

RTI RELAXATION EXTENDED - SMALL EMPLOYERS

HM Revenue & Customs announced a temporary relaxation of real-time PAYE reporting rules for small employers, detailed in our post on 26 March. This was due to end on 5 October 2013 but the relaxation period has now been extended until April 2014.

Real Time Information (RTI) sees PAYE reported on or before the date payment is made, with changes being reported as and when they occur, rather than at the end of the financial year.

By pushing the deadline to April 2014, small businesses will not be required to change their approach halfway through the tax year. As with the current relaxation, businesses are still required to report through the new system, but are able to do so once a month, rather than each time they pay their employees.

Since the launch of RTI, more than 1.4 million employer PAYE schemes are now reporting to HMRC in real time. This means more than 83% of small to medium firms and more than 77% of micro firms have already started to report in real time.



From April 2014, all employers need to plan to be reporting in real time, but HMRC are continuing to work with businesses to identify whether there are any unusual circumstances that they need to cater for in the long term.