



HM Revenue
& Customs

Supporting veterans' transition into civilian life through employment

Summary of Responses

January 2021

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Foreword

Today, as for centuries, the UK's Armed Forces give vital service to our nation. But some personnel can find themselves faced with serious challenges after leaving service, including the need to secure stable and fulfilling employment.

Over the summer the Government consulted on how best to design a policy that fulfils its manifesto commitment to provide a holiday from employer National Insurance contributions for a full year for every new employee leaving the Armed Forces.

The Government received many excellent responses from a variety of interested parties. Based on this feedback, it has been able to make important improvements which should ensure that this relief is straightforward for employers to claim, and available to as many veterans as possible.

This cut to National Insurance contributions will provide a great incentive for employers to take veterans on; it will support those who have already given so much to this country, and it will help to unleash the great skills and huge potential of our service leavers.



Rt HON Jesse Norman MP
Financial Secretary to the Treasury



Jonny Mercer MP
Minister for Veteran Affairs

1. Introduction

At Budget 2020, the Chancellor confirmed that the government would honour the Conservative Party manifesto commitment to reduce Employer National Insurance contributions (NICs) for a full year for every new employee who has left the Armed Forces.

In July 2020, the Financial Secretary to the Treasury, Rt Hon Jesse Norman MP, and the Minister for Veterans Affairs, Johnny Mercer MP, launched the consultation inviting comments from veteran representative groups, employers, accountants, software providers and other stakeholders on the government's proposed approach to implementing this policy.

The consultation focused on a range of options for designing a NICs relief that encourages the employment of veterans and supports their transition into civilian life.

The government invited views on the best approach to remove barriers that may prevent potential employers from employing veterans and from benefitting from this relief. The consultation explored a number of issues associated with key elements of policy design to ensure that the relief is effective, fair, simple to claim and not open to abuse.

This document summarises stakeholder feedback on the options set out in the consultation, sets out the government's response, and explains the next steps in implementing this measure.

2. Responses

The government received 37 written responses from a variety of stakeholders. Respondents included veteran representative groups, tax firms and accounting bodies, payroll organisations, charities, local councils and councillors, employers, and individuals. The government is grateful to all stakeholders for taking the time to consider and respond to this consultation.

Question 1 of the consultation asked stakeholders for their views on whether, overall, this relief would encourage them to employ more veterans. A significant number of respondents agreed that this relief is a positive step towards supporting the recruitment of veterans and could help break down the barriers and negative perceptions surrounding veterans. The cost savings were also welcomed by stakeholders.

The rest of the consultation document invited feedback in three key areas:

- How to define a veteran for the purpose of this relief,
- The types of employment which qualify for this relief and the length of time it applies to,
- The most effective way to administer this relief and how employers can claim it.

This section provides a high-level summary of responses to the questions from the consultation document. It explains the approach the government proposed in the consultation document, provides further clarity where necessary, and sets out what changes the government has decided to make in response to the consultation. Annex 2 provides a more detailed summary of responses to each question.

The numbers in square brackets (e.g. [1]) throughout the text refer to the relevant question in the Consultation Document. The original questions have been replicated in Annex B and the Consultation Document can be found here:

<https://www.gov.uk/government/consultations/supporting-veterans-transition-to-civilian-life-through-employment>

Qualifying veterans

The government wants to ensure that as many veterans as possible are eligible for this relief, whilst ensuring it remains straightforward for employers to claim. Questions 2 to 5 of the consultation document set out the government's proposed approach to defining a veteran for the purposes of this relief, namely: any individual previously a member of HM Regular Armed Forces [2], regardless of when they left [5] and providing that they have completed at least one day of basic training [4].

Summary of responses

Question 2: qualifying organisations

All respondents agreed that using a definition established in NICs legislation to define the organisations of which an individual would need to have been a member to qualify as a veteran for this relief was an appropriate approach.

Question 3: treatment of Reservists

The government asked stakeholders whether they agreed that this relief should be extended to ex-members of the Reserve Forces. Stakeholders made arguments both in favour and against. Responses supporting the government's proposed approach outnumbered those suggesting an alternative approach by a small margin.

Several responses pointed out that they considered the challenges faced by some Reservists when transitioning into civilian life to be similar to those faced by Regulars, particularly Full Time Reservists and Reservists who are mobilised, who perform similar roles to members of HM Regular Armed Forces. On the other hand, a number of stakeholders highlighted that it was appropriate to exclude Reservists, pointing out that, on the whole, Reservists do not face the same barriers to a successful transition into civilian life as veterans of the Regular Armed Forces, and therefore that their inclusion would not fit with the policy intent of this measure.

Question 4: qualifying length of service

For the purpose of this relief, the consultation suggested using the conditions set out in the Armed Forces Covenant as the basis for defining a veteran. This would mean that any individual who has completed at least one day of basic training would qualify for this relief. This approach received broad support from stakeholders. Some stakeholders suggested that 'one day of basic training' was too short. However, stakeholders that held this view did not put forward a consistent alternative period of time that a veteran should be required to have served to qualify for this relief.

Question 5: restrictions on when a veteran left HM Armed Forces

All stakeholders agreed that veterans should not be restricted by the date they left HM Armed Forces in order to qualify for this relief.

Government Response

Based on overwhelming support from stakeholders, the **government will continue with the approach proposed in the consultation of defining a veteran according to the criteria set out in established NICs legislation [2] and the Armed Forces**

Covenant [4]. Furthermore, the government will not restrict the relief's availability based on the date a veteran left the Armed Forces [5]. This will ensure that this relief is as fair, simple, and consistent as possible.

The government recognises the overlap between the Reserve and Regular Armed Forces, however it is also the case that many Reservists (87%¹) hold civilian employment alongside their reserve duties. This suggests that the challenges which Reservists may face in transitioning to civilian life are not typically focused on securing employment. Additionally, including them within the definition would make administering the relief more complicated for employers.

Furthermore, the government already provides a range of support and legal protections for Reservists. A Reservist's job is protected if they are mobilised, and both the Reservist and their employer receive financial support to ensure they do not lose out as a result of mobilisation². The government considers the support already available to Reservists and their employers to be sufficient for supporting a Reservist's transition into civilian life. Therefore, for the purpose of this relief, **the government does not consider it necessary to extend the definition of a veteran to include those who have served in the Reserve Forces only.** As a result, the definition of an eligible veteran for this relief will only include those who had served in the HM Regular Armed forces

However, the government does recognise that many Regulars join the Reserves as part of their transition into civilian life and propose changes to our definition of qualifying civilian employment in the following section to accommodate for this.

¹ Excluding Full Time Reservists and those in full time education. Source: MoD, Tri-service reserves continuous attitude survey: 2020: <https://www.gov.uk/government/statistics/tri-service-reserves-continuous-attitude-survey-2020>

² Rights and responsibilities for reservists and employers. Source: GOV.UK <https://www.gov.uk/employee-Reservist>

Qualifying civilian employments

Questions 6 to 13 of the consultation document set out how the government intended to define 'civilian employment' for the purpose of this relief. The government proposed using a definition of 'employment' already established in NICs legislation, and that 'civilian employment' would have a broad definition to include any employment that was not part of HM Regular Armed Force (a condition of veteran status for this relief).

In addition, the government set out that it intends to modify the established definition of 'employment' so that it is not restricted to Great Britain and Northern Ireland for the purpose of this relief. The rationale is that moving into civilian employment abroad is just as viable a means of transitioning into civilian employment as is getting a civilian job in the UK. The two should therefore be treated equally. The consultation document also confirmed that, given that the government intends to relieve Employer Class 1 NICs, those that are self-employed will not benefit from this relief, as they do not incur any Employer Class 1 NICs liability.

The consultation also asked stakeholders for their views on restricting this relief so that veterans would only be eligible once in their lifetime. This means that if a veteran had already left the Armed Forces, secured civilian employment (regardless of whether their employer had claimed the relief), and then re-joined the Armed Forces, they would not be eligible again the second time they left the Armed Forces. If however, a veteran did not secure civilian employment and re-enrolled, they would still be eligible when they leave HM Armed Forces the second time. The government's rationale for this was that those who have already transitioned into civilian employment would not need this additional support if they chose to return to the Armed Forces.

Summary of responses

Question 6 and 7: defining civilian employment

The majority of stakeholders agreed that the criteria used to define civilian employment, based on the existing definition in NICs legislation, were clear to understand. They agreed it made sense to expand this definition to include overseas employment. A few argued that there should be similar support to self-employed veterans. However, given this policy relieves Class 1 employer NICs (which the self-employed do not pay), the government does not propose expanding the relief to self-employed individuals.

Question 8: capping this relief at the Upper Secondary Threshold

The majority of stakeholders agreed that this relief should be capped at the Upper Secondary Threshold both to ensure fairness to other taxpayers and to align with NICs reliefs for apprentices under 25 and employees under 21.

Question 9: employments starting before 6 April 2021

Stakeholders indicated strong support for allowing employers to claim this relief for the remaining qualifying period from 6 April 2021 onwards for employments that started before 6 April 2021.

Question 10: first day of employment

There was strong support for the government's proposed approach to use the first day of employment as the trigger for this relief.

Questions 11 and 12: defining the qualifying period

The consultation document set out three options to define the '12-month qualifying period' that the government was considering. The proposed approach was that relief will be available for multiple, concurrent employments *during the 12 months eligibility period* (option 1). This was proposed on that basis that it strikes the right balance between attractiveness to employers, flexibility for veterans (who would not be tied to their first employment) and administrative ease (employers can calculate eligibility by simply counting from a veteran's first day of civilian employment).

While some responses indicated a preference for option 2 (where the relief would be available for multiple, concurrent employments for *12-months excluding periods of unemployment in between jobs*), they acknowledged the administrative burden that this approach would have on employers. There was little support amongst stakeholders for option 3 (where the relief would only be available for a veteran's first employment for up to 12 months).

Questions 13: restricting this relief to once in a lifetime

A number of stakeholders indicated that restricting this relief to once in a lifetime would increase administrative burdens. In addition to verifying that an individual qualifies as a veteran for the purposes of this relief, employers would need to determine if that veteran had left HM Armed Forces on a previous occasion. Others highlighted the challenges faced by veterans who served in HM Armed Forces multiple times over their lifetime, and that restricting this relief fails to support individuals who may have re-enlisted because they were unable to transition to civilian life.

Government response

The **government will define qualifying civilian employment in line with the approach proposed in the consultation document.** However, having considered the consultation responses in detail the government will make two key changes to ensure this relief is fair and as simple to claim as possible.

Firstly, the government recognises that in some cases a veteran may re-enlist because they were unable to transition to civilian life. In addition, a key principle of this relief is that it is as simple and straightforward to administer, **therefore the government will ensure that veterans are not restricted from qualifying for this relief if they had previously served in the Armed Forces and subsequently re-joined. The relief will be available to all qualifying veterans for their first 12 months of civilian employment each time they leave HM Armed Forces.**

Secondly, in response to feedback on the treatment of Reservists set out in the previous section, **the government will set its proposed definition of 'civilian employment' as all employments not part of HM Armed Forces, rather than all employments not part of HM Regular Armed Forces.** The consultation document set out a proposed approach that would have classified employment with the Reserve forces as "civilian employment". This meant that those who serve in HM Regular Armed Forces and go directly into an employment with the Reserves would have triggered their eligibility

period. However, the government recognises that many Regulars³ join the Reserves as part of their transition into civilian life. Making this change to the definition of 'civilian employment' will ensure that those who serve in the Regular Armed Forces and go directly into the Reserves preserve their 12-month qualifying period. This will ensure these individuals can also benefit from the support that this relief can provide in transitioning into civilian employment.

In addition to responding directly to the questions in the consultation document, stakeholders asked for clarification on the treatment of specific employment types. The government can confirm that there will be no special rules to prevent the following categories from accessing this relief, provided there is a liability to secondary Class 1 NICs on the earnings of an eligible veteran.

- Employed directors of Single Director Companies,
- Those that are 'deemed employees' by off-payroll working legislation,
- Those that use Personal and Managed Service Companies.

³ 56% - source: MoD Quarterly Service Personnel Statistics: <https://www.gov.uk/government/statistics/quarterly-service-personnel-statistics-2020>

Implementation and record keeping requirement

The principle aim is that this relief should be as simple as possible to administer so that the maximum number of veterans benefit from the employment opportunities this relief creates.

Questions 14 to 20 of the consultation invited views on the government's proposed approach to implementation and recording keeping. That is, employers will claim this relief in real time through PAYE by submitting a Real Time Information return. A NICs category letter will be made available for employers to claim this relief. This solution will be in place by April 2022 as it is not possible for HMRC to provide the necessary details to software providers in time for an automated payroll solution by April 2021. The government's intention is that transitional administrative arrangements are in place between April 2021 and March 2022 so that employers can benefit from this relief during this period.

Summary of responses

Question 14: a two-stage approach

Most stakeholders agreed that the two-stage approach described above is appropriate so that employers have access to this relief as soon as possible. Some stakeholders suggested a work-around using a temporary NICs category letter that is currently used for similar NICs reliefs.

Question 15: claiming through PAYE

When asked if claiming this relief from April 2022 through PAYE by submitting Real Time Information returns would be simple and straightforward to administer, the majority of stakeholders agreed that it would be. Some concerns were raised about the administrative burden of processing the claims from the 2021 to 2022 tax year and ensuring that the correct information has been recorded from April 2021.

Question 16 and 17: record keeping requirements

The majority of stakeholders said that they would not be discouraged from claiming this relief because of the requirement to maintain records that demonstrate the employee's eligibility. When asked if there were other documents that could be used to demonstrate a veteran's eligibility, most stakeholders did not add to those already outlined in the consultation document.

Questions 18: PAYE Starter Checklist

Stakeholders were not discouraged by the possibility of including a section on veterans in the PAYE Starter Checklist.

Question 19: other approaches to reduce admin burden

When asked if anything else could be done by HMRC to reduce the admin burden on employers, most stakeholders did not respond or said no. Some stakeholders suggested that HMRC and the Ministry of Defence could produce an online verification system.

Question 20: sunset clause

Most stakeholders agreed that it is good practice to include a sunset clause when introducing new reliefs.

Government response

The process design that sets out exactly how employers will claim this relief has not yet been finalised and will be informed by the responses to this consultation. Whilst the government acknowledges the two-stage solution will create a limited additional administrative burden for employers, the use of a temporary NICs category letter will not allow HMRC to effectively monitor the take up of this relief and risks creating technical issues in its downstream system.

HMRC will publish guidance before April 2021 that sets out the information and records an employer will need to maintain for qualifying employments relating to the 2021 to 2022 tax year to claim the relief.

With regards to the suggestions to develop an online verification system, the government considers that, given the size and scope of this relief, and the number of individuals that are likely to qualify, the most efficient approach would be to produce clear guidance that explains what evidence would be considered suitable to determine a veteran's eligibility.

Following positive feedback from stakeholders, legislation for this relief will include a 3-year sunset clause from April 2021.

3. Next steps

The government has published draft clauses alongside this consultation response. These are open to technical consultation until 8 March 2021.

The government's intention is that the relief will then be available from 6 April 2021. The government will legislate for this policy when parliamentary time allows. Employers will be able to claim this relief in real time through PAYE from the tax year following when the powers come into effect.

Given that it has not been possible to develop a payroll solution for April 2021, employers will need to pay the secondary Class 1 NICs on the earnings of eligible veterans and then claim the relief for the 2021 to 2022 tax year from April 2022 onwards. Details on the record employers need to maintain to claim this relief will be published before April 2021.

The government will review the effectiveness of this relief and this review will determine the government's decision on whether to extend the lifetime of this relief beyond April 2024. The review will assess the effectiveness of the relief against its stated policy intent: to support those who have served in the Armed Forces to transition to civilian life and for businesses to utilise the valuable skillset veterans have to offer.

Annex A: List of stakeholders consulted

Seven individuals and;

Arke Ltd,

Black Country Chamber of Commerce,

Barclays,

Birmingham Chamber of Commerce,

BNY Mellon,

Certified Public Accountants Association,

Chartered Institute of Payroll Professionals,

Chartered Institution of Taxation,

Deloitte,

Forces In Mind Trust,

Hampshire Council,

Hayachi Services Ltd,

Herefordshire Council,

ICAEW,

NHS,

North East Chamber of Commerce,

RFEA (The Forces Employment Charity),

Ringway Jacobs,

SD Worx UK Limited and Pay Advice Ltd,

Southampton City Council,

Talbot Jones Ltd,

Thakenham Group,

The Access Group,

The Protector Group,

The Royal British Legion,

Tiger Lifting UK Limited,

WH Management Group,

X Forces Enterprise.

Annex B: Summary of responses to each consultation question

1. Would a relief of this nature encourage you to employ your first or more veterans? Please explain.
<p>A significant number of respondents agreed that this relief is a positive step towards supporting the recruitment of veterans, that the cost savings are a welcome relief, and overall this policy could help break down the barriers and negative perceptions surrounding veterans in employment. A small number qualified their support by pointing out that employers should still hire candidates on merit. Also common amongst responses was the desire for simplicity and ease for employers to operate this relief.</p> <p>A further theme from responses that emerged was that this relief would benefit SMEs more than large employers who most likely will already have affiliated recruitment status and HR processes in place to recognise the value of veterans.</p>
2. Do you agree that, for this relief, the Government should follow the definition of HM Armed Forces found in Schedule 6 of SI 2001/1004, as set out above? If not, which definition would be preferable?
All respondents agreed with defining HM Armed Forces using established definitions found in Schedule 6 of SI 2001/1004.
3. Do you agree that the employment of Reservists should not qualify for this relief? If not, which approach would be preferable?
<p>Just over half of all respondents agreed that Reservists should be excluded from this relief with a couple of responses being caveated to reflect that some Reservists who have been out of employment for some time may benefit from this relief.</p> <p>Of those that disagreed, the majority argued that many Reservists are not necessarily integrated into civilian employment or have been unemployed for some time so would benefit from this relief. A small number conceded that to exclude Reservists that are in full time employment would be acceptable.</p>
4. Do you agree that the Government should define the qualifying length of service to be considered a veteran as set out in the Armed Forces Covenant? If not, which approach would be preferable?
<p>Whilst the majority of respondents agreed that this relief should use the definition set out in the Armed Forces Covenant to define a veteran, others argued that this definition was too lenient. A variety of approaches were suggested, ranging from two years to 6 months, as well as options that involved proof of active duty.</p> <p>The government's intent is to make this relief available to as many veterans as possible. Using a definition that is established in the veteran community and acknowledged by a wide variety of employers will ensure that this measure is simple and effective.</p>
5. Do you agree that making this relief available for all veterans, regardless of when they left HM Armed Forces is the correct approach? If not, what approach would be preferable?
The vast majority of respondents agreed that this relief should be available for all veterans, regardless of when they left HM Armed Forces.
6. Are the criteria of a qualifying 'civilian employment' clear? If not, what aspects require further clarification?
The vast majority of respondents agreed that the criteria of a qualifying 'civilian employment' were clear. Amongst the responses, there were requests to clarify that:

<ul style="list-style-type: none"> - Self-employed individuals would not benefit from this relief. At the same time, a veteran who undertakes self-employed work before their first 'civilian employment' would not trigger the start of the relief. - Limited Company Directors will benefit from this relief. - Commercial companies that provide services to the MOD will benefit from this relief - Employers of veterans deemed an employee under the IR35 rules will benefit from this relief.
<p>7. Do you agree with the Government's approach to defining 'civilian employment'? If not, which approach would be preferable?</p>
<p>The majority of respondents agreed with the government's approach to defining 'civilian employment'.</p> <p>A small number of respondents suggested that this relief should also apply to self-employed individuals that pay Class 2 NICs. Employer Class 1 NICs and Class 2 NICs are considerably different in how they are calculated, administered and collected, there is therefore no scope within this policy, which relieves Employer Class 1 liabilities only, for relief to be extended to Self-Employed individuals</p> <p>An even smaller number suggested that this relief should not apply to employments in which 'the relief would apply, but for which veterans are unlikely to face serious challenges in gaining employment. For example, a military contractor'. Whilst the government acknowledges that there are a number of 'civilian employments' that are very similar to those in HM Armed Forces, the government wants to introduce a simple relief that can be easily administered.</p>
<p>8. Do you agree that this relief should not apply to salaries above the UST? If not, what approach would be preferable?</p>
<p>Most respondents agreed that this relief should not apply to salaries above the UST. A few responses noted that more senior members of HM Armed Force would have an 'entry level' salary of higher than the current UST threshold and it may affect their recruitment.</p> <p>Employers of veterans will still benefit from this relief on the proportion of the veteran's salary up to the UST, and therefore save over £5,000 in NICs through this relief. Whilst the government wants to incentivise further employment of veterans, it must balance this with fairness to other taxpayers. Furthermore, aligning this relief to the UST is in keeping with other reliefs of this nature.</p>
<p>9. Do you agree that this relief should also apply to employments that start before 6 April 2021? If not, which approach would be preferable?</p>
<p>Most respondents agreed that this relief should apply to employments that start before 6 April 2021 for the remaining qualifying period. A small number disagreed and suggested this would result in additional administration.</p> <p>The government wants to make this relief available to as many veterans as possible and therefore does not propose excluding those that started before 6 April 2021.</p>
<p>10. Do you agree that these conditions should apply? If not, what approach would be preferable?</p>
<p>Most respondents agreed, regardless of the final conditions for the qualifying period, that:</p> <ul style="list-style-type: none"> - A veteran should be required to have no other employment in the period between leaving HM Regular Armed Forces and the qualifying employment for it to be considered 'first'. This includes employments for which the employer did not claim this relief. - The first day of employment will be the start date taken from the employment contract between the employer and the employee. <p>Some respondents discussed more general points regarding the qualifying period of the relief. These are elaborated on in questions 11 and 12.</p>
<p>11. Do you agree that option 1 will achieve the policy intent? If not, what approach would be more aligned with the policy intent?</p>
<p>The majority of stakeholders agreed that option 1 (the relief will be available for multiple, concurrent employments during the 12 months eligibility period) would achieve the policy intent. Some responses indicated a preference for option 2 (the relief will be available for multiple, concurrent</p>

employments for 12-months of employment), but at the same time acknowledged the administrative burden this approach would have on employers
12. Are there other approaches the Government should consider? Please explain.
Most responses to the consultation did not provide any feedback to this particular question. Of the small number of responses received, attention was drawn to the length of this relief and the possibility of extending it beyond twelve months, either in a tapered way where year one invites a 100% relief, year two invites 80% and so on, or to consider providing relief beyond twelve months, although it was acknowledged that this would require increased funds. Some feedback suggested the government remove the criteria that it should apply to a veteran's first civilian job so that the relief is applied to more meaningful and permanent work.
13. Do you agree that an individual should only be eligible for this relief once in their lifetime? If not, what approach would be preferable?
A large proportion of respondents suggested that it would add an administrative burden to employers if this relief was only available to veterans once in their lifetime. Furthermore, there was the potential that those who return to HM Armed Forces still face significant challenges when they ultimately transition into civilian life a subsequent time. Having considered the responses to this policy point, a veteran's eligibility will no longer be restricted to once in their lifetime. This relief will now be available each time a veteran leaves HM Armed Forces.
14. Given that a payroll solution is not possible by April 2021, do you agree with this two-stage approach to claim this relief?
The vast majority of respondents agreed that a two stage solution was appropriate given that HMRC is not able to ensure a payroll solution is ready by April 2021. In particular, stakeholders noted that this approach was better than delaying the relief. Although a small minority advocated for a delay until a payroll solution was available. Some stakeholders suggested that a solution was possible by April 2021, some also suggested using category letter 'M'.
15. Do you agree that the process of claiming this relief is simple and straightforward? If not, what alternative approach would be preferable?
The majority of respondents agreed that the process of claiming this relief would be simple and straightforward. Some stakeholders highlighted that for smaller organisations, the manual process of claiming back the NICs during the transitional period would be an additional administrative burden. Stakeholders highlighted that a CV was not an appropriate form of documentation. With regards to alternative approaches, one stakeholder recommended a grant that would be awarded on the successful employment of a veteran.
16. Are there any other documents an employer could obtain to demonstrate a veteran's eligibility?
The majority of respondents did not suggest additional documents, other than those outlined in the consultation document, that could be used to verify a veteran's status. Some suggested a veteran's unique service number, or a letter from a military charity/organisation. Some stakeholders suggested a form of data sharing between HMRC and the MoD so that employers could check the status of their employee.
17. Would the requirement to maintain records that demonstrate the employee's eligibility discourage you from claiming this relief? Please explain
The vast majority of stakeholders said that they would not be discouraged from claiming this relief because of the requirement to demonstrate an employee's eligibility. A small number highlighted that smaller organisations would face some administrative burden, and potential delay to recruitment.

18. Would completing an additional section as part of the PAYE Starter Checklist discourage you from claiming this relief? Please explain.

The vast majority said that completing an additional section as part of the PAYE Starter Checklist would not discourage them from claiming this relief. It was also highlighted that including a veteran's section on this form would act as a useful prompt to veterans and employers that are unaware of this relief.

Some stakeholders indicated that the PAYE Starter Checklist is already complicated with a variety of other categories already included.

19. Is there anything else that can be done to minimise the administrative burdens associated with this relief?

Stakeholders used this section to reiterate policy points already submitted in previous questions, these included suggestions for a data sharing agreement between HMRC and the MoD so that employers could check a veteran's status, an automatic process so that RTI/PAYE prompts employers who employ qualifying veterans, and working with local authorities to ensure employers have the support available to claim this relief.

20. Do you agree with the Government's preferred approach to include a three-year sunset clause for the purposes of monitoring and reviewing the effectiveness of this relief? If not, which approach would be preferable?

Most respondents agreed that this relief should be subject to a three-year sunset clause. A small number of respondents suggested a longer period would be more appropriate.