

# HMRC SOFTWARE DEVELOPER SUPPORT TEAM UPDATE

Paula Wyatt

## 2022/23 CHANGES

On 22 September the Government announced:

- New rates of Class 1 NICs from 6 November for both employers and employees for earnings paid on or after 6 November for the remainder of the 2022-23 tax year
- HSCL of 1.25%, due to be introduced from April 2023, will now not go ahead.

**SDSt emailed developers with this news and more information, on 22 September**

- The rate of Class 1A (excluding sporting testimonials and termination payments reported on an RTI return) and Class 1B will be a revised annualised rate for the 2022-23 tax year.
- The rate of Class 1A for sporting testimonials and termination payments reported on an RTI return is the rate that applies at the time of the payment of the general earnings or amount.
- A revised annualised Class 1 NICs rate will also apply for directors
- We are asking software developers and employers to remove the generic message on payslips about the NIC uplift as this will not be applicable from 6 November 2022.
- We will also be writing to employers and agents to ensure they are aware of these changes, but we would appreciate any assistance you can provide in informing your clients and updating your support models with this information.

## GUIDANCE ISSUED TO DEVELOPERS SO FAR.....

- 2022/23 payroll test data examples for National Insurance are being updated to include November NIC reductions – info to be available shortly
- 2023/24 RTI Techpack due in late October – roll-forward from 2022/23
- Proposed RTI test services delivery dates are LTS 24 November and for TPVS, 1<sup>st</sup> December 2022 – we are hoping to be able to release the test services earlier if possible
- 2022/23 EXB Techpack expected publish date – late October
- 2022/23 EXB Test service planned for 25 November – to include new Class 1A NICs rate (annualised)
- DPS TPVS – test data to be updated for 2023/24, release date still outstanding.

# 2023/24 CHANGES

## **Income Tax**

From April 2023, the basic rate of income tax will be cut to 19% - announced 22 September 2022

Reversal of plans to scrap 45% Additional rate of income tax – announced 3 October 2022 – rate will continue to apply

## **Reversing the Health and Social Care Levy**

On 22 September 2022, the government is cancelling the introduction of the Health and Social Care Levy as a separate tax from April 2023, applying UK-wide.

## **Repealing off-payroll working reforms**

The 2017 and 2021 reforms to the off-payroll working rules (also known as IR35) will be repealed from 6 April 2023. From this date, workers across the UK providing their services via an intermediary, such as a personal service company, will once again be responsible for determining their employment status and paying the appropriate amount of tax and NICs.

## 2024/25 CHANGES

### Investment Zones

The government will introduce Investment Zones across the UK. Areas with Investment Zones will benefit from tax incentives, planning liberalisation, and wider support for the local economy.

For employers, there will be **Employer National Insurance contributions relief**. This is zero-rate Employer NICs on salaries of any new employee working in the tax site for at least 60% of their time, on earnings up to £50,270 per year. [The usual Employer NICs being charged at the usual rate above this level.]

For guidance on gov.uk:

[www.gov.uk/government/publications/investment-zones-in-england/investment-zones-in-england](https://www.gov.uk/government/publications/investment-zones-in-england/investment-zones-in-england)

### Parental Bereavement Leave and Pay in Northern Ireland

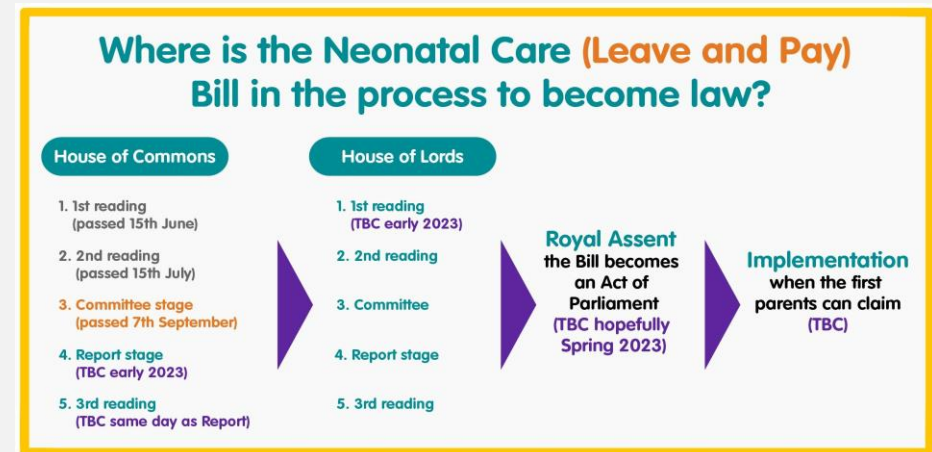
In February 2022, we alerted developers to the Employer bulletin article around Parental Bereavement Leave and Pay in Northern Ireland coming into effect 6 April 2022. At that time, the entitlement mirrored the parental bereavement provisions that have been in place in Great Britain since April 2020.

The expectation is that from April 2024, there will be some changes to the Northern Ireland provisions. More detail to follow in due course.

2024/25 CONT.....

## Neo-natal pay and leave

The Neonatal Care (Leave and Pay) Bill would introduce two new rights: neonatal care leave and statutory neonatal care pay. If this Bill becomes law it will mean all employed parents will be entitled to up to 12 weeks of neonatal leave.



STILL TO COME

- Government 'Medium Term Fiscal Plan' – 23 November 2022
- Budget – Spring 2023

MISC

### **Data quality**

We are currently contacting developers with details of validation errors in submissions from their products, to assist them you in reducing errors to the benefit of yourselves, Your users and HMRC. Feedback is positive and we are starting to see an improvement in success rates as updated products are rolled-out to customers.





QUESTIONS