g. by password protecting your computer and scheduling regular back-ups.
There is more on these type of 'data protection' issues on our website:
<https://disabilitytaxguide.org.uk/paying-wages/keeping-records1/#data>
- Set payroll filing and PAYE remittance reminders in your diary so you never miss a deadline
You can find a payroll calendar to help you do this in our factsheet here:
https://disabilitytaxguide.org.uk/files/10_Getting_more_help_FINAL_2017.18.pdf
- Keep up to date with payroll rules by registering for HMRC updates and alerts – e.g. Employer Bulletin is published every two months and is a good source of payroll information.
See our website for further details:
<https://disabilitytaxguide.org.uk/paying-wages/getting-more-help/>
- ✓ **Other considerations**
- Start thinking about workplace pension arrangements for your PA - we recommend you do this well in advance of any auto-enrolment obligations taking effect.
Find out more about auto-enrolment here:
<https://disabilitytaxguide.org.uk/pensions-auto-enrolment>
- Make sure you understand how any benefits/expenses you provide will be handled.
For more information see here:
<https://disabilitytaxguide.org.uk/End-of-year-processes/benefits-and-expenses1/>
- Check out some of HMRC's general help for new employers, including webinars, e-learning, emails and videos on employing people.
See the GOV.UK website for further details:
<https://www.gov.uk/government/news/webinars-emails-and-videos-on-employing-people>
- Read the Advisory, Conciliation and Arbitration Service's (ACAS's) 'A guide for new employers' on employment law and getting the best out of your PA.
It can be found here:
<http://www.acas.org.uk/index.aspx?articleid=2949>.
You can also find a summary of the main employment law considerations on our website here:
<http://disabilitytaxguide.org.uk/employment-law>