



# Quick Guide

## *RTI Submission*

### Abstract

This guide provides an overview of how to do RTI submission.



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## Full Payment Submission (FPS)

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Under HMRC's new RTI system, each time you pay your employees, you must submit a Full Payment Submission (FPS) to HMRC. This submission comes up automatically when you create your payroll payments.

For every employee paid in the pay run, the FPS includes the following details:

- Taxable pay for period and to-date
- Non tax or NIC payment
- Deductions from net pay
- Items subject to Class 1 NIC
- Value of any benefits in kind in this period
- Total tax for period and to-date
- Net pay for this period
- Employer and employee NI contributions payable for period and to-date
- Total student loan repayment this period and to-date
- Employee pension contributions
- Statutory payments for the period and to-date

The FPS also contains information about starting and leaving employees, so you no longer need to file in-year forms (such as a P46 form) with HMRC. The first FPS also includes personal information for all employees (except those with a leaving date before the start of the current payroll year).

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**Important:** Ensure that you create and use payroll items for deductions, additions, and employer contributions so that QuickBooks can report values required in the FPS.

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### Report the reason for a late FPS submission

Late-filing penalties are applied on a monthly basis, where payment information is not received as expected on an FPS, or where you have not told HMRC that no employees have been paid by sending an EPS.



The following table lists the conditions where HMRC recognizes you may not be able to report on time:

Conditions	Description
Notional payment	Payment to an Expat by third party or overseas employer
Notional payment	Employment related security
Notional payment	Other
Payment	Subject to class 1 NICs but P11D/P9D for tax
Micro	Employer using temporary 'on or before' relaxation
No requirement to maintain a Deductions Working Sheet	Impractical to report work done on the day
Reasonable excuse	Note: HMRC notes that these may include: <ul style="list-style-type: none"><li>▪ Death of a close relative or domestic partner</li><li>▪ Serious illness of yourself or a close relative</li><li>▪ System failure, for example fire, flood, or IT difficulties</li></ul>
Correction to earlier submission	<b>Note:</b> Select this reason to report a late notification of a leaving date for an employee who has left your employment where the leaving date was not immediately known or reported.

When you are unable to meet your obligations to report payroll information on or before the date an employee is paid, and one of the situations above applies, you must indicate the relevant condition on the FPS.

QuickBooks automatically opens the Late Reporting Reason window when appropriate.

#### To indicate relevant condition as a late reporting reason, do this task

1. From the Late Reporting Reason window, select the relevant condition.
2. Click **Submit**.
3. Enter your HMRC credentials and click **Submit**.



## Employer Payment Summary (EPS)

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Under the RTI system, you must submit an Employer Payment Summary (EPS) at the end of each month. If you did not pay any employees in a tax month, you must still file an EPS within 14 days of the end of the tax month.

**Important:** If this is your last submission of the year, go to the **Employees** menu, click **RTI**, and then click **Submit Final Submission** to complete the end of year process and your final submission.

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**Note:** You can submit an EPS for a period of no payments for the current month and you can do so before the end of the current month. You can also submit an EPS for a period of no payments for prior months.

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The only restriction is that the end date of your period of no payments cannot be later than the end of the current month.

If you have employees still to be paid in the current month, it is recommended that you wait until those payments have been made before submitting the EPS. This ensures your EPS includes all of the statutory recovery up to and including this full month.

This electronic summary provides the following information about corrections and adjustments:

- Corrections that were not already submitted
- Adjustments for recovery of SMP, SPP, ASPP/ShPP, and SAP
- Eligible compensation for SMP, SPP, ASPP/ShPP, and SAP
- Construction Industry Scheme (CIS) deductions HMRC compares the EPS information with the FPS submissions received during the month.
- Notify HMRC of your entitlement to Employment Allowance

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**Note:** You need to only notify HMRC after your entitlement to Employment Allowance is complete. You need not have to re-submit this every tax year. Once you have submitted the claim with a Yes option you need to have to send anything unless you amend the claim to the No option.

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### To do this task

1. Go to the **Employees** menu, click **RTI**, and then click **Submit EPS**.

–OR–

In the **Payroll Centre**, click the **File Forms** tab and highlight **RTI - EPS** in the forms list (scroll down to see it) and then click **Process Form | Submit**.

2. Select the tax year the EPS applies to, and then click **Submit EPS**.
3. Review the amounts.

If you are a limited company that has had Construction Industry Scheme (CIS) deductions made from payments received for work in the construction industry, verify the total amount of CIS deductions suffered year to date.



4. If you did not pay any employees, select the **No employees were paid in the period** checkbox, and enter the start and end dates of the period.
5. If you intend to claim the employment allowance, select the **Employment Allowance indicator** checkbox. This notifies HMRC that there is an application.

#### To adjust your NIC Employer liability

- a) Go to the **Employees** menu and select **Payroll Centre**.
- b) Click the **Pay Liabilities** tab.
- c) In the **Reports** section, click **Payroll Liability Balances** and check the amount owing.
- d) Still on the **Pay Liabilities** tab of the Payroll Centre, click the **Adjust Liabilities** icon.
- e) Verify that the date is correct.
- f) Select Company.
- g) In the **Item Name** drop-down list, click **NIC Employer**.
- h) In the **Amount** column, enter the **NIC Employer** amount that you want to reduce the liability payment by, preceded by a negative sign.
- i) Add a note in the **Memo** column that the adjustment is for the Employment Allowance and click **OK**.

This reduces the NIC Employer amount for the period by the amount of the liability adjustment.

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**Note:** Keep the indicator selected in the future EPS submissions, unless you change your mind and do **not** want to claim the Employment Allowance. If you send a later EPS with the indicator cleared, that notifies HMRC that there is **no** application.

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You need to check each time that you pay liabilities to ensure that you have not gone over the limit.

#### To check your pay liabilities have not gone over limit

- Go to the Employee Centre, click the **Transactions** tab, and click **Liability Adjustments** to find a list of the Liability Adjustments.
6. Click **Add/Edit Account Holder's Info** to review and edit your bank account details as required.
7. Click **Submit**.
8. Enter your HMRC credentials and click **Submit**.



## Final submission

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You do the final submission when

- You send your Real Time Information (RTI) final payroll report for the tax year on or before 5 April,
- Your final report because you have ceased as an employer and are paying your employees for the last time.

If you send more than one Full Payment Submission (FPS), for example for weekly and monthly employees, include this end of year information with whichever is the last FPS or Employer Payment Summary (EPS) for the year, regardless of which payroll or employees it relates to.

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**Note:** If you deleted or amended a payroll payment but did not send updated information to HMRC at the time, QuickBooks automatically checks and send that information before sending the final submission.

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### To do this task

1. Go to the Employees menu and select **RTI > Submit Final Submission**.
2. Click **Review P60 Data**.
3. Click **Submit Final Submission**.

If this is the last report of the year, select **This is my last submission on or before 5 April for the entire PAYE scheme**.

If the PAYE scheme is ending, select **I have ceased as an employer and am paying my employees for the last time**, and enter the date the scheme ceased.

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**Note:** The date must be in the year to which your final submission relates.

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4. In the **Questions and Declarations** section, select **Yes** or **No** as appropriate to answer each of the questions as follows:

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**Important:** Although HMRC no longer requires that you answer the following questions, QuickBooks does require that you answer these questions correctly to complete your final submission.

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- a) If you made any payments to any employees where you paid their tax on their behalf, select Yes.  
Otherwise, select No.
- b) If anyone, other than you, paid expenses or provided benefits to any of your employees during the year as a result of the employee working for you, and while they were employed by you, select Yes.  
Otherwise, select No.
- c) If anyone employed by a person or company outside the UK worked for you in the UK for 30 or more days in a row, select Yes.



Otherwise, select No.

- d) If you have paid any of an employee's pay to someone other than the employee, for example, paying school fees directly to a school, select Yes.

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**Note:** This does not include Attachment of Earnings Orders, payments to the Child Support Agency and Salary Sacrifice arrangements.

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Otherwise, select No.

- e) If any completed forms P11D and P11D(b) are due for the year, select Yes. Otherwise, select No.
- f) If you are a service company, select Yes.

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**Note:** A service company includes a limited company, a limited liability partnership or a partnership (but not a sole trader) that provides your personal services to third parties.

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Otherwise, select No.

5. Click **Submit**.
6. Enter your HMRC credentials and click **Submit**.

#### **If QuickBooks adjusts NI contributions for a director during the Final submission**

An adjustment in NI contributions at the payroll year end might be necessary if:

- A director has been paid on a per period basis (also known as the alternative method) and the NI calculation has not been annualised at the end of the payroll year
- A director has had an NI code change late in the year and there were not enough payments subsequent to the change for QuickBooks to annualise the NI calculations completely

QuickBooks automatically makes the adjustment for you during the end of year process. After the liability adjustment is made, check the amount in column **1f** of the adjustment line on the **P11**, available on the **File Forms** tab of the Payroll Centre, to see if you owe or need to collect an amount from the director.

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**Note:** Make sure you are looking at the liability adjustment dated 5 April for the appropriate tax year.

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If the amount in column **1f** is negative, pay a NIC refund to the director using the Write Cheques window and the account you use to pay your payroll liabilities. On the **Expenses** tab of the cheque, assign the amount to your Payroll Expenses account.

If the amount is positive, create a deduction payroll item that does not affect taxes and is based on net pay. Name the item appropriately, for example, underpaid NICs, and include the item and amount in the Other Payroll Items area of the director's next payroll payment.



## Earlier Year Update (EYU)

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An Earlier Year Update (EYU) is a submission to correct, **on or after 19 April**, an error in a payroll payment from a previous year in which you operated PAYE in real time.

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**Important:** If you need to make a correction to a payroll payment from a previous year in which you were not on RTI, in other words a year in which you used forms P14 and P35, you will instead need to follow the older process for amending a P14/P35. The method of the original submission made for a tax year should be used for any changes. For example, if the original submission was via paper (P14/P35) the notification of change to HMRC must be via paper. If the original submission was via RTI (FPS/EPS), then the notification of change to HMRC must be via an EYU.

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If you amend, or delete and re-create, a payroll payment for a previous year in which you were on RTI, QuickBooks prompts you to submit either an EYU or an FPS, depending on whether the date you submit the change is before or after 19 April. If you make the changes and submit **on or after 20 April**, you will be prompted to submit an EYU. If you make the changes and submit **on or before 19 April**, you will be prompted to submit an FPS.

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**Note:** It is not possible to submit an EYU for the previous tax year before 20 April. HMRC will reject the submission.

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The EYU reports only the difference between what you originally submitted and what the figure should be. If you submit more than one EYU, each submission reports only the amount of the amendment from the last figure submitted. For example, if you submit an EYU to correct a figure, then again find it is incorrect and submit a second EYU, the second EYU reports only the difference between the correct figure and the figure you submitted in the first EYU.

You can submit changes for up to six years after you filed your original submission.