



# HOW TO STREAMLINE YOUR PAYROLL PROCESS.

There is no escaping the fact that the advent of the financial year-end can be extremely stressful for those tasked with meeting its demands.

The payroll process involves several important factors such as; noting any benefits or expenses, keeping on top of any potential tax liabilities, and of course running the year-end payroll itself.

Here are some steps it is important to follow to prepare for payroll year-end.

1

## Check when payroll ends.

In some circumstances, your payroll might not end on week 52, and instead, you may need to complete an additional payroll. This will mean your payroll could end in weeks 53, 54, or week 56.

This happens if you process payrolls weekly, two-weekly, or four weekly. It can also happen if your usual payroll date falls on 5th April in any year (or 4th April if it's a leap year- 2024, 2028, and so on). It is crucial you know exactly when your payroll ends in order to meet the deadlines provided by HMRC.

2

## Check for leavers or new starters

If employees have left your business during the past year, or there have been new starters, now's the time to check to ensure they've been processed.

This might mean talking with managers and making sure clear lines of communication are open.

Once you start the new payroll year it is not easy to go back and fix mistakes if you have made any and you could be charged or fined for these mistakes.

3

## Send your final FPS/ EPS of the year.

After you have worked out when your payroll is due and have made any relevant employees' leavers it is now time to send your final FPS and, if required EPS.

The deadline for this is the 19th of April.

4

## Process your year-end

Now is the time to process your year-end and produce your P60s. Then that is everything, you have completed the payroll year-end process. But don't forget you need to get ready to start processing payroll for the new tax year as soon as possible.

Missteps or mistakes in any of these processes can have severe consequences for organisations with the threat of legal or financial repercussions from HMRC.

## Common Payroll Mistakes

Many businesses find themselves with outdated and inefficient systems which make this process harder and the payroll year-end can end up costing businesses a significant amount of time and money each year. That's why we always recommend outsourcing your payroll services to a team of professionals who have the time, knowledge, and systems needed to streamline this process for you. Pierce Accountants ensure your organisation is ready to meet your commitments in the upcoming tax year.

### Some of the most common payroll mistakes are:

- Processing payroll late
- Processing payroll incorrectly
- Inadequate backup systems
- Not enough trained staff
- Inexperienced payroll set-up
- Missing deadlines
- Not claiming the employment allowance
- Not assessing for apprenticeship levy

### Some of the implications from making these mistakes are:

- Financial costs
- Impacts staff retention
- Affect productivity levels
- Damage your company reputation
- Named and shamed by HMRC on Gov.UK

By outsourcing your payroll to a team of professionals you no longer need to dread your payroll year-end or worry about making any mistakes. Payroll professionals help you have a stress-free year every year and leave you to concentrate on growing your business.

However, this is not the only benefit of outsourcing your payroll, payroll professionals also help you maximise your opportunities for the next tax year, update your systems to make sure they are as effective as possible, and train your staff to use them confidently.

This can lead to an increase in employee satisfaction and a decrease in employee queries.

Speak to our Payroll team today