

Employment and Payroll Group 8 December

Attendees	Company
Justine Riccomini	Institute of Chartered Accountants Scotland (co-chair)
Sam Mann	Chartered Institute of Payroll Professionals (deputy co-chair)
Richard Garth	HMRC (co-chair)
Nahid Khan	HMRC (secretariat)
Wendy Bell	HMRC
Colin Shingler	HMRC
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 Paling	Community Accounting Plus
Alison McCrave	Voluntary Action Sheffield
Ann White	Association of Accounting Technicians
Simon Parsons	Large Payroll Bureau
Hayley Perkin	Association of Taxation Technicians
David Grimley	Employment Tax Industry Forum (ETIF)
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
Kerry Wale	International Association of Bookkeepers
Janet Alexander	HMRC
Paula Wyatt	HMRC
Spencer William	HMRC
Ben Jones	HMRC
Oscar Plummer	HMRC
Rebecca Hutton	HMRC
Angela Brown	HMRC
Jerry Catterson	HMRC
Andrew Longfellow	HMRC
Andrew Bradley	HMRC
Tony Page	HMRC
Apologies	

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Richard George	The Payroll Centre
Michael Parker	National Farmers Union

Agenda Item	Main Points, Conclusions / Discussions, Decisions, Next Steps
1	<p>Welcome / Agree previous minutes</p> <p>Justine Riccomini welcomed all to the meeting</p> <p>Richard Garth introduced Wendy Bell as a new member of the Engagement Team and the new editor of the Employer Bulletin.</p> <p>Minutes from the previous meeting were agreed.</p>
2	<p>Planning for Apr 2021 payroll changes - Jerry Catterson/ Andy Longfellow</p> <p>Jerry Catterson representing the Software Developers Support Team (SDST) gave an update of the 2020-21 year on year changes. In terms of the payroll rates threshold for 2021-22 those have yet to be sanctioned before SDST can publish. These will be shared as soon as we have them.</p> <p>Since the last meeting, the following have moved into BAU</p> <ul style="list-style-type: none"> • RTI techpack for 2021/22 (FPS and EPS) published on GOV.UK in September 2020 [year-on-year roll forwards, Scottish Student Loans on FPS, DR loan removal on FPS, Removal of State Aid on EPS] • There will not be an EYU schema for 2020/21. 2019/20 was the final year for the EYU, all submissions (and post-year changes) relating to 2020/21 or later must be on an FPS message • No changes to RTI (FPS) API for 2021/22 for off payroll (private sector) workers as new data item for identifying off payroll workers was implemented during 2020/21 changes • DPS techpack for 2021/22 published on GOV.UK in September 2020 [Scottish Student Loans – Plan Type 04 - on SL1] • EXB techpack for 2020/21 published on GOV.UK in September 2020 [year-on-year roll forwards, ULEV – <i>Ultra Low Emission Vehicles</i>/WLTP – <i>Worldwide Harmonised Light Vehicle Test Procedure</i> changes for 2020/21 P11D “year end” reporting.] • Developer test services (ETS, TPVS, LTS and OXG - <i>Outgoing XML Generator</i>) all now available • Password hardening changes successfully delivered in June 2020, customers can now choose a strong password for HMRC APIs • Developers notified of Student Loan and Postgraduate Loan thresholds for 2021/22 <p>Jerry also updated the group with new work being carried out by the SDST team:</p>

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	<ul style="list-style-type: none"> • Draft P11D stationery for 2020/21, circulated to developers via bulk email on 6 November 2020 • Updated version of Starter Checklist circulated via email 12 October 2020 • Publicity issued direct to employers regarding 'Christmas easement' for payroll operation/RTI reporting • HMRC will have powers to amend the amount of CIS deductions claimed via the RTI EPS message https://www.gov.uk/government/publications/changes-to-tackle-construction-industry-scheme-abuse/changes-to-tackle-construction-industry-scheme-abuse • Impacting feedback from consultation regarding Employer NICs holiday for armed forces veterans (bulk email issued 21/07/2020 – consultation closed 5 October) – current proposals are for a payroll solution to apply for 2022-23 onwards and a retrospective claim to be made for 2021-22 • Working with policy teams to provide details of payroll rates and threshold changes to apply for 2021-22 • Chancellor announced NLW to apply from age 23 from April 2021, comms not yet issued by HMRC/SDS team <p>Jerry announced this was his last EPG meeting as he was retiring. Members wished him well for the future and thanked him for all his hard work over the years.</p>
<p>3</p>	<p>Off-Payroll Working/IR35 - Ben Jones</p> <p>Ben Jones from HMRC's Off-Payroll Working team provided an update on the programme's ongoing education and support, ahead of the April 2021 off-payroll reform. Updates highlighted ongoing work to provide legislative changes to section 610 of Chapter 10 ITEPA, the start of off-payroll workshops for customers and a status update on some of the sectors affected by the changes.</p> <p>Members mentioned challenges within the construction industry and highlighted difficulties for some organisations when determining business size in time for April 2021. In response, Ben outlined the programme's willingness to attend the newly established Construction Forum in the new year for further discussion. A member commented that the visibility of HMRC's education and support work had notably improved, when compared to the previous year. However, despite an acknowledgement that awareness of the rules had increased, it was also highlighted that awareness still remained lower than desired level in some cases.</p> <p>HMRC will continue to work closely with customers ahead of the reform and Ben reiterated previous commitments to work with EPG members, including attending external run events where possible.</p>
<p>4</p>	<p>COVID-19 Job Retention Scheme (CJRS) - Rebecca Hutton</p> <p>Rebecca Hutton updated the group on the latest regarding CJRS schemes. Things had changed slightly since she last attended. Rebecca was due to talk about the Job Support Scheme and the Job Retention Bonus, but both have now been</p>

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postponed as a result of going into the new enhanced measures situation. Therefore, CJRS was extended and CJRS Flex was closed on 30 October, although employers did have till the end of November to make those claims.

From 1 November benefits started to accrue again on CJRS and the government contribution went back up to 80%. There were some changes to the scheme and moved to the RTI date, this meant that employees have had to have a RTI return made for them in October rather than March obviously in line with the announcements. A PAYE scheme had to be in place and that would bring in any new businesses.

A couple of changes to policy; from January/February 2021, HMRC will be publishing the details of employers who claimed CJRS in December and then monthly thereafter. HMRC published more information on GOV.UK on this. We will be publishing employer names, company reference numbers were appropriate, and an indication of the amount of the claim under pre-agreed bands which are available on GOV.UK. Employees will be informed at the same time via their PTA whether a claim has made for them in December, and it will be a monthly process where we let employees know if they have been claimed for. EPG will be kept informed more information available. There will also be a process for customers to request HMRC not to publish their details if they felt that the publication would lead to a threat of violence or intimidation; currently working through what that process will look like. There was also a 30 November deadline for submitting claims up to October, under flexible furlough that deadline has passed. This allowed businesses to reflect any under claims in respect of those periods.

Phone lines have been busy on deadline day as this was the only way to process an under claim. HMRC also launched the SIESS grants on the same day so phone lines were extremely busy. If anyone not managing to get through on that day will still accept late under claim amendments but not submissions as there were no problems with Digital Services.

The first monthly deadline for CJRS 'extended' - this is one of the differences with CJRS - is that employers now have 14 days from the end of the monthly claim period to make a claim. For example, deadline for November claims is 14 December. Feedback from stakeholders that some employers may have difficulties meeting that deadline. HMRC aware but it is however a deadline.

Angela Brown covered how the government want to support employers to retain jobs in these difficult times. Introducing a 14-day deadline ensures that the

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	<p>government can more regularly and accurately see and react to the impact of Coronavirus on businesses and individuals and the cost of the scheme to taxpayers. The government had at 31 August supported employers and jobs through almost £40bn in grants through the CJRS and needs to continually monitor the scheme's effectiveness given the cost to taxpayer. Our data suggests the vast majority of employers usually made their claim before the 14th of each month.</p> <p>Although there is no right of appeal, we may accept late claims and late amendments if an employer has a reasonable excuse, has taken reasonable care to try and claim on time and has claimed without delay as soon as they were able to. Employers must contact HMRC to ask to submit a late claim and should do this as soon as they are ready to make their claim. Claims for reasonable excuse can only be considered after the deadline has been missed. In considering applications for reasonable excuse, we will take a proportionate approach to avoid rejecting claims where there are genuine extenuating circumstances, and the employer has taken all steps possible to claim on time. We have published examples of reasonable excuses, noting that in principle a reasonable excuse is something that stopped someone from fulfilling an obligation that they took reasonable care to meet.</p>
6	<p>COVID Compliance - Janet Alexander</p> <p>Janet Alexander attended to give the members the latest on CJRS compliance action and discuss HMRC's general stance on compliance. Janet detailed the work being done to identify potential fraud, as well as helping employers where HMRC had concerns about CJRS claims, to identify errors and offer an opportunity to correct. Members raised a number of questions and were pleased to have the opportunity to discuss HMRC compliance activity.</p>
7	<p>UK Transition - David Malcolm</p> <p>The discussion focused on two core issues relating to the payment of social security contributions for individuals temporarily working in the EEA and Switzerland. Firstly, there was a brief discussion about the scope of the EU Withdrawal Agreement. Secondly, there was a more detailed discussion about what the rules would be from the end of the transition period (31 December 2020) in both a negotiated and a non-negotiated scenario.</p> <p>As negotiations with the EU were ongoing it was not possible at the time to provide detail on what the rules would be. However, an agreement has since been reached with the EU. Further information is, therefore, now available to employers covering:</p> <ul style="list-style-type: none"> • National Insurance for workers from the UK working in the EEA or Switzerland and

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	<ul style="list-style-type: none">• social security contributions for workers coming to the UK from the EEA or Switzerland.
8	Construction Forum update Justine Riccomini gave the group an update on the inaugural meeting of the Construction Forum. They have agreed Terms of Reference and hoping that it will emulate EPG going forwards. Justine reminded members that CIS queries should be channelled the Construction Forum, not EPG.
9	AOB Richard Garth gave the forum members 'a big thank you' for the help, support and insightful comments they have provided HMRC over the past year, especially since the start of the pandemic. And wished everyone well for the festive period and 2021. Next meeting: 17 March 2021