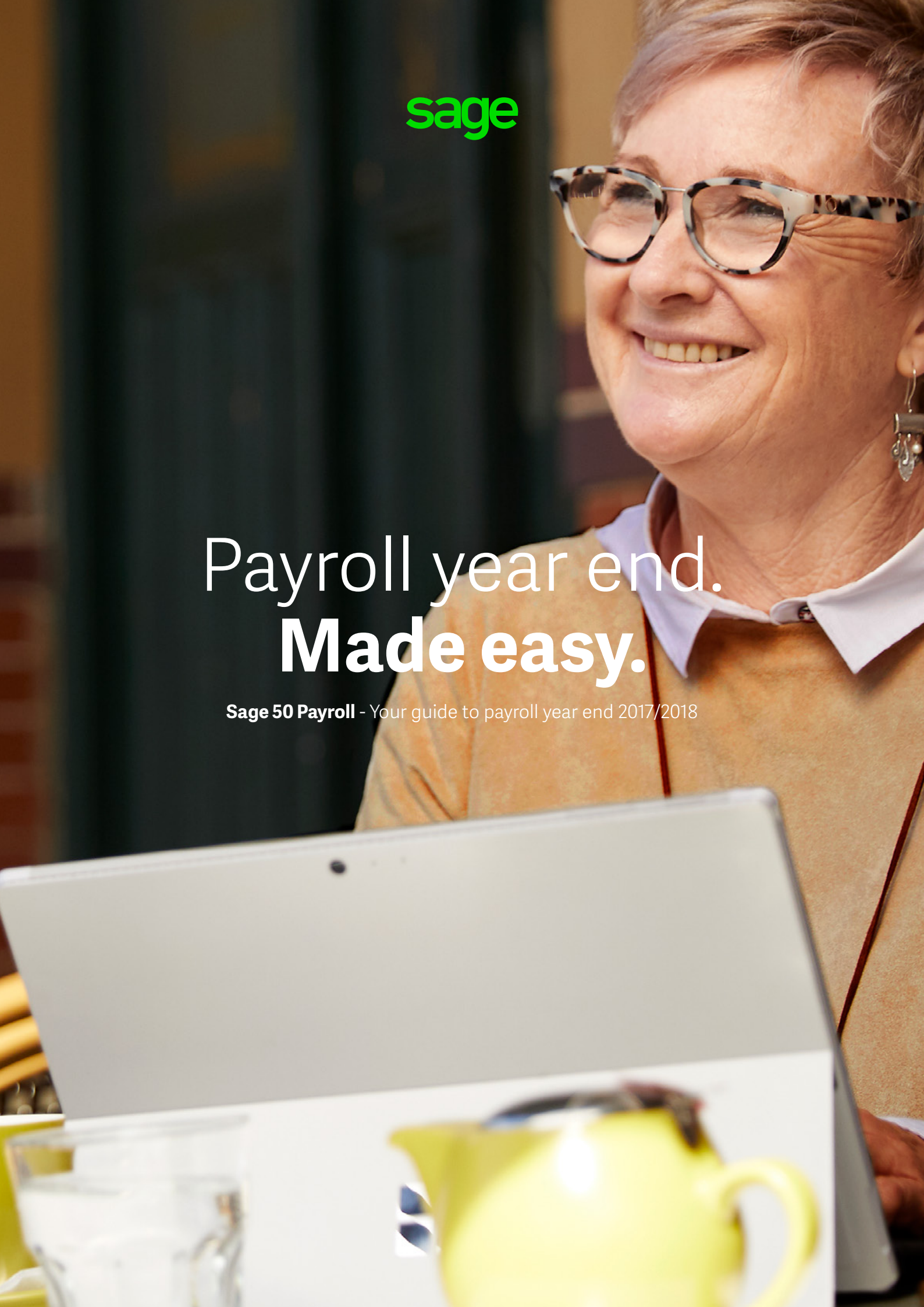


A smiling woman with short grey hair and glasses is looking at a laptop screen. In the foreground, a yellow teapot is visible on a table. The background is slightly blurred, showing a bookshelf.

sage

# Payroll year end. **Made easy.**

**Sage 50 Payroll** - Your guide to payroll year end 2017/2018

---

## Contents

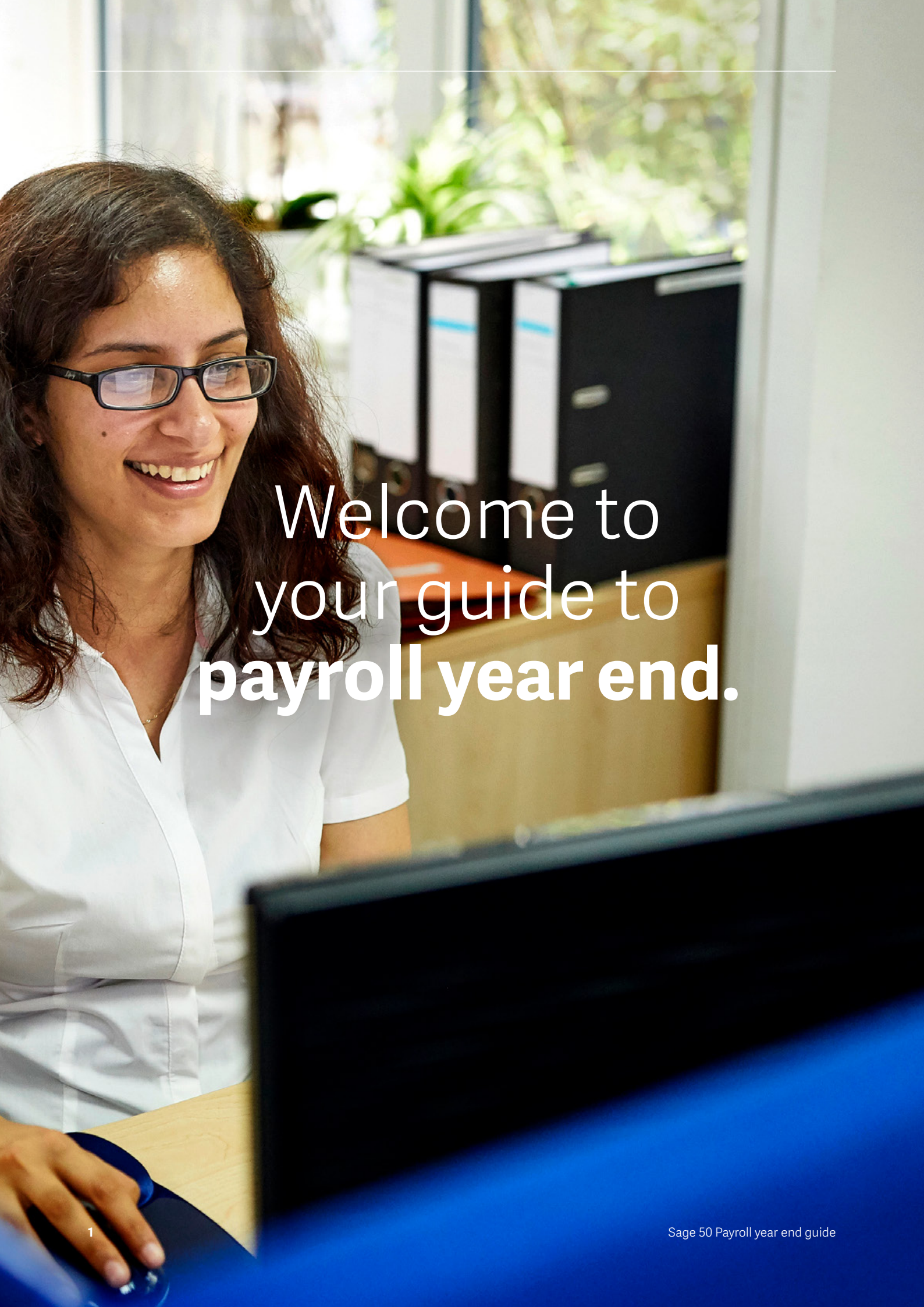
- 1. Welcome to your guide to payroll year end
  - 4. Install your update
  - 7. Prepare for your year end
  - 12. Process your year end
  - 18. Get ready for the new tax year
  - 23. Software licence agreement
- 



***Exclusively for Sage Cover members.***

***Important!*** You must install your software update before running your year end. For instructions about installation, please read this guide.



A woman with long, dark, wavy hair and black-rimmed glasses is smiling while looking at a computer monitor. She is wearing a white short-sleeved button-down shirt. Her right hand is on a blue computer mouse. The background shows an office setting with a desk, a potted plant, and a window with a view of greenery outside. The text "Welcome to your guide to payroll year end." is overlaid in white on the right side of the image.

Welcome to  
your guide to  
**payroll year end.**

---

This guide takes you through the payroll year end process in four easy to follow parts:

- Stage 01**     ***Install your update***
- Stage 02**     ***Prepare for your year end***
- Stage 03**     ***Process your year end***
- Stage 04**     ***Get ready for the new tax year***

## **Your new tax year software update**

As part of your Sage Cover support contract, you receive a software update. This ensures you're up to date with all the new legislation.

So that you get the update as quickly as possible, your Sage 50 Payroll software automatically prompts you to download it, when it's ready. As soon as you receive this prompt, you should install the update. Don't worry if you haven't completed your payroll for the 2017/2018 tax year, as the update contains legislation for both this tax year and next.

For more information about installing your update, please refer to the **Install your update section**.

## **Start processing in the new tax year before running your year end**

You can start processing in the new tax year before you've completed your year end routine. However you must ensure you've processed the last period in the 2017/2018 tax year and submitted your full payment submission (FPS) and if applicable, an employer payment summary (EPS) as normal.

**You can then complete the stages in this guide in the following order:**

1. Install your software update.
2. Prepare for your year end.
3. Get ready for the new tax year.
4. Process your year end.

---

## Get more information this year end

Your software includes a useful interactive guide that takes you through the year end process. You can even complete the year end tasks without having to leave the guide.

From the main toolbar, simply click **Help Centre** then **Payroll year end 2018**.

### It includes:

- Quick videos guiding you through every step of the process.
- Checklists to help ensure you don't miss a thing.
- Questions and answers from the Sage community.
- Information about new legislation in the 2018/2019 tax year.
- Links to our live year end **webinars**.

Don't forget you can access the Help Centre at any time, whether you have a question about year end or general processing by visiting [www.sage.co.uk/help](http://www.sage.co.uk/help)





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Stage 01  
Install your  
**update.**

---

To make the installation of your update as easy as possible you're automatically prompted to download it from within Sage 50 Payroll when it's ready for you.

As it contains legislation for both the current tax year, and the next tax year, you can install it straight away. Alternatively, you can download your update from [www.sage.co.uk/pye](http://www.sage.co.uk/pye).

## Preparation

Before you install your new software update, you should check you're currently using the correct version of Sage 50 Payroll for the 2017/2018 tax year. You should also make a note of where your current software is installed.

1. Within Sage 50 Payroll, click **Help** then click **About**.
2. Under **Program Details**, check your version number starts with **23** and make a note of the program directory.

If your version starts with 24, you've already installed your year end update. You should now proceed to the **Prepare for year end** section.

If you're not using v23 or above, it means you're using a version which isn't for the current tax year. To find out what to do next, please visit [sage.co.uk/pye](http://sage.co.uk/pye) and contact us.

---

## Install your update

1. When you receive the prompt, ensure **all** other software is closed, then click **Download Now**.  
Depending on your internet connection, this may take a few minutes.
2. Once the download is complete, click **Install Now**.
3. When prompted to take a backup, click **Yes** then follow the steps in the **Backup Wizard**.
4. Accept the licence then click **Next**.
5. If the installation path is the same as the program directory you noted in the previous section, click **Yes** then proceed to step 8.  
If the installation routine hasn't found the correct installation, click **No**.
6. When prompted if you know which installation you want to upgrade, click **Yes**.
7. Browse to the program directory you noted, click the **Payroll.exe** file, then click **Open**.
8. When the installation completes, click **OK**.

If you have Sage 50 Payroll installed on more than one computer, you must repeat these steps on each computer the software's installed on.

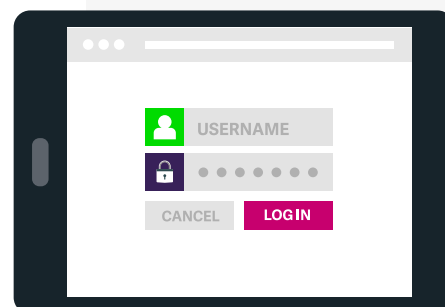
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## Upgrade your data and check your version

1. Open Sage 50 Payroll.
2. If prompted, enter your account or serial number and activation key.<sup>1</sup>
3. Select your company, then click **OK**.
4. Enter your username and password, then click **OK**.
5. To upgrade your data and reports, click **OK** then click **OK** again.
6. Read any important messages about your software then click **Close**.
7. On the menu bar, click **Help** then click **About**.
8. Under Program Details check your version number begins with **24**.

If your version number doesn't begin with 24, you've not installed the year end software update for the 2018/2019 tax year. You must not process anything in the new tax year until you install the update.

For more information about installing your update and upgrading your data, please visit [www.sage.co.uk/pye](http://www.sage.co.uk/pye).



<sup>1</sup> To find your details please visit [my.sage.co.uk](http://my.sage.co.uk), then **My Accounts** and **Products and Services**.





Stage 02

# Prepare for your year end.

---

# There are a few things you must check before you can process your year end.

## Check if you have a week 53

### Weekly, fortnightly and four weekly paid employees

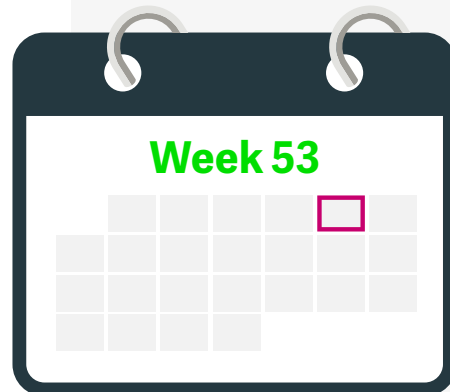
If your normal pay day is Thursday 5 April 2018, you have a week 53 and you should process this as normal.

If your normal pay day falls on any other day of the week, then you don't have a week 53 and shouldn't process using this pay day.

### Monthly paid employees

Monthly employees never have a week 53.

For more information about week 53, please visit [www.sage.co.uk/pye](http://www.sage.co.uk/pye).



---

## Process and update your final pay period for 2017/2018

Before you process your year end, you must process the last pay period of the year and update your payroll as normal.

If you process more than one pay frequency, for example, weekly and monthly, make sure that you update the last pay period of the tax year for each pay frequency.

### Directors

When you process payments for directors who use the table method, a message appears to inform you that they've been recalculated on a year to date basis. To continue, click **OK**.

This is because, in line with legislation, National Insurance (NI) for this period calculates using the annual NI thresholds. This can result in the final NI deduction of the year being higher or lower than you expect. For more information, please visit [www.sage.co.uk/pye](http://www.sage.co.uk/pye).

### Advancing pay

If you need to advance employees' pay, for example for holidays, you can use the Advance Pay option in the usual way. Both tax and NI calculate in line with government legislation.

For more information, please visit [www.sage.co.uk/payrollsupport](http://www.sage.co.uk/payrollsupport) and search for article **3349**.

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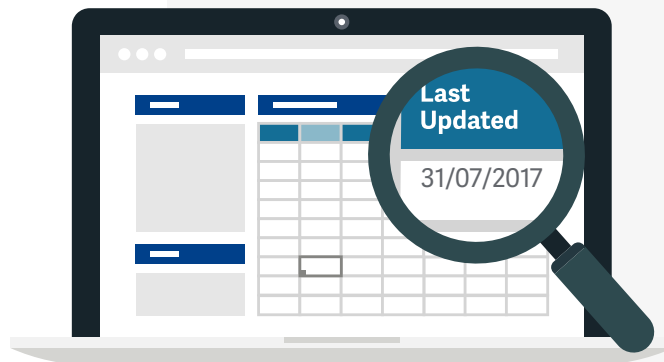
## Check your employees' last updated pay periods

You should check the last updated date for all of your employees to ensure that you've paid them up to the last pay period of the tax year.

### To check this:

1. Make sure your process date is set to **05/04/2018**.
2. On the employee list, check the **Last Updated** column shows the process date you last used to update your employees.

The History tab in each employee's records also shows the history of all payments. Alternatively, you can also run the P11 from **Reports**, then **Employee**.



---

## Process leavers

If any employees have left your company, you must process them as leavers **before** you submit your FPS. This ensures that they get a P45 and that HMRC are notified that they've left.

For more information, please visit [www.sage.co.uk/payrollsupport](http://www.sage.co.uk/payrollsupport) and search for article **29224**.

---

## Submit your FPS as normal

You must submit your FPS and if applicable, an EPS for month 12. For more information about whether or not you need to submit an EPS, please visit [www.sage.co.uk/payrollsupport](http://www.sage.co.uk/payrollsupport) and search for article **29221**.

To check if you've submitted your FPS:

3. Make sure your process date is set to 05/04/2018.
4. On the employee list, check the data in the Last FPS Date column is the date you last submitted your FPS.

You can also view the submissions you've made and whether or not they were successful, from **e-Submissions** then **e-Submission Log**.



## Check you have enough P60s for all your employees

By **31 May 2018**, you must provide a P60 to every employee who is working for you on 5 April 2018. You can provide them with either a paper or email version of their P60.

If you intend to send paper copies, you should check that you have enough stationery for the 2017/2018 tax year.<sup>1</sup>

If you need P60 stationery, you can order them from our website, [www.sage.co.uk/shop](http://www.sage.co.uk/shop)

You can also order P60 stationery direct from the HMRC Employer Orderline. If you use HMRC stationery, you may need to adjust your printer settings. For more information about adjusting your printer settings, please visit [www.sage.co.uk/payrollsupport](http://www.sage.co.uk/payrollsupport) and search for article **11386**.

### Prefer to email your P60s?

Using Sage 50 Payroll you can choose to email your P60s to your employees rather than print them. Before you can do this, you must ensure that your employees' records are set up to receive electronic documents.

For more information about setting up employees to receive electronic documents, please visit [www.sage.co.uk/payrollsupport](http://www.sage.co.uk/payrollsupport) and search for article **25530**.



<sup>1</sup> You must use the correct P60 stationery for the 2017/2018 tax year. **You can't use P60 stationery from a previous tax year.**



## Preparation checklist:

| Stage 02                                                            | Completed                           |
|---------------------------------------------------------------------|-------------------------------------|
| I've checked for a week 53 and processed my final pay.              | <input checked="" type="checkbox"/> |
| For any employees who left in the tax year, I've made them leavers. | <input checked="" type="checkbox"/> |
| I've submitted my FPS.                                              | <input checked="" type="checkbox"/> |
| If applicable, I've submitted my EPS.                               | <input checked="" type="checkbox"/> |
| I've checked I have enough P60s for my employees.                   | <input checked="" type="checkbox"/> |

A woman with long, wavy brown hair and black-rimmed glasses is sitting at a desk. She is wearing a green short-sleeved shirt. She is looking off to the side with a thoughtful expression. Her right hand is resting on a spiral-bound notebook on the desk. The background shows a window with vertical blinds and some office equipment.

Stage 03  
**Process**  
your year end.



---

Before processing your year end, you must ensure you've completed all of the steps in the previous section,

## Prepare for year end.

### Check your software version

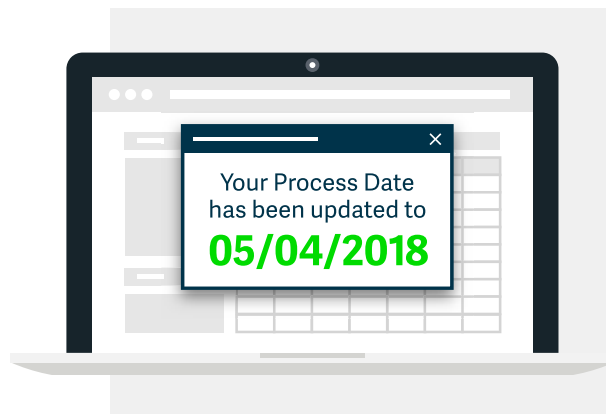
1. On the menu bar, click **Help** then click **About**.
2. Under **Program Details**, check your version number begins with **24**.

If it does, you're ready to process your year end and should move onto the next step. If it doesn't, you must **not** continue with the year end process. Instead, please refer to the [Install your year end software update](#) section.

---

### Set your process date to 5 April 2018

1. On the Payroll navigation bar, click **Change Process Date**.
2. Enter **05/04/2018**, then click **OK**.



---

## Process your year end

There are two ways in which you can complete the year end process.

- **The interactive Help Centre guide** - The interactive guide takes you through each of the steps in turn without the need to leave the Help Centre. To access the guide, on the menu bar, click **Help Centre** then **Payroll year end 2017** then step 3 **Process your year end**.
- **The payroll year end process map** - Click the **Payroll year end** navigation bar, then click **Yes**. You can then follow the rest of the steps in this guide.

### Step 1 - Choose Tax Year

1. Click **Choose Tax Year**, then click **Yes**.
2. Check the Tax Year is **2017/2018** and the Reports date is **05/04/2018**. If not, enter these dates.
3. If your company has ceased trading, in the **Cessation Date** box enter the date it ceased trading. Otherwise, leave this blank.
4. Click **OK**.

### Step 2 - Internet Submissions

1. Click **Internet Submissions**, read the Important Notice, then click **Continue**.
2. Check your company details are correct, then click **Submit**.
3. Check the information is correct, then click **Submit**.

When the HMRC Government Gateway is busy, it can take a while for the submission to send. If you want to continue processing and check the progress of your submission later, click **Check again later**. For more information, please visit [www.sage.co.uk/payrollsupport](http://www.sage.co.uk/payrollsupport) and search for article **23843**.

4. Once your submission is successfully sent, click the link provided then click **Print**.
5. Click **Close**.<sup>1</sup>

### Step 3 - Produce P60s

You must give a P60 to anyone still employed by you on 5 April 2018. You must provide them with this by **31 May 2018**. You don't need to produce a P60 for any employee who leaves on 4 April 2018 or earlier. Once you send your final submission of the 2017/2018 tax year, you can produce your P60s.

### Upload Online P60s

If you subscribe to Online Payslips/P60s, you can upload your P60s to the Online Services portal. For more information, please visit [www.sage.co.uk/payrollsupport](http://www.sage.co.uk/payrollsupport) and search for article **38203**.



- <sup>1</sup> You can't submit forms P11D and P11D(b) from Sage 50 Payroll, but you can submit them from Sage 50 P11D. If you don't have Sage 50 P11D, for more information, please visit [www.sage.co.uk/shop](http://www.sage.co.uk/shop).

## Print your P60s

When printing P60s, to ensure the printed text aligns correctly with your stationery, you should first perform a test print.

### Run a test print

1. Insert your P60 stationery into the printer.
2. Click **Produce P60s**.
3. On the drop-down list, click your P60 stationery layout.
4. Next to Test Print, click **Print**.
5. Click **Print**, then ensure Number of copies displays **1**.
6. Check your printer details are correct then click **OK**.<sup>1</sup>

### Print the P60s for all employees

1. Insert your P60 stationery into the printer.
2. Clear the **Preview reports before printing** check box.
3. From next to your chosen stationery option, click **Print**.
4. Click **Print** then check your printer details.
5. Click **OK**, then click **Close** and **Close** again.

### Email your P60s

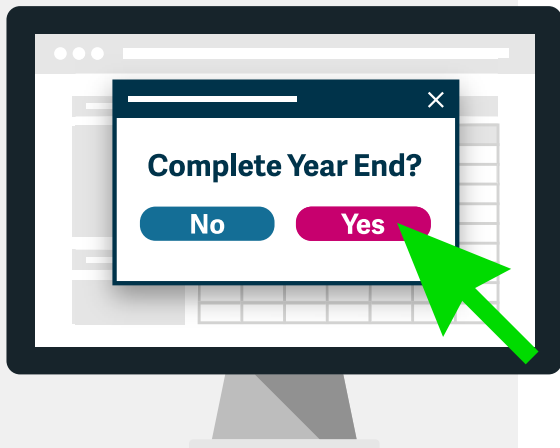
1. Click **Produce P60s**.
2. On the drop-down list click **P60 Sage Email**.
3. Click **Email** then click **OK**.
4. Click **Close**.

The emails appear in your default email inbox, ready to send.



<sup>1</sup> If your P60s don't print correctly, please visit [www.sage.co.uk/payrollsupport](http://www.sage.co.uk/payrollsupport) and search for article **11386**.





#### Step 4 - Backup Data

Click **Backup Data** then complete the steps as normal.

#### Step 5 - Complete Year End

1. Click **Complete Year End** then click **Yes**.
2. If you keep mileage records, click **Yes**, or if you don't, click **No**.
3. Click **OK**.

#### Step 6 - Distribute YE Returns

This step is just a reminder that you must give your employees their P60s by **31 May 2018**. You must also pay any tax and NI due to HMRC for tax month 12 by **19 April 2018** as normal.

- To complete this step, click **Close**.

If you've not already done so, you can now start processing in the new tax year. Before you do so, make sure you follow the steps in the **Get ready for the new tax year** section.

---

## Process your year end checklist:

| Stage 03                                                                   | Completed                           |
|----------------------------------------------------------------------------|-------------------------------------|
| I've submitted my end of year submission to HMRC.                          | <input checked="" type="checkbox"/> |
| I've taken a backup of my data.                                            | <input checked="" type="checkbox"/> |
| I've sent P60s to all employees who were in my employment on 5 April 2018. | <input checked="" type="checkbox"/> |

A man with brown hair and glasses is looking down at a smartphone in his hands. He is wearing a dark blue jacket over a patterned shirt. The background is a blurred blue wall. The text "Stage 04" and "Get ready for the new tax year." is overlaid on the image.

## Stage 04

# Get ready for the **new tax year.**

---

# The new tax year starts on 6 April 2018. Before you start processing in this tax year, there are a few things you must do.

If you're starting the new tax year before running your year end, remember you must submit your end of year declarations to HMRC by **19 April 2018**.<sup>1</sup>

## Check you're using the correct software

1. On the menu bar, click **Help** then click **About**.
2. Under Program Details, check your version number begins with **24**.

If it does, you've installed your update and your software is ready for the 2018/2019 tax year. If it doesn't, please refer to the **Install your update** section.

---

## Update your employees' tax codes

Before you pay your employees in the 2018/2019 tax year you should ensure they have the correct tax code. From 6 April 2018 tax codes increase as follows:

- L suffix tax codes increase by 35.
- M suffix tax codes increase by 39.
- N suffix tax codes increase by 31.

The standard tax code, and emergency tax code, of 1150L therefore becomes 1185L.

In Sage 50 Payroll, you can quickly and easily update all employees' tax codes in one go using **Global Changes**.<sup>2</sup>



- <sup>1</sup> If you want to, you can start processing in the new tax year before running your year end. Before doing this you **must** install the new tax year software and complete all the steps in the **Prepare for year end** section.
- <sup>2</sup> You may receive a tax code change notification for individual employees on a form P9(T) from HMRC. If you do receive a P9(T), you should amend the tax code for the relevant employee in their record, rather than follow the steps on the following page.



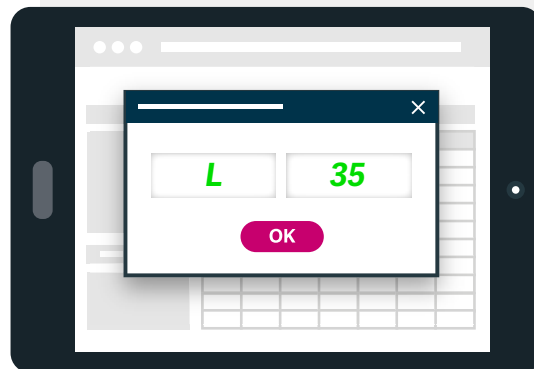
### To update all employees' tax codes

1. On the horizontal toolbar, click **Criteria**.
2. Clear the **On Hold** and **On Holiday** check boxes, then click **OK**.<sup>1</sup>
3. On the Payroll navigation bar, click **Change Process Date**.
4. Enter 06/04/2018, then click **OK**.
5. On the horizontal toolbar, click **Clear**, then click **Swap**.<sup>2</sup>
6. Click **Tasks**, then point to **Global Changes**.
7. Point to **Tax Codes**, then **Apply Tax Code Change Where Code has Suffix**.
8. In the first box, enter **L**, then in the second box, enter **35** and click **OK**.
9. Click **Yes**, then click **OK**.

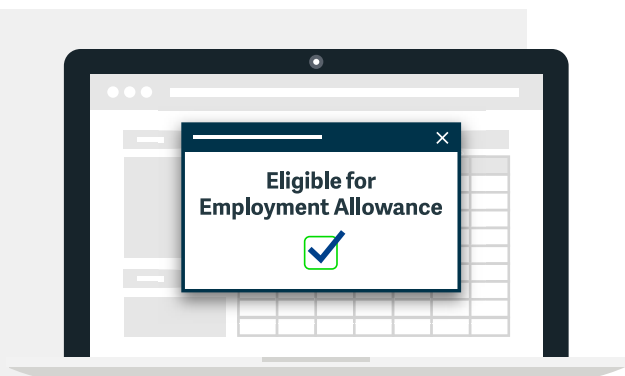
### To clear your employees' week 1/month 1 flags

If you have any employees on a week 1/month 1 tax code, to ensure their tax calculates cumulatively in the new tax year, you must clear the week 1/month 1 flag.

1. On the horizontal toolbar, click **Clear**, then click **Swap**.<sup>3</sup>
2. Click **Tasks** then point to **Global Changes**.
3. Point to **Tax Codes** then **Clear Week 1/Month 1 flag**.
4. Click **Yes**, then click **OK**.



- <sup>1</sup> To prevent updating the tax codes for any leavers, ensure you select the Current Year Leavers and Historical Leavers check boxes.
- <sup>2</sup> If you've applied any individual tax code changes, click the relevant employees in the employee list to clear them from the selection.
- <sup>3</sup> If you've applied any individual tax code changes, to avoid overwriting them, clear the relevant employees from the selection.



<sup>1</sup> If your software was already set up to claim employment allowance in 2017/2018, it's still set up to claim it in the new tax year.

## Set up your software to claim employment allowance

If you're eligible for employment allowance, you must set your software up to automatically claim it. If you're unsure whether or not you're eligible, you should visit

[www.gov.uk/claim-employment-allowance](http://www.gov.uk/claim-employment-allowance).<sup>1</sup>

1. On the Company navigation bar, click **Settings**.
2. Select the **Eligible for Employment Allowance** check box, then click **OK**.

If this is the first year you're claiming employment allowance, you must now submit an EPS to inform HMRC. To send this information now, just follow the on-screen instructions.

For more information, please visit [www.sage.co.uk/payrollsupport](http://www.sage.co.uk/payrollsupport) and search for article **31754**.

## Check your small employers' relief status

Before you start processing in the 2018/2019 tax year, you should check if you qualify for small employers' relief. The qualifying conditions are based on the total amount of Class 1 NI contributions paid to HMRC in the appropriate tax year. For more information, please visit [www.gov.uk/recover-statutory-payments](http://www.gov.uk/recover-statutory-payments).

If you do qualify for this, you must set it up in Sage 50 Payroll before processing in the new tax year.

1. On the Company navigation bar, click **Settings**.
2. Select the **Eligible for Small Employers' Relief for 2018/2019** check box, then click **OK**.

For more information, please visit [www.sage.co.uk/payrollsupport](http://www.sage.co.uk/payrollsupport) and search for article **859**.

### Additional new legislation for 2018/2019

Your new software update contains all of the relevant legislation changes for the new tax year, ensuring you stay legislatively compliant. You can find all of this legislation in your software in **Company** then **Legislation**. You can also find more information about what's new at [www.sage.co.uk/pye](http://www.sage.co.uk/pye).

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## Get ready for the new tax year checklist:

| Stage 04                                                              | Completed                           |
|-----------------------------------------------------------------------|-------------------------------------|
| I'm using Sage 50 Payroll v24.                                        | <input checked="" type="checkbox"/> |
| I've updated my employees' tax codes.                                 | <input checked="" type="checkbox"/> |
| If applicable, I've set up my software to claim employment allowance. | <input checked="" type="checkbox"/> |
| If applicable, I've checked my small employer's relief status.        | <input checked="" type="checkbox"/> |

---

## Software licence agreement.

Your use of our software is subject to Terms and Conditions which can be accessed within the software and you will have to agree to as part of the installation process. If you do not agree to the terms and conditions you should not install the software or use it in any way.



Sage (UK) Limited, registered in England and Wales with company number 1045967 and registered office at North Park, Newcastle upon Tyne, NE13 9AA  
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