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Completing the 2019-20 Tax Year End

Year End Tasks

These are the year-end tasks for the 2019-20 tax year after upgrading Opera 3 to v2.70.00.

Follow these steps for each company and payroll group after calculating the pay for the final pay period using the **Calculation** command.

Important:

- If the Additional Systems feature is currently in use you **MUST** complete this process for each system.
- You **MUST** create the FPS for the final 2019-20 pay period before running the Payroll Update for that period.
- You **MUST** submit a **Final EPS** - Even if recoverable amounts don't apply.

The Final RTI submissions should be sent to HMRC using the current version of Online Filing Manager (v4.01) before 19/04/2020.

Backup (before Completing the Tax Year End)

1	1. Login to Opera as user: ADMIN. 2. Navigate to **Administration - System – Utilities - Monitor Users.** 3. Confirm that ADMIN is the only user logged into the system: ![User ID table showing ADMIN / The Administrator] 4. Confirm users are not logged in on XRL. 5. Run the **System - Utilities - Backup**. 6. Untick the "Include Additional Files/Folders: ![Include Additional Files/Folders with PDF, Spool, Email, PDM, SPM, Export checkboxes]	
2	1. Remain logged into Opera as ADMIN. 2. Navigate to **Administration - System – Utilities.** 3. Click **Update Data Structures.** 4. Click Next. 5. If you have more than one company uncheck all companies leaving the 1st company selected 6. Click Next. 7. Tick both 'force rebuilding of all tables' and 'indexes' and run unattended. 8. Select "No" to update Statutory Rate. 9. Click Next to start the process. Once completed click Finish. **Note**: Repeat this process for each company selecting one at a time for processing.	

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Make a folder copy of the contents of the O3 Server VFP folder:

OS (C:) > Pegasus > O3 Server VFP

Name

- Backup
- Bespoke
- Client Setup
- Data
- Data-B
- DataDict
- DataDictCore
- DemoData
- FrameworkSupport
- Group Policy
- Logos
- Reporter
- Reports
- Support
- System
- Temp
- VFP9
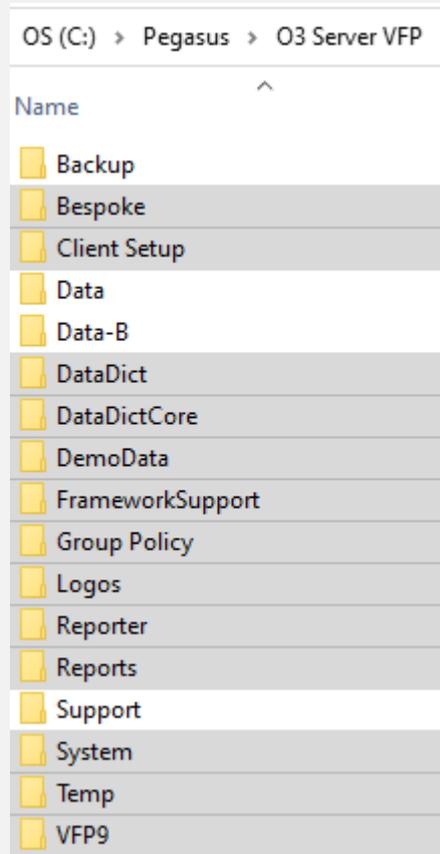
3

Note: If you wish you can exclude the Backup, Support (if present) and all of the Data-* folders.
For example Data-B:

OS (C:) > Pegasus > O3 Server VFP > Data-B

Name

- B_EMAIL
- B_EXPORT
- B_IMG
- B_LETTERTEMPLATE
- B_MAILMERGE
- B_PDF
- B_SPOOL
- B_SPREADSHEET
- B_sync
- b_aalog
- b_aalog.dbf
- b_abatch
- b_abatch.dbf
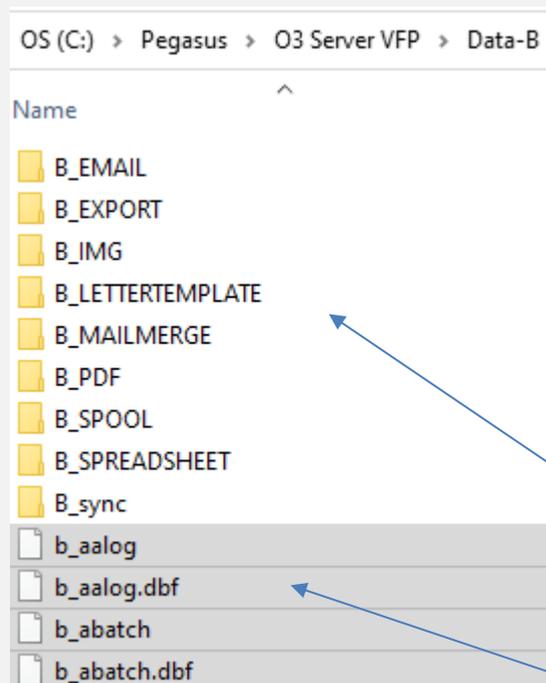
Copy the Files not the Folders.

Completing the Year End

Note: Complete the following steps in addition to the usual processes that you complete in each pay period.

1	Print the **Payroll – Summary Reports - To Date Summary**
	
	Plus any other summary reports required for example:
	
	    A. This Period Summary.
	    B. Departmental Analysis.	

2	Open the **Payroll – P32 Processing form** and make sure funding and payments are up to date. If other companies in Opera are marked to be consolidated into a P32 consolidation 'parent' company, use the **Consolidate P32** command on the **Action** menu in that company to combine the P32 values. Then add values if necessary, to update funding and payments using the respective command on the **Action** menu.	
3	Open the **Payroll - EOY/Special Reports - P60 End of Year Returns** form and print the P60 (End of Year Certificates) for all employees.	
4	If your employees are paid by BACS, create the BACS payment file before creating the FPS file for the final pay period.	
5	Open the Payroll - RTI Submissions - Full Payment Submission form to create the FPS file for the final pay period and send it to HMRC using Online Filing Manager.	
5	After all FPS file(s) have been submitted to HMRC for the 2019-20 Tax-Year you **must** send a Final EPS for the end of the tax year. Open the **Payroll - RTI Submissions - Employer Payment Summary** form to create the Final EPS file for the tax year. On the first page: • From the EPS Type list, select 'Final EPS of the year' • From the Tax Year list, select '2019/20' • Update the remaining boxes as usual. On the second page: • From the Up to Tax Month list, select 'Period 12' • Verify the 2019-20 year to-date recoverable amounts. **Note**: If these amounts are not relevant to you leave them as zero. Click Start and send the EPS to HMRC using the Online Filing Manager.	
6	Open the **Payroll – EOY/Special Reports – Print P35 Substitute** form as a file-copy if required. Print P35 Deductions Working Sheet if required. **Note**: no longer submitted to HMRC.	

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7	Print the **Payroll – EOY/Special Reports – Pay/Ded List** to print a list of payments and deductions for a range of employees over one or more pay periods. Then print any other reports needed for the final period in the 2019-20 Tax-Year.	
8	If Payroll is linked to the Nominal Ledger, Run the **Payroll – Utilities – N/L Analysis** command to update the Nominal Ledger.	
9	If Payroll is linked to the Cashbook, Run the **Payroll – Utilities – Cashbook Transfer** command to update the Cashbook.	
10	To retain a copy of the data before processing in the new tax year, Run the **System – Utilities – Backup** command for each of the company's data.	
11	Run **the Payroll – Utilities – Update** command for the final pay period.	

12	Run the **Payroll – EOY/Special Reports – End of Year Clear down** command.
	This clears to date values such as Income Tax and NI contributions from the employee's records and makes the payroll ready for the next tax year.
	
	    A. Click the **Payments** tab to select those you want to clear balances or press F5 to select all.
	    B. Click the **Deductions** tab to select those you want to clear balances or press F5 to select all.	

13	Check that the Current Tax Year box on the **Payroll – Utilities – Set Options** form is set to 2021 for the new tax year. Also, check the 2020-21 pay calendar on the **Payroll – Utilities – Calendar** form to ensure the details are correct.	

Starting the New Tax Year

This guide details the recommended steps to start the new tax year. We recommend taking a backup before completing these steps (repeat the instructions for backup detailed on page 1 and 2 above).

These are the tasks to complete at the start of the new tax year in each Pegasus Opera 3 company.

Checking and Setting Statutory Rates

Note: Complete these steps BEFORE processing the Payroll in the first pay period.

1	Open the **Payroll - Utilities - PAYE/NI/Stat. Payments form** to check the **Table 2** tab: ▪ On the **PAYE & Misc.** tab, check that the **Date Table Becomes Effective** box is set to '06/04/2020'. If the date is different, run the **Payroll - Utilities - Copy Statutory Rates** command, select the **Set to System Default** option, and click **OK**. ▪ On the **NI ER's** tab, review the Employment Allowance and the Apprenticeship Levy annual allowance. **Note**: If you run more than one payroll company the allowance can be overridden if required.	
2	If applicable, open the **Payroll - Utilities - Scottish Tax form** and check that the **Date Table Becomes Effective** box for the **Table 2** tab is set to '06/04/2020'.	
3	If applicable, open the **Payroll - Utilities – Welsh Tax form** and check that the **Date Table Becomes Effective** box for the **Table 2** tab is set to '06/04/2020'.	
4	Check the 2020-21 pay calendar on the **Payroll - Utilities - Calendar form**.	
5	On the **Payroll - Utilities - Set Options form**: **Options Page 1** ▪ Check that the **Current Tax Year** box is set to '2021'. **Note**: ALL payroll groups must be set to '2021', including the default group - even if not used. ▪ For weekly, two-weekly or four-weekly payrolls make sure that the **P32 by Income Tax Month** option is ticked (this ensures all weeks are included in the correct tax month). **Options Page 2** ▪ If off-payroll workers are contracted, tick the **Allow Off-Payroll Workers** option so that employee records can be set as off-payroll. ▪ If the company qualifies as a small employer for recovering statutory payments, tick the **Entitled to Small Employer's Relief** option for the default payroll group. **Options Page 3** ▪ For weekly payrolls, if the holiday pay average calculation feature is used, set the **Weeks for Holiday Pay Average** option to '52'.	

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	▪ Set the **Days for Holiday Pay Average** option to the days in a working week ('5' is used by default). This setting is used in the calculation of the daily average for holiday pay. If necessary, this can be overridden on Employee Profiles or on employee records – please check the F1 help.	
6	Set up payroll records for employees starting in the new tax year. Their records must be set up before running the first payroll calculation.	

7	Existing employee details may need to be amended. For example, for tax, NI and taxpayer status and company car details.
	
	Open **the Payroll - Processing form** to review employee records:
	
	▪ For Scottish Income Tax payers, select 'Scottish' in the **Taxpayer** box.
	▪ For Welsh Income Tax payers, select 'Welsh' in the **Taxpayer** box.
	▪ On the **Additional Information** tab of the Details & Bank form:
	  - Check everyone's number of hours worked.
	    The hours entered will be automatically allocated to the bands for the 2020-21 tax year.
	  - Review the student loan and post graduate loan options for employees repaying loans.
	  - For off-payroll workers, tick the **Off-Payroll Worker** option.
	
	Note: You can update multiple employees' taxpayer status using the:
	Payroll - Global Changes - Tax Code Changes screen.	

8	To understand which age bands your employees are in, run the **Employee Age List** report to see the employees whose ages cross over the National Minimum and Living Wage ages.	
9	Apply new tax codes for employees with tax code notices from HMRC.	

Payrolling Company Car Benefit

10	Where you have applied to HMRC to payroll company cars: ▪ For each employee with a new company car, enter the car details from the **Payroll - Processing - Payrolling Benefits** menu. Include the date the car was first registered, and the zero emissions mileage if relevant for the car. These are new HMRC requirements for the 2020-21 tax year. ▪ Set up a 'Benefit in Kind' Payment Profile for the car benefit. ▪ Apply the profile to each employee with a company car on the **Payroll - Processing - Payment & Deductions** form and enter the relevant value for the benefit in the Perm. Value column. ▪ For employees with company cars previously recorded on the **Payroll - Processing - Payrolling Benefits** form, enter the date when the car was first registered (mandatory) and the zero emissions mileage for hybrid cars if the car has CO2 emissions between 1g/km to 50g/km.	

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Claiming the Employment Allowance

11	From the 2020-21 tax year the Employment Allowance is a type of de minimis State aid. Employers need to reapply for the de minimis State aid Employment Allowance at the start of each tax year in the **Employer Payment Summary** (EPS). On the second page of the **Employer Payment Summary** screen in **RTI Submissions**, select the **Include claim status in EPS** option. Then select one of these options: ▪ Can't claim ▪ Starting to claim or already claiming for 2020-21. Select the trade sector or tick the **State aid rules** don't apply option if state aid rules are not relevant to the business. **Note**: The option Stop claiming is available for the situation where the allowance was being claimed for 2020-21, but then the employer stops claiming it. Update the remaining fields as required and submit the EPS to HMRC.	