

# P11D Solutions

## Leading P11D software with electronic lodgement facility

Do you quake at the very thought of the 6 July deadline? Those dreaded P11D returns can bring even the most experienced payroll teams to their knees. With penalties for errors of up to £6,000 per employee, and Inland Revenue audits on the increase, this is not an area where employers can afford to cut corners.

KPMG's P11D Solutions software is a tried and tested P11D program, developed by a team including both tax and IT experts. It is intended to cope with complex aspects of expenses and benefits reporting, and allows electronic lodgement, which may soon be mandatory for all employers. It can also handle the new Class 1A NIC reporting requirements. This factcard explains how P11D Solutions can help you.

### What are P11Ds?

P11Ds and P9Ds are returns showing the expenses and benefits paid to each employee in each tax year. A separate return is needed for each employee and the forms have to be submitted to the Inland Revenue, and copied to the employees themselves, by 6 July each year. They are a huge burden for even the most streamlined employers, often requiring many weeks of work analysing expense claims, valuing benefits and capturing all those little, forgotten items that can make the difference between an accurate return and one that could trigger an investigation or penalties.

### Why use P11D software?

Even small employers find that automating the P11D preparation process can save huge amounts of time and money. Using P11D software means that collecting and calculating the required data, compiling the returns, submitting them to the Inland Revenue

and sending copies to employees can all be done by a single program, freeing up staff and significantly reducing the risk of error.

In addition,

- the costs of using a software package to produce P11Ds should be considerably lower than outsourcing the P11D preparation to your payroll service provider;
- you retain responsibility and control;
- you should benefit from improved turnaround time; and
- you will have a full audit trail.

With KPMG's P11D Solutions, employers can take comfort that not only are their returns completed accurately and economically, but also that they keep up to date with the Revenue's requirements.

### Why now?

The Inland Revenue is under increasing pressure to become more efficient in its operations. This directly impacts on



employers. The Carter Review of Payroll Services recently recommended that employers with more than 50 employees should be required to submit end-of-year PAYE returns electronically, using Inland Revenue approved software, by 2004. It also recommended that all employers, irrespective of the number of employees, should be doing so by 2007. There is also clear evidence that PAYE and NIC compliance visits are now focussing far more on companies' systems and procedures. Using KPMG's P11D Solutions software will go a long way towards satisfying the Inspector.

### What does P11D Solutions offer?

- The facility to lodge P11D returns electronically. KPMG itself uses P11D Solutions to lodge its own P11Ds electronically. Last June we submitted electronically 9,700 P11Ds for KPMG employees in under half an hour. Prior to submission to the Revenue, the information on all those P11Ds had been emailed to staff to check, in a process controlled by the software that took less than three hours from start to finish.

- Calculation and reporting of the employer's Class 1A NIC liability - a new and complicated Inland Revenue requirement.
- The ability to import and export data from and to other systems, avoiding re-keying of data, saving time and reducing errors.
- Roll-forward of data from one year to the next, again avoiding re-keying and errors.
- Production of Inland Revenue approved forms.
- Extensive menu of reports and output formats, including employee benefit letters and the ability to email these. The export functionality provides even more scope for tailoring output to your company's specific requirements.
- Accurate and up to date benefit calculations.
- (From 2001/2002) shadow CO2 calculations for company car benefits, and production of the new Form P46(Car).
- Data validation checks: as well as calculating benefits accurately for reporting purposes, the software has intelligence built into it to avoid data errors and unnecessary duplication.
- Inland Revenue 'accreditation' - this means that the Inland Revenue have confirmed that:
  - they will accept the substitute forms that the software produces; and
  - the file formats used by the software are acceptable for electronic submission of returns.

### Why choose KPMG?

KPMG's P11D Solutions has been developed over a number of years by IT specialists in conjunction with expenses and benefits experts. The software is now established in the market place - there are over 500 users including KPMG itself. Conventional accounting and payroll systems are not always able to deal with the intricacies of the P11D rules, and their constant revision.

For instance, P11D Solutions has provisions within it for an employee's benefits not to be liable to Class 1A NIC for all or part of a year. This would be needed for example where an individual has come to the UK from overseas in certain circumstances.

P11D Solutions is supported through KPMG's Employee Issues Group, who can further assist your organisation with training on the software, expenses and benefits reviews and help with P11D dispensations and PAYE Settlement Agreements. We can also provide a full outsourcing service, including advice on human resources, employment law, payroll and P11D preparation.

### How much is it and what comes with it?

The KPMG license fee is based on the number of P11D forms to be produced but unlike some packages allows for an unlimited number of users.

The software comes with a comprehensive on-line and hard copy manual and is supported by a free helpline, either by telephone or email. It is intended to introduce a dedicated web page for license holders for frequently asked questions and feedback.

### What are the minimum system requirements?

- Pentium 233 processor;
- 64 Mb RAM;
- 200Mb of spare hard disk capacity;
- CD-ROM drive;
- Windows '95,'98, Millennium Edition, NT4 or 2000;
- HP LaserJet 4 printer or compatible.

### How do I find out more?

To request a demonstration pack or more information about the software please either visit the web site at [kpmg.co.uk/p11d](http://kpmg.co.uk/p11d) or contact one of the following specialists:

#### National

P11D Helpline 020 7311 3400  
[p11dsolutions@kpmg.co.uk](mailto:p11dsolutions@kpmg.co.uk)  
 Penny Nicol 01908 844933  
[penny.nicol@kpmg.co.uk](mailto:penny.nicol@kpmg.co.uk)

#### Central and North

Nigel Morris 0121 232 3693  
[nigel.morris@kpmg.co.uk](mailto:nigel.morris@kpmg.co.uk)

#### South

Claire Murray 0118 373 1344  
[claire.murray@kpmg.co.uk](mailto:claire.murray@kpmg.co.uk)

#### London

Anil Patel 020 7311 3375  
[anil.patel@kpmg.co.uk](mailto:anil.patel@kpmg.co.uk)