

Payroll Reporting in RTI – How the Penalty System Works

HM Revenue and Customs may issue a penalty where:

- / The payroll has not been reported as they would expect e.g. no return submitted where they would have expected one; or
- / HMRC have not been informed that no employees are being paid in that particular period e.g. no Nil submission has not been made.

How much is the penalty?

/ **Late submission – fixed rate penalty**

It depends on the number of employees within the PAYE scheme, as follows:

Number of employees	Monthly filing penalty per PAYE scheme
1 to 9	£100
10 to 49	£200
50 to 249	£300
250 or more	£400

Penalty notices will be issued quarterly in October, January, April and July and HMRC will use the latest information available to determine the number of employees.

/ **Late payment of PAYE – penalty is a % of the PAYE due**

PAYE payments are due to HMRC by 19th of the following month (or 22nd if paid electronically) and charge a tax-geared monthly penalty as follows:

Number of employees	Monthly filing penalty per PAYE scheme	Amount to which penalty percentages apply
1 to 3	1%	The total amount that is late in the relevant month or quarter
4 to 6	2%	
7 to 9	3%	
10 or more	4%	

All penalties must be paid 30 days from issue. Penalties not paid on time will attract interest at the official HMRC rate.

What if you have no payments or employees to report?

You must still file a NIL submission to HMRC, or HMRC will charge a late submission penalty.

If you need more advice...please call us

At BKL, we are here to help with advice and guidance or processing your payroll on a regular basis to help relieve you of the burden.

For further information and useful links:

- / [HMRC, what happens if you don't report payroll information on time](#)
- / [BKL App – includes key tax date reminders](#)