LF LUBBOCK FINE



PAYROLL REAL TIME INFORMATION

LUBBOCK FINE

FACTSHEET

PAYROLL REAL TIME INFORMATION

We set out below details of how payroll information has to be submitted to HMRC under Real Time Information (RTI).

RTI - AN INTRODUCTION

Under RTI, employers or their agents are required to make regular payroll submissions for each pay period during the year, detailing payments and deductions made from employees each time they are paid. There are two main returns which an employer needs to make which are detailed below.

Full Payment Submission

The Full Payment Submission (FPS) must be sent to HMRC **on or before** the date employees are paid. This submission details pay and deductions made from an employee. The FPS must reach HMRC on or before the date of payment of the wages to employees.

Employer Payment Summary

Employers may also have to make a further return to HMRC each month, the Employer Payment Summary (EPS) to cover the following situations:

- where no employees were paid in the tax month
- where the employer has received advance funding to cover statutory payments
- where statutory payments are recoverable (such as Statutory Maternity Paternity or Shared Parental Pay) together with the National Insurance Compensation payment; or
- where CIS deductions are suffered which could be offset (companies only).

HMRC will offset the amounts recoverable against the amount due from the FPS to calculate what should be payable. The EPS needs to be with HMRC by the 19th of the month to be offset against the payment due for the previous tax month.

PAYMENTS TO HMRC

Please bear in mind that under RTI HMRC are aware of the amount due on a monthly/quarterly basis. This will be part of the information reported to HMRC through the FPS and EPS.

HMRC will expect to receive the PAYE and NIC deductions less the payments each month or quarter (small employers only).

YEAR END PROCEDURES

At the end of the tax year a final FPS or EPS return must be made to advise HMRC that all payments and deductions have been reported to HMRC.

SOME FURTHER COMPLICATIONS

Wages

Under RTI it is not possible to put through wages at the year end of the business and assume this has been paid throughout the year, for example to utilise a family member's national insurance lower earnings limit which gives them a credit for state pension and statutory payment purposes.

Wages should be paid regularly and details provided to HMRC through the RTI system on a timely basis.

Payments which are impractical to report 'on or before'

HMRC have issued guidance covering issues such as payments made on the day of work (which vary depending on the work done) where it is impractical to report in real time. The regulations allow up to an additional seven days for reporting the payment in specified circumstances.

HMRC have also made available some guidance on exceptions to reporting PAYE information 'on or before' paying an employee which can be found at www.gov.uk/running-payroll/fps-after-payday.

Please do contact us if you would like any further help or advice on payroll procedures.

PENALTIES

Penalties apply where employers fail to meet their RTI filing and payment obligations.

In essence, late filing penalties apply to each PAYE scheme, with the size of the penalty based on the number of employees in the scheme. Monthly penalties of between £100 and £400 may be applied to micro, small, medium and large employers as shown below:

- 1-9 employees - £100
- 10-49 employees - £200
- 50-249 employees - £300; and
- 250 or more employees - £400.

Each scheme is subject to only one late filing penalty each month regardless of the number of returns submitted late in the month. There will be one unpenalised default each year with all subsequent defaults attracting a penalty. Rather than issue late filing penalties automatically when a deadline is missed, HMRC has confirmed that they will *'take a more proportionate approach and concentrate on the more serious defaults on a risk-assessed basis'*.

HMRC charges daily interest on all unpaid amounts from the due and payable date to the date of payment, and will raise the charge when payment in full has been made. They may also charge penalties to employers who fail to pay their PAYE liabilities on time. These penalties are 'risk assessed' and range between 1% and 4% of the amounts paid late. The first late payment will not attract a penalty.

HOW WE CAN HELP

The operation of PAYE under RTI can be a difficult and time consuming procedure for those in business. We will be happy to show you how to operate PAYE correctly, offer ongoing advice on particular issues, or to carry out your payroll for you so please do contact us.

Paternoster House
65 St Paul's Churchyard
London EC4M 8AB
T: +44 (0)20 7490 7766
E: enquiries@lubbockfine.co.uk

lubbockfine.co.uk

Russell Bedford
taking you further

Member of Russell Bedford International – a global network of independent professional services firms.

This material is published for the information of clients. It provides only an overview of the regulations in force at the date of publication, and no action should be taken without consulting the detailed legislation or seeking professional advice. Therefore no responsibility for loss occasioned by any person acting or refraining from action as a result of the material can be accepted by the authors or the firm.

© 2026 Lubbock Fine. Lubbock Fine LLP is registered to carry on audit work in the UK and regulated for a range of investment business activities by the Institute of Chartered Accountants in England & Wales. Registered in England and Wales as a limited liability partnership (OC431004). A list of members' names is available for inspection at our registered address. Any reference to a 'partner' in relation to Lubbock Fine means a member of the LLP.