



## E-Update: February 2011

This month Robert Bradley looks at the new PAYE penalties and how to avoid them.

Dear All,

This month focuses on the new PAYE penalties which are in force now and, more importantly, how to avoid them.

### **PAYE Penalties**

HMRC have published a reminder to employers about the new penalties for the current tax year. Failure to pay PAYE and NI on time can mean fines starting from 1% of the amount due, where payments are late more than once, up to 4% where payment is late eleven or more times during the tax year.

The trouble with the new penalty rules is that HMRC won't tell you that they think you've missed a payment deadline until well after the tax year has ended - possibly up to two years later. Their recent unprompted reminder suggests to us that many companies are in for an unpleasant surprise after April when penalty notices will start to drop through letter boxes. Based on their past record I don't think you should rely on HMRC to get these right.

It's now important not just to keep a record of the PAYE payments you've made but also the date you made them. You'll need proof in case you need to challenge a penalty. PAYE is due on the 19th each month. Where you send your payment by post, allow three working days for delivery and keep a record of posting. Where paying by bank transfer, you get an extra three days so payment is due on the 22nd, but if this falls at the weekend your payment must be with HMRC the last working day before then.

### **Professional panel**

Bradley & Associates works with a number of professionals to add value to services provided to clients. These include tax specialists, Business Recovery Practitioners, HR Consultants, Financial Advisers and Business and Personal Development Coaches. They have now been recognised by the creation of a professional panel. Panel members will be contributing to the E-Update throughout 2011 about topical business issues. Find out more about the panel [here](#).

Regards,

**Robert Bradley**

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