

Ceridian

Electronic Exchange

Ceridian's Electronic Exchange service is a quick and easy way to manage your employee PAYE administration. Using the Electronic Data Interchange software (EDI) with HM Revenue & Customs (HMRC) Online Service, it lets you send and receive forms electronically.

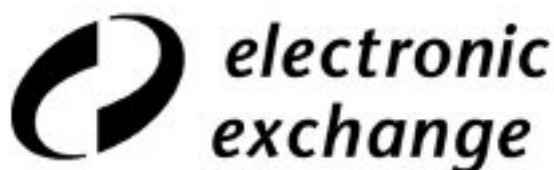
Our service is HMRC accredited and offers a fast, safe and accurate alternative to tedious paperwork.

How can Electronic Exchange help you?

With Ceridian's Electronic Exchange you can send, receive and file the following forms:

- End of year returns - P14s
- Starter/Leaver details - P45s, P45(3)s P46s and Pension Notifications (PENNOTs)
- Annual and budget code updates – P6, P6B and P9
- Collection of Student Loan – SL1 & SL2
- Pension and works numbers updates (WNU).

That covers most paper-based forms, but we're working with HMRC to extend that number. With employers filing their P35 through the Internet service, this meets the requirements for compulsory electronic filing of Tax Year End.



How do I start filing electronically?

If you'd like to add Electronic Exchange to your existing payroll solution, there are 4 simple steps to get you up and running:

- **Registration** – with your permission, we'll register you with the HMRC Online Service. They will contact your tax office and make the arrangements to introduce Electronic Exchange.
- **Starter and Leaver details go live** – we'll then send all new P45 and P46 forms to HMRC electronically, making sure the statutory details for your payroll and employees are correct.
- **Works Number update** – we'll submit a Works Number Update (WNU) file to the Inland Revenue.
- **Tax code updates and student loan collections go live** – about 6 weeks after going live, the Inland Revenue will start sending your tax codes and student loan instructions electronically. These will be automatically applied to your payroll if possible, or else sent to a designated email address.

DON'T FORGET!

You still need to issue your employees who leave with their paper-copy P45, submitting the HMRC part electronically.

DID YOU KNOW?

New HMRC proposals mean that every employer with 50 or more employees must be interchanging electronically with HMRC by April 2009. Using Ceridian's Electronic Exchange service will not only help you reduce your costs in handling paper exchange but will also ensure that you comply with the new legislation.

To find out how you can benefit from Electronic Exchange, please call us on **0800 733 337** or email info@ceridian.com for more information.

ELECTRONIC DATA INTERCHANGE (EDI)

What is EDI?

Electronic Data Interchange (EDI) allows employers, contractors and payroll bureaux to send and receive data electronically from a range of commonly used HMRC forms, vouchers and returns, without operator intervention. It is a secure service using messages (the data that would be on equivalent paper forms) using one of two data standards, EDIFACT or GFF. These messages pass from/to the employer's or contractor's payroll system over communication systems known as Value Added Networks (VANs), ISDN lines or X400s through an HMRC Portal from/to the HMRC's system(s) without operator intervention. The service is not e-mail and does not use the Internet.

What are the benefits of using EDI?

The benefits of EDI are speed, improved accuracy, less paper output and acknowledgement of receipt. Millions of forms, vouchers and returns are received each year from employers, payroll bureaux and contractors already using EDI.

What services are available?

The service currently available for employers and payroll bureaux includes:

- Starter/Leaver details - forms P45, P45(3), P46 and Pension Notification (PENNOT).
- Daily, Annual and budget code number updates - forms P6, P6B and P9
- Pension and works number updates (WNU)
- End of year returns - form P14
- Employers declaration - form P35 and P38A
- Expenses and benefits forms - P11D
- CSL - SL1 & SL2
- Expenses and benefits forms - P11D(b) and P46(Car)

The service currently available for contractors includes:

- CIS Vouchers - CIS23 and CIS25
End of Year Return - CIS36(cs)

Please note the CIS scheme changes from April 2007.

Is it secure?

Yes. EDI is a secure service, which has proved to be a highly successful way of electronically exchanging forms, vouchers and returns for PAYE and the Construction Industry Scheme (CIS). HMRC is continuing to develop and improve the EDI service and will add further forms over time.

Can any employer or contractor use EDI?

Yes, although EDI is aimed at medium to large employers or contractors who have typically thousands of employees or subcontractors to make it cost effective. It is also well suited to payroll bureaux. This is because there are both initial set-up and yearly maintenance costs. In addition EDI can also be beneficial to employers or contractors who have a large turnover of workers.

What costs are involved?

There are set up costs involved in the use of EDI, so this service is best suited to employers, contractors or payroll bureaux that deal with high numbers or a large turnover of workers (typically in the thousands).

How do I get further information?

HMRC website: www.hmrc.gov.uk
Telephone: 0845 60 55 999
Minicom: 0845 366 7805
Fax: 0845 366 7828

Write to: HMRC
Online Services
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Victoria Street
Shipley
West Yorkshire
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