

EMPLOYING YOUR NEW STARTER

Guide 2.13: Getting Ready for Payroll

If you have previously been a sole trader, only paying yourself from your business, then there are several of actions to take to become an employer.

In House or External Payroll?

Are you going to run the payroll yourself or buy the service from a payroll bureau? It's perfectly possible to run it yourself, especially if you're only employing one or two staff and are happy to interpret and implement HMRC guidance and rules. A payroll bureau means additional cost but would provide peace of mind that your staff are being paid correctly and in line with tax and other regulations.

If you want to look into engaging a payroll bureau, there are plenty of options and companies which provide payroll services to be found online.

If you want to do it yourself, you will need to:

1. [Register as an employer](#) with HM Revenue and Customs (HMRC) and get a login for [PAYE Online](#).
2. [Choose payroll software](#) to record employee's details, calculate pay and deductions, and report to HMRC.
3. [Collect and keep records](#).
4. [Tell HMRC about your employees](#).
5. [Record pay, make deductions](#) and report to HMRC on or before the first payday.
6. [Pay HMRC](#) the tax and National Insurance you owe.

You'll also need to complete certain [annual reports and tasks](#) to prepare for the next tax year, which starts on 6 April.

Detailed information on all these areas can be found on:

<https://www.gov.uk/payee-for-employers/setting-up-payroll>

If you want to talk through the various options, you can always contact the Colden HR team for guidance.

For HR support, please contact Colden HR on [0121 284 0852](tel:01212840852)
or email enquiries@coldenhr.co.uk and quote your NCASS membership number.