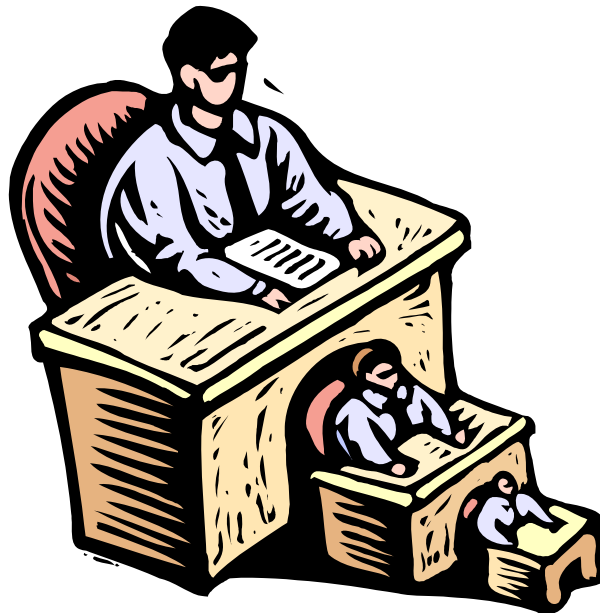

LLEWELYN DAVIES

*EMPLOYERS QUICK
GUIDE TO PAYE*



2009-2010

www.llewelyndavies.co.uk

EMPLOYERS QUICK GUIDE TO P.A.Y.E. 2009-2010

New Tax Rates

Emergency Tax code 647L - Tax-free pay increases to £110 per week/£540 per month. Basic Rate Tax has changed to 20%.

- Basic Rate 20% from £0 to £37,400
- Higher Rate 40% over £37,400

Deduction Rate for sub-contractors remains at 20%.

New National Insurance Rates

- Lower Earnings Limit rises to £95.00 per week.
- New Earnings Threshold of £110.00 per week (N.I. to be paid on all earnings over this amount).
- Upper Earnings Limit rises to £844.00 per week (1% N.I. deducted for any employees earnings over this amount).
- Employees contributions remains at 11% on all earnings between £110.00 and £844.00 per week (Not contracted-out rate).
- Employers contributions remains at **12.8%** on all earnings over £110.00 per week.
- Employers Class 1A NICs on benefits in kind is 12.8%. These contributions need to be accounted for on forms P11D by 5 July 2009.

New Statutory Sick Pay Rate

Statutory Sick Pay rises to £79.15 per week for all employees earning over the Lower Earnings Threshold of £95.00 per week.

Statutory Maternity & Paternity Pay Rates.

See separate leaflet.

New Rules on Holiday Pay

From 1 APRIL 2009 the minimum holiday entitlement has increased from 24 days a year to 28 (pro rata for part time staff)
The 28 days can include the eight statutory bank holidays, which fall within the calendar year.

National Minimum Wage

- For 16 – 17 year olds is currently £3.53 per hour.
- For 18 – 21 year old is currently £4.77 per hour.
- For 22 year olds and over is currently £5.73 per hour.

Employment Protection Payments

- The limit on the amount of guarantee payment payable to an employee in respect of any day of lay-off is £21.50 (Maximum of 5 days paid in any 13 week period).
- Qualifying period for claiming unfair dismissal – one year's employment (Effective since 1.6.00).
- The maximum amount of a week's pay for calculating basic or additional awards of compensation for unfair dismissal or redundancy is £350.
- The limit on the amount of a compensatory award for unfair dismissal is £66,200.
- The minimum basic award of compensation for unfair dismissal in relation to health and safety, working time and trustees of personal pension schemes is £4,700.

Time off for Emergencies

The Employment Relations Act 1999 contains a right to take time off for dependents. This entitles employees to take a *reasonable* amount of time off to:

- Provide help when a dependent falls ill, gives birth, is injured or assaulted.
- Make arrangements to take care of a dependent that is ill or injured.
- Deal with the death of a dependent e.g. register the death, arrange the funeral.
- Deal with unexpected disruption in the arrangements of a dependent's care e.g. childminder or nurse fails to turn up.
- Deal with unexpected incidents concerning the employee's child during school hours.

This time-off can be treated as unpaid leave unless the employer decides otherwise.

Disability Discrimination Act (DDA) (Affects employers with 15 or more employees).

If you employ 15 or more staff you will be covered by the provisions of the above act which requires employers to "make reasonable adjustments" to the working environment of disabled people in order for them to get or keep a job. For more information contact the Disability Rights Commission on 08457 622633 or visit the website on (www.disabilitygov.uk).

Stakeholder Pensions

All Employers with five or more employees (excluding self employed) have to provide access to a stakeholder pension scheme for all eligible employees.

We operate PAYE systems for many of our clients. The fees range for weekly and monthly payrolls are as follows: -

£

Weekly (per employee per week) 3 - 11

Monthly (per employee per month) 4 - 15

They vary depending on the quality of the information received and the precise requirements (e.g. we post payslips).

If you need any further assistance with Payroll matters. Please contact one of our Offices.

We hope the contents are a useful summary. We have taken every care in the preparation of the leaflet, however, we can accept no responsibility for any loss occasioned by any person acting or refraining from action as a result of this material.

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