



IRIS PAYROLL PROFESSIONAL

END OF YEAR

HELP PACK - 2026

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Introduction

This End of Year (EOY) help pack is a supplement to the EOY Release Notes. It contains information on statutory changes for 2026-2027, an EOY guide and quick guides on new features included in the EOY release.

We recommend you read both the release notes and this guide to ensure that your Year-End transition is as smooth as possible.

All published documents are available to download from the Support Site.

There are several video tutorials on the support website training section:

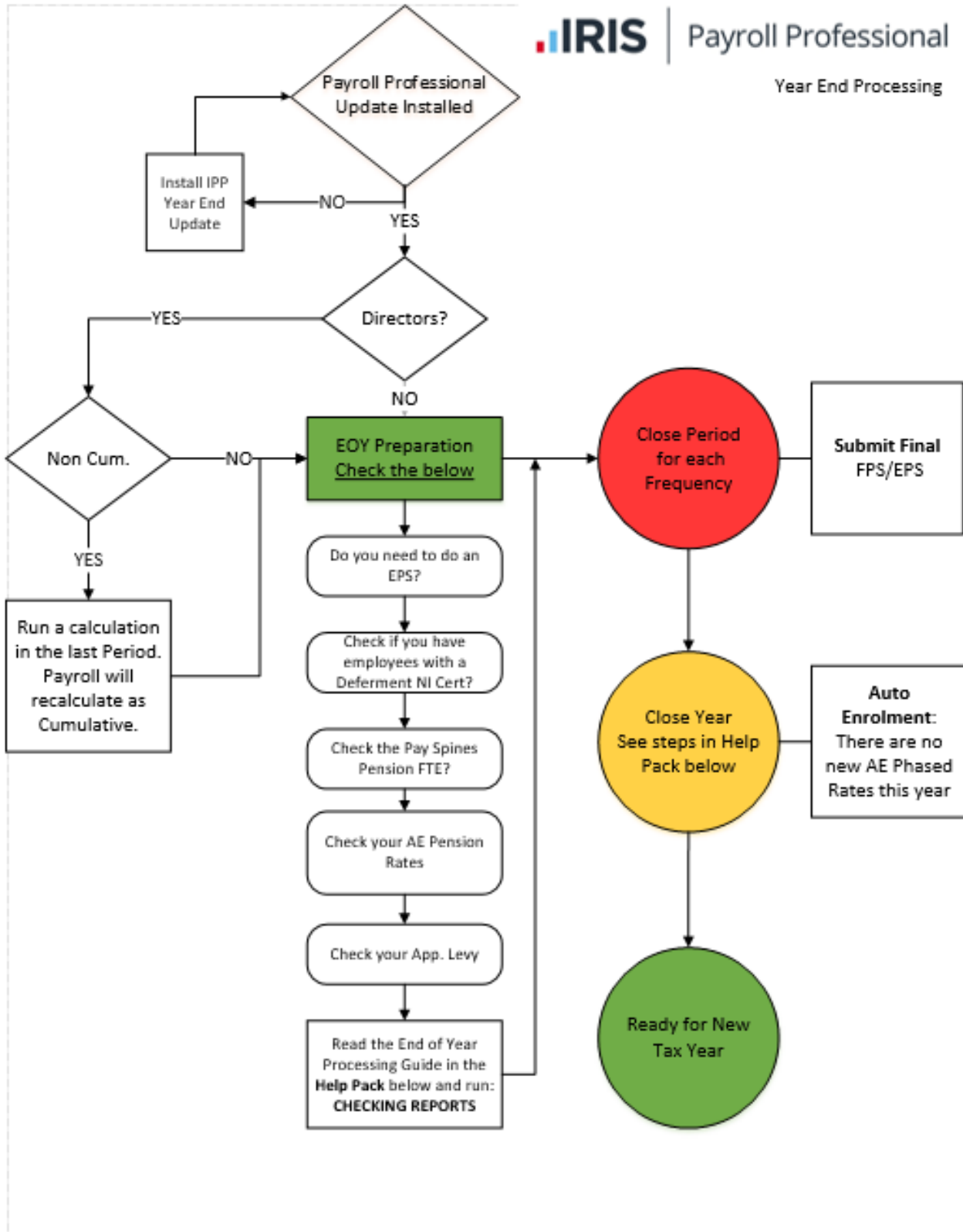
<http://support.payroll-professional.co.uk>.



SOME HANDY LINKS:

Gov.uk End of year reporting:

<https://www.gov.uk/government/collections/hm-revenue-and-customs-employer-bulletin>



End of Year Processing & Preparation

Before Closing the Year

Because internet filing is done on a period-by-period basis during the year, there is no longer the urgency of previous years created by P14/P35 filing deadlines. However, it is still necessary to verify all end-of-year figures and prepare for the start of the new tax year.

The year-end close procedure completes one payroll datafile at a time. Therefore, you can have some payrolls in the old tax year, and others have moved into the new tax year. The closure procedure is relatively straightforward, but before closing the year, there are several checks and balances you need to be complete.

APPLY THE 2025/26 VERSION OF IRIS PAYROLL PROFESSIONAL

Before running your EOY in IRIS Payroll Professional, make sure you or your IT have updated the software.

DIRECTORS

We advise double-checking Directors' NI calculations for the year. Most **Fatal** errors are to do with Non-Cumulative Directors who start part way through the year, leave during the year, and/or transfer during the year.

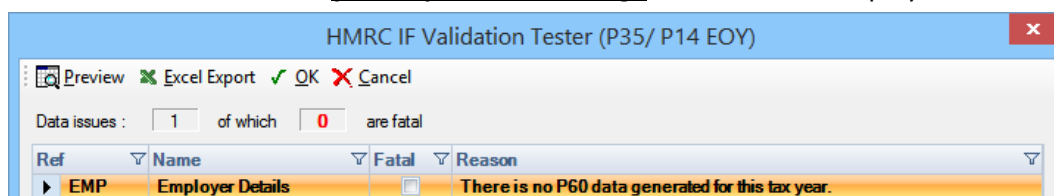
Remember that the IRIS Payroll Professional system will calculate any current Non-Cumulative Director as CUMULATIVE in the last payment period; the individual's status will not change.

To check the figures for a director, run report **PADIRS/PSDIRS** (under Type Employee) and reconcile the figures using HMRC booklet **CA44**; page 42 helps with NI Earnings bands.

EOY VALIDATION

Go to the **Utilities** menu > **End of Year Validation Checker** if there are any fatal errors in your datafile. If you have any errors and there have been successful FPSs, there should be very few.

One point to bear in mind is that **you may see this message** as an error for Employer Details:



There is nothing wrong; the message is for your information and therefore not a fatal error and is pointing out that you haven't generated (and stored) P60 information recently. We informed you of a data structure change in a previous year where P60 information moved to the datafile. This enables you to report on existing P60 details or re-calculate, including amendments since you produced the last set of P60s. If you have NOT run a P60 since that update or this is a new datafile that has never had any P60s run the checker will show this message.

Send your Final FPS and/or EPS

You need to determine if you should send an EPS in the final period for each client. If the answer is:

- Yes – send a Final FPS followed by the EPS
- No – send a Final FPS

Only time you should send an EPS instead of an FPS (HMRC Guidance)

You should send your final report in an EPS instead of an FPS if any of the following apply:

- You forgot to put 'Yes' in the 'Final submission for year' field in your last FPS
- You did not pay anyone in the final pay period of the tax year
- You sent your final FPS early, and you did not pay anyone for one or more full tax months in the last tax year

P32/P35 COMPARISON

Although a P35 is no longer required, we have left the report in place since it affords a checking mechanism.

When you calculate a payroll run, there is a single calculation record per employee. After closing the period, it records a summary of the values which the P32 uses.

For each employee, the payroll calculation adds to their existing YTD values. Again, the P35 uses these values.

So, you can see they start from the same place and in theory therefore should agree, but that is not always the case. If you discover any differences between the two reports, you should investigate this.

- The two main reasons for differences are a payroll transfer during the year or manual amendments to employee records.
Transferred payrolls – if you run the report before the first calculation on IRIS Payroll Professional, the difference will be the transfer values and the amounts showing on PAYTD/PSYTD.
- Edited employees – use reports PAYTDDIF/PSYTDDIF and PANICMA/PSNICMA to check for manual edits on employee records, which do not reflect in calculation records.
- For employee-by-employee checking, there is a query you can run to show calculation records (P32 type information) in a P35 format.
 1. Go to the **Utilities** tab then **Query Manager** and under **Predefined Queries**, double click on **EOY P35 Check for Manual Adjustments (2010)**.
 2. Highlight the tax year and click on **Select**.
The result shows Employee totals of the figures that have been calculated through the program, those that are shown on the P11.
 3. Compare this report to the **PAP35/PSP35** (under Type Year End) the differences will be manual adjustments.
- Go to the **Reporting** tab and run the **Audit Trail** to see which users made changes and when manual edits took place

Preparing for closure – Gather information

GENERAL

Once happy that the final figures are correct and you want to close the year and move on to 2025/26, there are some points to consider.

- *Is the employer a small employer?*
Ensure you apply the Small Employer setting correctly in the new tax year. The system does not do this automatically. The datafile you are calculating may only be a small part of a PAYE scheme and therefore is not entitled to the small employer status.
- *Does the Employment Allowance Indicator need to be changed?*
Has the employer status changed so that Employment Allowance is now applicable, or is it no longer applicable?
- *Do the Apprenticeship Levy settings need to be changed?*
Is the employer now liable, or is there a change to the company structure resulting in the split of the Levy for this datafile needing editing?
- *Are there any payrolled BIKs or cars for this payroll?*
Do you need to update the values for pay components and records for Cars and Fuel?
- *Do any employees have a Deferment NI letter certificate?*
Make any necessary adjustments on year-end close screens. Any that you miss, you can manually adjust on employee records after closing the year but before opening the first calculation period.
- *Are there any pay spines FTE to update for pensions?*
If this is a pay spine payroll, do I need to update the annual pensionable pay from the FTE salary? Make sure you are aware of this before closing the year to avoid unnecessary manual changes later.
- *Do I want to clear down Holiday Scheme Year to date balances, Pension Scheme year to date Balances and/or Pay Component Accounting Year to date balances?*
Within the Year-end closedown screens, you can choose the options you require. Should it happen on this payroll?

Closing the year

CLOSING COMPLETE TAX YEARS

When closing a payroll where you have processed the entire year, you must calculate **all Frequencies** for the last pay period, then close that period for each frequency. There is an option to leave the year open (2024/25) whilst starting the 2025/26 tax year in case of fatal errors that you cannot rectify before commencing payrolls in 2025/26. In practice, you will probably never use this option. Please do not use this option just in case, as you will create work for yourself if it is not necessary.

INCOMPLETE TAX YEARS

If you have a payroll where an employer has ceased trading, you should close the last period but **not the Tax Year** so that you can enter the Ceased trading date. If the **employer has ceased trading**, you must remember to enter a **Leave Date** for each employee via the **Employee Edit** screen **BEFORE** submitting the FPS. Alternatively, you can import the **Leave Date** using **Import Employees**.

The process to follow when closing the tax year can be found on the next page.

After closure

If you are in any doubt as to whether the year is closed, check the year display in the status bar.

If you try to close the year again, a message will display stating next year's tax tables can't be found, and the incorrect year-end procedure will not continue.

Remember to produce End of Year reports and/or eP60s.

- If you are happy that everything balances, you can print the reports at any time after the last calculation period has been closed. It is not necessary to have closed the year, nor is it necessary to have moved into the new tax year.

Closing the year – the process

SUMMARY OF CLOSING YEAR PROCESS

Step 1 – Complete Month 12 / Week 52 / 53, etc. decide if EPS is required.

Step 2 – Submit final FPS and submit EPS if required

Step 3 – Close all tax periods within the current year

Step 4 – You can produce/print P60s from this point

Step 5 – Close Tax Year, check validation warnings and back up.

Step 6 – Year-End Update Screen

Step 7 – You are now in the new tax year. This is displayed on the bottom right of the screen

STEP 1

MAKE SURE THE LAST CALCULATION PERIOD IS COMPLETE

If you pay your employees weekly, fortnightly or every four weeks, you might need to make a week 53 payment in your final FPS of the year. The system will ask if the need arises.

STEP 2

SUBMIT FINAL FPS

If you decide you require a Final FPS for this datafile, this is the next step. If you have two frequencies, remember to send the Final FPS from the frequency calculated last. For example, if you have a weekly and monthly payroll and the weekly is the last paid in the tax year, then the FPS for the weekly is sent as the **Final FPS**.

Do not send a Final FPS for both frequencies.

STEP 3

CLOSE TAX PERIOD

Under **Admin \ Back-up Setup**, ensure that you have the automatic backup set. You will find this under **Admin \ Back-up Setup**. The backup file will have a suffix related to the year being closed and is in case you need to restore the datafile in the future.

After closing the tax period, check the year-to-date figures by running the **Utilities \ EOY validation checker**.

STEP 4

PRINT REPORTS / RECONCILE REPORTS

There are a variety of forms/reports that you can run. The mandatory form is the P60. There are several reports, which include an HMRC approved copy, that do not require pre-printed stationery. Also, there is an Employer file copy showing four employees per page.

STEP 5

CLOSE TAX YEAR

Go into **Run \ Close Year**. The **EOY Validation Checker** is now automatically run and will display any fatal and non-fatal errors. You can preview or send the results of the Checker to Excel. If there are no Fatal errors, click **OK**.

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Year Close Details Tab

Adjustments Section

This section shows any HMRC tax code increases IRIS Payroll Professional will automatically implement.

Options Section

- **Adjust Tax Codes** is on by default and implements the increases on the Adjustments tab
- **Change NT Codes to Emergency** code is off by default. If you tick the box, any employee with an NT tax code will change to the Emergency code; 1257L for 2025/26.
- **Remove Week1/Month1** is on by default and changes the Employees tax code to cumulative.
- **Update employee annual pensionable pay from FTE salary** will only show if you have pay spines on this payroll. For information on whether this option should be selected, check the details in the [notes](#) section at the end of the Help Pack.

Housekeeping Section

These options will clear information in the datafile; use them if your Pension Year, Component accounting year, or Holiday scheme year re-starts in April. If other dates apply, then you still have the normal Housekeeping option from the Run menu, where you can choose to clear down at the appropriate time for the client and can also set the Year-End options for all three on this screen. You can amend this on the actual year-end closedown screen.

- **Pensions year to dates** - this setting will clear down the pension year values for all pension schemes attached to employees.
- **Component accounting Year To Dates** - this setting will clear down all employees' pay components accounting Year To Date values
- **Holiday schemes taken and accrued year to dates** - this setting will clear down all employees' holiday schemes values, accrued and taken, irrespective of the Holiday Year Start date.

Important Note: Holiday schemes taken and accrued Year To Date balances are automatically cleared down during the period close process based on the Holiday Scheme Start Date selected. If you are not sure whether you should select this option, please speak to a member of the support team.

Leave Open Section

Here you can choose to **Leave Year End Open**. If you have any **Fatal** errors on the **EOY Validation Checker**, this is selected automatically. We advise you use this option with care.

Deferment NI Letters Tab

This tab lists employee who are on a deferment NI letter, here you can choose whether to continue to apply the deferment letter or the standard letter will be applied.

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When you close the Tax Year, the Current Year setting under the Employer Details\National Insurance tab will copy to the Previous Year. The Current Year will not change, so if it is enabled when you close the year, it will remain so and vice versa.

RECAP OF CLOSING YEAR PROCESS

Step 1 – Complete month 12 / Week 52 / 53, etc., then decide if an EPS is required

Step 2 – Submit final FPS and EPS if necessary

Step 3 – Close all tax periods within the current year

Step 4 – You can produce/print P60s from this point

Step 5 – Close Tax Year, check validation warnings and back-up

Step 6 – Year-end update of tax codes - save to close the year

Step 7 – You are now in the new tax year. See bottom right of the screen



Important Notes

FINAL EYU / FPS YTD

Making changes to previous tax years

If you need to change employee records, then you would need to submit Final Payment Submission Year To Date (FPS YTD).

UPDATE EMPLOYEE ANNUAL PENSIONABLE PAY FROM FTE SALARY

This only affects employees with current pay spines, and if their Pension (Edit) screen has % band determined by – Annual pensionable pay:

Tick **Update employee annual pensionable pay from FTE salary**, then select **OK** to the Year-End **Close** screen, and the employee's **Annual Pensionable Pay** changes to the employees current FTE Salary.

If the same pension is attached to more than one Pay Spine, then the **Annual pensionable pay** will be completed with average of the FTE salaries.