

Employment and Payroll Group  
June 3, 2020  
Teams Call

<b>Attendees</b>	<b>Company</b>
Justine Riccomini	Institute of Chartered Accountants Scotland (co-chair)
Richard Garth	HMRC (co-chair)
Nahid Khan	HMRC (secretariat)
Scott Milne	HMRC
Sam Mann	Chartered Institute of Payroll Professionals (deputy co-chair)
Colin Ben-Nathan	Chartered Institute of Taxation
Colin Broad	British Computer Society
Glenn Collins	Association of Chartered Certified Accountants
Tracey Crank	Black Mountain Services UK Ltd
Sarah Eason	Hydrock
Pauline Green	Business Application Software Developers Association
Helen Harvey	Small Payroll Bureau
Alison McCrave	Voluntary Action Sheffield
Alison Paling	Community Accounting Plus
Sarah Palmer	International Association of Bookkeepers
Michael Parker	National Farmers Union
Simon Parsons	Large Payroll Bureau
Hayley Perkin	Association of Taxation Technicians
Jackie Petherbridge	Federation of Small Business & Private Sector Payroll Group
Sonja Sharpe	Confederation of British Industry
Karen Thomson	Armstrong Watson
Steve Wade	Institute of Chartered Accountants England & Wales
Ann White	Association of Accounting Technicians
Julie De Brito	HMRC
Ben Jones	HMRC
Oscar Plummer	HMRC
Su McLean-Tooke	HMRC
Jack Warrior	HMRC
Debra Munoz	HMRC
Julie Philpotts	HMRC
Rebecca Hutton	HMRC
Rachel Nixon	HMRC
Tanya Dragicevic	HMRC
Steve Shorrock	HMRC
Steve Banister	HMRC
<b>Apologies</b>	
Richard George	The Payroll Centre
David Grimley	Employment Tax Industry Forum

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Agenda Item	Main Points, Conclusions / Discussions, Decisions, Next Steps
1	<p><b>Welcome / Agree previous minutes</b></p> <p>RG welcomed Justine Riccomini as the new co-chair replacing Helen Hargreaves and introduced Sam Mann of CIPP as the new deputy co-chair.</p> <p>There were no outstanding action points from last meeting and minutes were agreed.</p> <p>RG thanked all EPG members for their assistance over the last few weeks in gathering insight and information on the impact of COVID-19, often to tight deadlines. The forum had delivered and provided valuable feedback for which HMRC are extremely grateful.</p>
2	<p><b>Withdrawal of extra statutory concession: “representative occupiers”</b></p> <p>Su McLean-Tooke and Jack Warrior attended at the request of EPG members to answer questions on the withdrawal of the long-standing representative occupiers' concession for employer-provided living accommodation planned for April 2021.</p> <p>Su explained the history to the concession. The initial benefits-in-kind legislation on accommodation introduced in 1948 had included an exemption where the provision of accommodation met certain conditions. With small tweaks, this exemption was reflected in further iterations of tax legislation until what we now identify as the ‘s99’ exemptions were introduced in 1977. Although the exemption for representative occupiers remained available on a concessionary basis from 1977, it ceased to have any legislative underpinning from that date.</p> <p>Obviously, the main tranche of extra statutory concessions applied by HMRC came under scrutiny following the outcome of the <i>Wilkinson</i> judgement, but for some reason the representative occupiers concession has only fairly recently been identified as falling outside our powers of collection and management of the taxes. As the concession only applies to those posts which were in existence on 5 April 1977, it was decided not to legislate its effect going forward, primarily for fairness reasons. For example, any post created from 6 April 1977 onwards would not meet the conditions (and it is often extremely difficult for employers to evidence that a post did exist before that date). To give employers time to review the position and to make any changes to terms and conditions that might be needed,</p>

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	<p>the government announced its intention to withdraw the concession well in advance of the effective date of 6 April 2021.</p> <p>Su felt that in many instances, the individuals who might be affected by withdrawal of this concession ought already to be exempt under the provisions of the s99 exemptions. However, she would be interested to hear of any specific circumstances where members of the EPG thought there would be an adverse impact or where there could be an issue with the interpretation of HMRC's existing guidance on the topic. To help facilitate that, she was happy to have further discussion with interested parties.</p>
<p><b>3</b></p>	<p><b>COVID-19 Job Retention Scheme (CJRS)</b></p> <p>Rebecca Hutton and Rachael Nixon from JRS policy attended to update and give more detail on the chancellor's announcement around the extension to scheme. Previously it had been announced that the scheme would extend to October giving more flexibility. From July this scheme will become more flexible with employers being able to bring back employees flexibly part time and the same rules will apply with regards to contribution till the end of July.</p> <ul style="list-style-type: none"> <li>• August employers will be asked to pay the NI and pension contributions.</li> <li>• September the above plus 10%</li> <li>• October the employer contribution increases to 20%.</li> </ul> <p>Communications will be issued with key dates on changes to the service with regards to when employers are to act. The comms will be issued to both to agents and employers.</p> <p>Rebecca and Rachel answered questions raised by the group around the guidance re CJRS</p>
<p><b>4</b></p>	<p>Tanya Dragicevic is Project Manager on the SSP Rebate Scheme. She is overseeing SSPR to ensure that the IT delivery meets the business and policy requirements. She referred to Julie Philpott who will be taking forward the business process as the project goes live. The project is now live and processing rebates.</p> <p>As expected, furlough did have an impact on the SSPR take-up figures, this was expected however didn't know how big an impact that would be. It was known furloughed employees would not be able to claim SSP so have waited to see how many people had been furloughed against how many people would then claim sick pay.</p>

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	<p>TD confirmed that SSPR is a quick process to get through approx. 10 mins start to finish. Members who had made a claim agreed it was a quick and easy process. Customer satisfaction scores consistently over 90%. Telephony contact has been minimal. There has been a fairly large failure to complete ratio and we think this is because the eligibility criteria is quite tight. You have to have up to 250 employees as of 28/02/20 and you must be a small medium enterprise.</p> <p>Members feedback to Tanya, some concerns around the calculator. HMRC is aware and now trying to make things clearer on GOV.UK. Three main payment rejections have been incorrect bank details and incorrect sort codes as well the account being paid into must be able to accept BACS payments.</p>
<p><b>5</b></p>	<p><b>Off Payroll Working</b></p> <p>Ben Jones and Oscar Plummer from HMRC's Off-Payroll Programme attending the EPG to provide an update on the Off-Payroll Reform due in April 2021. The reform had been due to come into effect in April 2020 but was delayed to help organisations and individuals deal with the impact of the coronavirus pandemic. HMRC provided an update to the passing of legislation through Parliament letting members know that Royal Assent is currently expected before summer recess in July 2020. HMRC advised that this timeframe may change, due in part to the adjustments that Parliament has had to make since the start of the pandemic.</p> <p>HMRC reiterated the Government's intention to introduce the reform from April 2021 despite calls by some for further delay. Ben outlined plans for further education and support for organisations preparing for the reform in April 2021 and mentioned ongoing work to deliver webinars and workshops stakeholders later in the year. Ben went on to mention ongoing work to review off-payroll guidance on <a href="#">GOV.UK guidance</a>, <a href="#">HMRC's Employment Status Manuel (ESM)</a> and other off-payroll products.</p> <p>During Q&amp;A members highlighted the recent tribunal decisions and the impact on HMRC's Check Employment Status for Tax service – an enhancement to which was launched in November 2019. HMRC mentioned that there were no immediate plans to amend the service but that HMRC will be reviewing the tool from user journey and usability perspectives to further support organisations and individuals where possible. Members also highlighted dissatisfaction about the RTI changes for April 2021 mentioning that more should be done to support 3<sup>rd</sup> party software providers. HMRC promised to take this point away for further discussion with colleagues responsible for the changes.</p>

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	<p>Ben ended the session by thanking members for their invitation and reiterated HMRC's commitment to work together stakeholders as they prepare for the reform in April 2021. HMRC plans to provide further off-payroll updates at future EPG sessions but welcomed communication between sessions.</p>
<p><b>6</b></p>	<p><b>Data Quality</b></p> <p>Steve Banister and Steve Shorrocks were invited back to update the group on the data quality journey since they last attended the EPG meeting in June 2019.</p> <p>They shared their findings which with the members in advance so that they review the document in advance of the meeting to form the discussions at the meeting. Members were asked to consider the following.</p> <ul style="list-style-type: none"> <li>• Review the document from their own and industry perspective, identifying which of the reports are of biggest priority to them and their industry.</li> <li>• As time limited on the agenda, they couldn't discuss the whole report therefore requested members to feed their top five priorities after the meeting via the secretariat who will forward to the Data Quality team. .</li> <li>• Identify any new issues that will improve it, from their own and industry perspective. <ul style="list-style-type: none"> <li>• Root Cause Assumptions: Have we missed any, if so, what are they?</li> <li>• Affects: Can you identify new ones from their business and industry perspective?</li> <li>• Impacts: Can you identify any to add from their business and industry perspective?</li> <li>• Possible Solutions: Have you they any ideas?</li> </ul> </li> </ul> <p>They will then review and feed into conversations and discussions with the business.</p>
<p><b>7</b></p>	<p><b>L&amp;P Viewer</b></p> <p>Debra Munoz attended to update the group on the L&amp;P viewer for employers. She provided an update on the work carried out over the last 18 months. HMRC has made a number of improvements to ePAYE to make it a more personalised service, providing businesses with tailored and up-to-date information specific to their circumstances, thereby making it easy to use. Members were pleased to hear that changes are expected in the near future to improve the agents view of L&amp;P.</p>

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	A presentation on the L&P Viewer covering improvements and what the future holds was shared with the members ahead of the meeting.
<b>8</b>	<p><b>Disputed Charges</b> Julie Philpotts and Julia Lycett attended to provide some key headlines since she last attended EPG.</p> <p>There have been good results since the FPS was introduced to adjust previous year cases as a replacement to the EYU. A reduction in the number of disputed charges cases by approx. 50% for 2019/20. It is planned from 5<sup>th</sup> April 2021 that the EUY will no longer be a valid submission type for 2020/21. The pilot has proved successful and legislation is being put in place.</p> <p>A bulk housekeeping exercise is carried out every year to clear disputed charges cases and this year it has cleared 11,000 cases where the dispute has been reduced to nil or where HMRC will not recover the small debt. For these cases, customers are unlikely to hear from HMRC and would not be pursued for debt. Some members voiced concerns over the lack of communications advising that the case has been resolved. JP confirmed that this would show on the Business Tax Account, and it wasn't HMRC policy to send a letter as we are trying to reduce contact. However, JP agreed to take members concerns back to the business.</p> <p>JP confirmed that of the Charge Resolution Team had been deployed to COVID-19 helplines.</p>
<b>9</b>	<p><b>Call for Evidence</b> Julie De Brito requested to attend talk about the <a href="#">Call for evidence</a> (CfE) in relation to raising standards in the tax advice market. It opened of March and ends at the end of August. She encouraged members to take look at the call for evidence and participate.</p>
<b>10</b>	<p><b>EPG Survey</b> JR covered main points from feedback and going forward taking on some of the suggestions some of which are already underway.</p>
<b>11</b>	Next meeting 9 September 2020