

A low-angle, upward-looking photograph of several modern skyscrapers against a clear, bright blue sky. The buildings feature glass facades and geometric patterns. The perspective creates a sense of height and scale.

Deloitte.

Changes to UK share
plan reporting
Are you ready?

Significant changes to the UK share plans reporting regime have been introduced. The changes increase the reporting and disclosure requirements for companies, with the new approach making it easier for HMRC to monitor compliance.

This brochure sets out the process which companies will need to follow and how Deloitte can help at each stage.

New online reporting is here

Previously, to file the annual return for non-tax advantaged plans (Form 42) and the returns for HMRC tax advantaged plans (Forms 34, 35, 39 and 40) companies had to complete a paper return and send this to HMRC before 6 July (following the end of the tax year).

From 6 April 2014 the rules changed such that annual returns for the 2014/15 tax year (and subsequent years) need to be filed online via the PAYE Online Service.

The templates can be found at:

<https://www.gov.uk/government/collections/employment-related-securities#templates>

All companies operating share-based arrangements in the UK must (a) register their plans and (b) file the relevant online returns. Before reporting can be completed, companies must register all of their share plans with HMRC. When registering tax advantaged plans (e.g. CSOP, SAYE, SIP) companies must also certify that these plans meet the requirements of the relevant legislation. Failure to do this may result in any tax advantages being lost.

Deadline and penalties

Annual returns for the 2014/2015 tax year (ending 5 April 2015) must be filed online by **6 July 2015**.

For the first time, automatic penalties apply for late filing.

Late filing

- Immediate automatic penalty of £100 for a late return
- Further automatic penalty of £300 if return not filed after 3 months
- Further automatic penalty of £300 if return not filed after 6 months
- If later than 9 months – possible £10 daily penalty until return submitted

Incorrect information

If a return contains inaccuracies, the company may be liable to a penalty of up to £5,000 per return, as determined by HMRC.

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What to think about and how can Deloitte help?

Action	Points for you to consider	How can Deloitte help?
1. Register your share plans	<ul style="list-style-type: none"> • Consider new plans and all those with outstanding awards. • Non-tax advantaged plans can be registered together (under "Scheme type: Other") but tax advantaged plans must be registered separately. • It can take up to two weeks to receive a reference number from HMRC and a return cannot be filed without this. • Who at your organisation should be granted access to PAYE Online and who is making the self-certification declaration? 	<ul style="list-style-type: none"> • Provide hands-on assistance with the registration process (short of registering on your behalf). • Answer any questions in relation to the self-certification of tax advantaged plans and the requirements of the legislation. • Assist with discussions relating to access to PAYE Online and what this means in terms of access to other data.
2. Review HMRC return templates	<ul style="list-style-type: none"> • What new information is required? • Where is the information kept within the company? • In what format is the information required? 	<ul style="list-style-type: none"> • Walk through the new information requirements and application to the company's specific circumstances. • Assist with interpreting HMRC guidance and advise on best practice. • Assist with data collation and any data gaps. • Map input required from different stakeholders.
3. Preparation of returns	<ul style="list-style-type: none"> • Who will be responsible? • Pay special attention to complex areas such as mobile employees and share valuation. • There is no "white space" in the online return – keep records of any relevant points. • Be prepared for questions from HMRC and expect cross-checks against other information provided to them (e.g. payroll entries and/or Corporation Tax Returns) 	<ul style="list-style-type: none"> • Depending on the level of support you require, we can prepare the returns for your review or simply be on hand to answer your questions. • Provision of technical advice to support any positions you may be taking, especially in relation to mobile employees or valuation issues. • Assistance with recording "white space" points for future discussion with HMRC.
4. Test submission using HMRC File Check Service	<ul style="list-style-type: none"> • If the format is incorrect the return will be rejected. • Dates must be entered in an exact format (yyyy-mm-dd). • Monetary values must be entered in pound sterling up to 4 decimal places. • Check your returns in good time to ensure that you meet the deadline. • Do you understand why a return has been rejected? • What to do if you spot a mistake in a return once it is submitted? 	<ul style="list-style-type: none"> • Assistance with getting the formatting right from the outset. • Correcting returns that are not formatted correctly. • Assisting with re-submitting returns.
5. Obtain final sign off and keep records	<ul style="list-style-type: none"> • Who should have the final sign off authority within the company and who should be involved in the process? • Where will records be kept and for how long? • What supporting information/documentation should we keep and where? 	<ul style="list-style-type: none"> • Guidance on best practice on sign-off process and record keeping.
6. Submit and keep acknowledgement	<ul style="list-style-type: none"> • Who will submit the return within the company? • Where/how should the final return and the HMRC acknowledgment be stored internally? 	<ul style="list-style-type: none"> • Any final questions prior to submission. • Assistance with any questions from HMRC. • Evaluating process and suggesting improvements.

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