

Preparing for RTI

Q: What do I need to do to prepare for RTI?

A: HMRC recommends that you start to prepare for RTI by checking the information you hold. More information about what you should check can be found in the section 'Employee information - getting it right' below.

[Top](#)

Employer alignment

Q: What is employer alignment?

A: Employer alignment is an important process that **all** employers will need to undergo as part of the joining process for RTI. Alignment will ensure the employer and HMRC both hold a consistent view of the employees in every PAYE scheme before reporting using RTI begins.

Where an employer operates multiple PAYE schemes, each of these will go through employer alignment separately.

Q: What is included on the Employer Alignment Submission (EAS) or the First FPS for employer alignment?

A: It is essential that the EAS or First FPS contains every current year employee - even those that have left or have not yet received a payment in the relevant period.

Q: Can an employer submit a further EAS with amendments?

A: It is essential that the information on the EAS is complete and correct. Only the first EAS submission from an employer will be processed as there will be no facility for an employer to make amendments. If any employees are not included on an EAS, HMRC will consider them to have left.

Q: Why is an EAS needed? Could the employer send in a full FPS instead?

A: An EAS is required for large schemes to allow HMRC to separate the alignment processing from the RTI processing and to avoid the risk of alignment issues.

From April 2013, employers will be able to submit part EAS returns. HMRC will then run each part EAS against the full list of employees held.

Q: What is the definition of a 'split scheme'?

A: A split PAYE scheme for the purposes of employer alignment is the situation where it is impossible or impracticable for an employer to consolidate the full PAYE scheme into a single submission for alignment.

[Top](#)

Employee information

Q: How many names for an individual can we provide?

A: HMRC has three fields for names - first, middle and surnames. Where present, HMRC would expect employers to provide correctly spelled names in full (eg 'David' instead of 'Dave').

Q: If I submit a National Insurance number for verification and it turns out to belong to someone else, will HMRC tell the employer?

A: If the National Insurance number provided on a FPS or EAS is wrong, or no National Insurance number is provided, and we manage to trace the correct National Insurance number for the Individual, we would tell both the employer and the employee the correct National Insurance number. We do not tell the employee about the results of any National Insurance number Verification Requests submitted by an employer.

Q: How do I deal with the fact that a lot of software does not allow you to proceed without a National Insurance number?

A: New RTI-compliant software should allow for the National Insurance number field to be left blank if the National Insurance number is not known, but you must provide the employee's address. However, wherever possible, you should ensure that you obtain the correct National Insurance number for your payroll records.

Q: How will the system deal with people who are either titled (Lord/Lady etc) or have letters after their name?

A: Software providers will be asked to ensure this data can be captured accurately - as it is now. Please ensure that these are clearly separate from the surname.

Q: Currently when I need to submit information with a temporary, blank or incorrect National Insurance number, HMRC will return the correct National Insurance number to the provider. Will this continue using RTI?

A: Using RTI, HMRC will attempt to trace the correct National Insurance number from the employee identity data sent in and send it to the employer or pension provider. If the National Insurance number is not known, leave this data item blank. You should not use a made up number, a default number or one belonging to someone else.

Q: If HMRC plan to monitor for each PAYE reference, will employers or pension providers who continue submitting this type of temporary, blank or incorrect National Insurance number data, for reasons beyond their control, be penalised?

Will there be some sort of initial appeal mechanism such as reasonable excuse?

A: HMRC would prefer employers and pension providers have processes in place to ensure they can obtain correct personal details including the National Insurance number. It is not anticipated that HMRC will impose penalties for missing or incorrect National Insurance numbers.

Q: Is a default date of birth, (01.01.1901), in such scenarios is still acceptable?

A: You should not use a default date of birth. You should make every effort to obtain the correct date of birth for the individual, especially for new pensions coming into payment. Where, despite these efforts, it's not been possible to obtain the correct details, please continue to use the date of birth currently held on the payroll.

Q: What guarantees can HMRC provide about the accuracy of National Insurance number information that they will send to providers?

A: HMRC will attempt to validate National Insurance numbers provided by checking with the DWP. In cases where there is a discrepancy, or where the employer has not provided a National Insurance number, HMRC will inform the employer. If the annuitant queries the National Insurance number provided by HMRC, the annuitant should contact HMRC to resolve the query.

The more accurate and comprehensive employee data the employer gathers and maintains, the more likely it is that the National Insurance number provided will be correct.

Q: Whilst employers and pension providers may request sight of a passport occasionally to verify age, the actual passport number is not recorded on our system and to do so would mean a costly rebuild. Do I now always need to request this number?

A: The passport number will only have to be provided if the employer or pension provider collect it as part of their checks that the employee or pension recipient is entitled to work in the UK or receive a UK based pension. HMRC is not asking employers to make large, expensive changes to their business processes to allow them to report this information.

Q: Making submission of certain data items mandatory could result in employers and pension providers having to implement costly alterations to their new business acquisition processes, application forms, training, etc. Is there any information on what data is mandatory and which is optional?

A: HMRC has published the list of the data items on its internet site, indicating which are mandatory and optional.

Q: Why is it important to check the details I hold about my employees are accurate?

A: It has always been important to make sure the information that you send HMRC about your employees is accurate to help ensure that your employees pay the correct Income Tax and NICs. Improving the accuracy of the information you hold and send to HMRC will help match the information to the correct HMRC record. This could save you money by helping to reduce the number of employee enquiries you receive.

This is not just important for tax and NICs. From October 2013, RTI will support Universal Credit by providing the DWP with up to date information about claimants' employment income. Ensuring your employee information is correct will help to ensure they receive the right amount of credit.

As part of the process for an employer joining RTI, HMRC will align the records of employees held on the NPS system and the records held by employers. HMRC will publish more information about the 'employer alignment' process soon.

In the meantime HMRC recommends that you start to prepare for RTI by checking the information you hold.

For more information and tools to help you improve the quality of your PAYE data, go to 'Improving your payroll data' - see the link below.

[Improving your payroll data](#)