



Welcome

Welcome to your new look Employer Bulletin

This edition launches not only a new look but also a more frequent publication. We are moving from three publications per year to six. This should allow us to focus the information we give to you in the Bulletin around key events throughout the PAYE year, and reduce the amount of information we send out in one publication. It will also give us the opportunity to publish key, relevant, and timely information to enable you to meet your payroll obligations to HMRC. We are also hoping that the Bulletin will now remove the need for a lot of Employers to contact the Employer Helpline as the articles and links to online guidance should give you the most up-to-date information for any payroll obligations you have coming up.

So in this edition we have an article on page 2 giving you all the information and links to the relevant guidance you will need to be able to complete and send us your expenses and benefits information.

There is also an article on page 3 about paying your Class 1A National Insurance contributions and a reminder that the electronic payday deadline for June falls on a Sunday.

If you haven't done so already, then now is the time to sign up to receive our free email alerts. This means we will be able to send you an email each time a new edition is published. Just go to www.hmrc.gov.uk/payerti/forms-updates/forms-publications/register.htm for more information and to register your details.

And finally our aim is to be able to deliver clear, consistent and timely information which is appropriate for employers and helps meet their payroll obligations to HMRC. So, if you have any comments or suggestions about the contents of the Employer Bulletin or would like to see a specific topic covered, please drop me a line at alison.bainbridge@hmrc.gsi.gov.uk. Your feedback would be most welcome.

Alison

Alison Bainbridge
Editor

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Reporting expenses and benefits for the tax year ending 5 April 2014

Don't forget you need to tell HMRC about any expenses and benefits you've provided to your employees or directors during the tax year ending 5 April 2014. You must report these details to us by 6 July 2014.

Pages 21 to 26 from the [April 2014](#) edition of the Employer Bulletin carried an extensive article to help employers submit the correct information for tax year ending 5 April 2014.

Common queries from employers

We've also looked at the calls coming into the Employer Helpline about expenses and benefits and the most common queries received and links to the relevant information are as follows;

- I'm starting to prepare for the Expenses and Benefits end of year. What forms do I need to complete?

By 6 July you need to submit form P11D or P9D for each employee to whom you've provided expenses and benefits during the tax year, and one form P11D(b) to declare the overall amount of Class 1A National Insurance contributions (NICs) due on all the expenses and benefits you've provided.

You can find more [guidance, links for the forms and deadlines](#) on HMRC's website.

- Can you tell me what expenses and benefits are subject to Tax and National Insurance? And is there any way to reduce the paperwork?

If you're an employer and you provide expenses or benefits to employees or directors, you might need to tell HMRC and pay tax and NICs on them.

We have an [A-Z on expenses and benefits](#) to help you decide if you need to pay tax or National Insurance contributions on specific items you provide, or if you must report them on form P9D or P11D.

We also have information about [dispensation](#) that can remove the reporting requirements for certain expenses and benefits and [PAYE Settlement Agreements \(PSAs\)](#) that can give you an easier way to handle PAYE tax and National Insurance issues on difficult-to-manage expenses and benefits that you may provide to your employees.

- How do I make a Class 1A payment and when is it due?

Our online guidance – [How to pay Class 1A National Insurance](#) – tells you about payment options for employers paying Class 1A National Insurance contributions and gives you a reminder of the payment deadlines.

[Full guidance](#) for employers who provide expenses and benefits to their employees or directors is available on our website.

Toolkits to reduce common errors in returns

HMRC have a range of 20 free toolkits to provide guidance on how to avoid making common errors that HMRC see in filed returns.

The toolkits are principally aimed at tax agents and advisers but they may also be of interest to employers. The most relevant toolkits for employers are:

- [Expenses and Benefits from Employment Toolkit](#)
- [National Insurance Contributions and Statutory Payments Toolkit](#)

The errors addressed by the toolkits are real errors that HMRC frequently see in filed returns.

We have also produced a 3 minute video that gives useful information about the toolkits. [View the 'HMRC agent toolkits' video](#)

For more information about all of the toolkits please visit hmrc.gov.uk/toolkits

How to pay HMRC

Paying your Class 1A National Insurance contributions (NICs)

An electronic payment for Class 1A National Insurance contributions (NICs) declared on your P11D(b) return for the tax year ended 5 April 2014 must clear into the HMRC account by 22 July 2014.

It is really important that your payment goes to the correct charge and you can ensure your payment is correctly allocated by providing the correct payment reference. The following information is supplied to help you provide the right payment reference when making an electronic payment.

To ensure your payment for Class 1A NICs is correctly allocated to the Class 1A NIC charge please use your 13 character Accounts Office reference followed by 1413. You can [check your reference number](#) on HMRC's website.

For example if your Accounts Office reference is 123PA00012345, you would use 123PA000123451413 but please ensure you use **your own** Accounts Office reference followed by 1413, not the example Accounts Office reference used on this page. It is important that you show the reference number with no gaps between the characters, otherwise it could cause a delay in updating your records.

By using 13 as the final 2 digits of the extra 4 numbers you add to your reference, you are letting HMRC know that this payment is intended for your Class 1A NICs.

If you do not use 13 as the final 2 digits your payment will be allocated to your PAYE account (which includes Construction Industry Scheme and student loan deductions, and Class 1 NICs – not Class 1A NICs) and HMRC will contact you for your Class 1A NICs payment until the error is identified and the payment is reallocated. This will also happen if you include your Class 1A NICs payment with your PAYE payment for the month or quarter ended 5 July 2014.

Please note it is not possible to directly allocate a payment to your Class 1A NICs charge using the BillPay service because month 13 is not an available option.

To pay at a Bank, Post Office or exceptionally by post you should only use the Class 1A NICs payslip issued by HMRC, as this is pre-printed with the correct reference number. Do not use a payslip from your P20B payment booklet as these should only be used to make your current year PAYE payments.

Making other PAYE payments for a previous tax year

If you need to make a payment of PAYE, Construction Industry Scheme and student loan deductions, and Class 1 NICs, but not Class 1A NICs, for an earlier tax year please use your 13 character Accounts Office reference, but you must add the extra information about the tax year and tax month that you are paying, as shown in the following examples.

Examples:

For the tax year ended 5 April 2014, to pay Month 12 which was due 22 April 2014, please add 1412 to your reference. If your Accounts Office reference is 123PA00012345, you would use 123PA000123451412. By using 14 as the first 2 digits of the extra 4 numbers you add you are letting us know that this payment is intended for the tax year ended 5 April 2014. The final 2 digits tell us what tax month the payment is for.

For the tax year ended 5 April 2013, to pay Month 12 which was due 22 April 2013, please add 1312 to your reference. If your Accounts Office reference is 123PA00012345, you would use 123PA000123451312. By using 13 as the first 2 digits of the extra 4 numbers you add you are letting us know that this payment is intended for the tax year ended 5 April 2013. The final 2 digits tell us what tax month the payment is for.

Ensure you use your own Accounts Office reference followed by the correct extra 4 numbers, not the example Accounts Office reference used on this page. It is important that you show the reference number with no gaps between the characters, otherwise it could cause a delay in updating your records. You can [check your reference number](#) on HMRC's website.

Our [online guidance](#) tells you about payment options for employers paying PAYE tax which includes Construction Industry Scheme and Student Loan deductions, and Class 1 NICs. It also provides more information about payment deadlines.

Electronic payment deadline falls on a weekend

The 22 June electronic payment deadline falls on a Sunday. To make sure your 2014 payment reaches us on time you need to have cleared funds in HMRC's account by the 20 June, unless you are able to arrange a Faster Payment.

Remember that it's your responsibility to make sure your payment is made on time. If your payment is late you may be charged interest and/or a penalty.

So that you know what date to initiate your payment to make sure we have it on time, you may need to speak to your bank or building society well in advance of making your payment to check single transaction and daily value limits, and cut off times.

Find out more about paying us electronically at www.hmrc.gov.uk/paypaye

Employer Provided Benefits in Kind and Expenses

The Chancellor of the Exchequer delivered his 2014 Budget on 19 March 2014. This included an announcement that the Government would be consulting on reforms to simplify the taxation of benefits in kind and expenses. There will be four consultations launched in June 2014 that together will form a 'package' of reforms in this area in addition to two longer terms reviews. Details of the 4 consultations are as follows;

Abolition of the £8,500 threshold for 'lower paid' employments

Currently employees with pay and benefits in kind of less than £8,500 annually are not liable to income tax on all benefits in kind (liability is restricted to vouchers, credit cards and living accommodation). Employers have separate reporting requirements on form P9D for these employees. The government's intention is to abolish the £8,500 threshold, which will result in all employees irrespective of income being subject to income tax on benefits in kind in exactly the same way. With the Personal Allowance increasing to £10,000 from 06 April 2014 most employees will not be affected by abolition of the threshold. Some employees with secondary employments and benefits in kind may be affected. Employers will become liable to Class 1A National Insurance contributions (NICs) on most benefits in kind, irrespective of the pay and benefits in kind package of the employee, but in future need only complete one return (P11D) for all employees who have benefits in kind.

The consultation will explore three main areas:

- who will be affected by this reform
- what action could be taken to reduce the effects for any vulnerable groups disadvantaged by this reform
- whether particular groups should be offered some protection

Trivial benefits exemption

HMRC will consult on the introduction of a statutory exemption for trivial benefits in kind and what form that should take. It is intended to cover items such as small non-cash benefits like a bottle of wine or a bouquet of flowers given occasionally by

an employer to an employee. This will remove reporting requirements for employers, and mean there will be no liability to Class 1A NICs for employers or income tax for employees on any benefit in kind classed as trivial that falls within the exemption. The consultation will seek views on the definition of a trivial benefit in kind and explore if the exemption should be based on the annual cost, or the number of trivial benefits in kind provided in a tax year.

Voluntary 'Payrolling' of benefits in kind

The consultation will explore how a legal framework can support employers who want to account for tax on benefits in kind through their payroll instead of reporting benefits in kind on form P11D after the end of the tax year. The option to 'payroll' benefits in kind will be entirely voluntary but the consultation will explore how participating employers will carry out 'payrolling' and how to ensure consistency in making sure that the correct income tax is collected throughout the tax year. Views will be invited from employers and software developers who already support informal payrolling. This is the first phase and the consultation proposes that further work will follow.

Replacing dispensations with an exemption for paid or reimbursed expenses

Currently where an employer reimburses expenses for which the employee qualifies for tax relief they can apply to HMRC for a Dispensation. A Dispensation is an agreement that allows the employer to pay specified expenses to their employees without deducting income tax or National Insurance Contributions, or reporting the payments to HMRC.

Under the new proposal, employers will no longer need to apply for a dispensation to receive this treatment. Instead employers will automatically be permitted to make expenses payments to their employees without deducting tax or National Insurance contributions (NICs), or reporting them to HMRC, provided that they can satisfy themselves that the expenses being reimbursed to the employee qualify for tax relief in full. This will be done through the employer's own internal checking and control procedures. In addition, some employers do not currently apply for a dispensation because they perceive the process to be complex. Instead they report the expenses on form P11D, with the employee making a separate claim to HMRC for any tax relief due. These employers and their employees will also benefit from the new exemption.

[article continues >](#)

Other Reviews

In addition to these four proposals there will be a ‘review’ of the tax rules governing travel and subsistence expenses and a wider ‘call for evidence’ about payment and reward practices in the 21st century, and where the tax system has not kept pace with changes in these practices.

It is not expected that these reviews will lead directly to any immediate policy change.

Instead, the evidence sought will be used to provide an informal backdrop to shape future policy decisions.

Timetable

The four consultations will be launched in June 2014 and will run over the summer period until early September 2014. More information about these consultations can be found from the GOV.UK website.

Employers wishing to respond to any of these [consultations](#) once they are launched should make their responses to employmentincome.policy@hmrc.gsi.gov.uk or alternatively by post to HM Revenue and Customs, Room 1E/08, Parliament Street, London, SW1A 2BQ.

Employment Allowance - Have you claimed your £2,000 off your employer National Insurance Contributions (NICs) yet?

There is still time to claim your Employment Allowance through your payroll.

From 6 April 2014, virtually all employers (businesses and charities) have been able to claim the Employment Allowance, which enables up to £2,000 per year off employers Class 1 NICs to be deducted from the money you pay to HMRC.

Many employers have already claimed and this is easy to do through your payroll or HMRC’s Basic PAYE Tools.

If you haven’t claimed your Employment Allowance yet, you can do this now.

All you need to do is [check your eligibility](#) and then claim through your payroll. This is likely to be ticking a box, or something similar depending on your payroll software.

If you make payments to HMRC monthly you will have already had the opportunity to make an Employment Allowance NICs deduction from your payments to HMRC.

If you pay HMRC quarterly before your next payment due on 19 or 22 July, make sure you have claimed your Employment Allowance, so you can make a deduction to the payment you make to HMRC.

You can claim the Employment Allowance after the start of the tax year as long as your business or charity has employer Class 1 NICs liabilities and is eligible to claim the Employment Allowance. For example, if you make your claim in June, your Employment Allowance deduction against your year to date Class 1 NICs liability will be your employer Class 1 NICs liability to date (up to the £2,000 annual maximum) as shown on your last Full Payment Submission.

Example

You indicate on your payroll on 30 June that you want to claim your Employment Allowance for 2014 to 2015. July will be the first month you can use the allowance against your employer Class 1 NIC liability.

Your employer Class 1 NICs liabilities have been £200 per month since April 2014, so year to date employers Class 1 NICs total £600. This means when making your July quarterly payment to HMRC, you should deduct your £600 employers NIC from your payment to HMRC (so, in this example, your payment will simply cover your PAYE and employee NICs).

An example for monthly payers claiming late is given in the [Further Guidance on claiming the Employment Allowance](#).

You will be able to see how much Employment Allowance you have used in “View PAYE Liabilities and Payment” in HMRC’s online service.

Filing PAYE information in real time

April 2014 saw the end of the first full year of RTI, with employers making their final PAYE submission of the year. The vast majority of employers are now reporting their PAYE information in real time.

Since 6 April 2013 we have successfully received over 31 million Full Payment Submissions and 663 million payments.

As usual we are now going through our end of year reconciliation process within HMRC and employees will start to see form P800 Tax Calculation from June 2014 as we go through our normal end-of-year process.

As expected with such a major change, there have been a few issues along the way which have affected a small number of employers. However, by working with employers, their representatives and their software providers, we have moved quickly to put things right.

The majority of employers have told us that filing their PAYE information in real time had been either very easy or fairly easy to do and most found the processes around end of year much simpler, easier and quicker than completing P35s and P14s.

Help for employers with 'on or before'

We've prepared some new best practice scenarios to help employers and agents who report PAYE information on or before paying an employee. They set out some of the common problems that we've heard about from stakeholders, our visits to customers and our independent research, together with examples of solutions.

You can find the best practice scenarios at [Best practice guide for reporting PAYE information 'on or before' paying an employee \(PDF 20K\)](#).

In-year interest on late payments

HMRC now charges in-year interest on any late PAYE and Construction Industry Scheme (CIS) payments. If you pay monthly, your next payment is due on 19 June. If you pay electronically the deadline of the 22 June falls on a Sunday. So, to make sure your payment for this month reaches us in time, you need to have cleared funds in HMRC's account by the 20 June unless you are able to arrange a Faster Payment.

To avoid an interest charge you should pay, by the due date, the difference between the following:

- what you report on your Full Payment Submission(s) (FPS) received by the 19th of the month following the end of the tax month it relates to, together with any CIS charges for that tax month
- any deductions reported on an Employer Payment Submission (EPS), again received by the 19th of the month following the end of the tax month it relates to

If you make a correction on an FPS that we received after the 19th of the month following the end of the tax month it relates to, the correction will be included in the following month's charge. In these circumstances, the amount payable for the tax month is the amount actually reported by the 19th (rather than the corrected amount).

Interest Charges

We will charge interest on all unpaid:

PAYE, Class 1 National Insurance and Student Loan deductions, including specified charges (estimates HMRC makes in the absence of a PAYE submission)

- Construction Industry Scheme charges
- in-year late filing penalties, which start from October 2014
- in-year late payment penalties, which will be charged automatically from April 2015

Interest will be charged daily, from the date a payment is due and payable to the date it is paid in full.

Accruing Interest and the "View Liabilities and Payments" in HMRC's online service

Employers will be able to see an estimate of the interest building up on the "View Liabilities and Payments" in HMRC's online service.

Please note that:

- accrued interest is only a guide to what may be due. HMRC will only seek payment of interest when the amount due is settled
- "View Liabilities and Payments" in HMRC's online service will only show interest as accruing in the current month, regardless of when the payment was due

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- it will show interest as accruing from the 19th of each month, regardless of how the employer pays. Employers who pay electronically should not worry if they see an accrued interest entry between 19th and 22nd of a month. Once the electronic payment is received, the calculation will correctly use the 22nd as the due date, and any interest charge generated between the 19th and 22nd will be cancelled

Further information

Our [At a glance: interest from 2014 to 2015](#) helpsheet has more detail on:

- the due dates of payment
- how in-year interest is calculated
- interest on overpayments
- how HMRC will calculate interest on a charge that employers didn't agree with
- what an employer should do if they cannot pay

Generic Notification Service

HM Revenue & Customs (HMRC) has improved the Generic Notification Service (GNS) messages for 2014 to 2015.

There are three types of message:

- late filing, sent in-month
- non-filing, sent after the end of a tax month
- late payment, sent each month after the payment date

The first 2014 to 2015 non-filing messages relating to month 1 were sent on 13 May 2014.

You may have received this if you did not send:

- the number of Full Payment submissions (FPS) that we were expecting within a tax month, based on your previous filing history, or how often you run your payroll
- an Employer Payment Summary (EPS) to tell us that no payments have been made for that tax month at the point that HMRC reviews its records to see whether a non-filing GNS message is appropriate

The revised text, which reflects feedback from external stakeholders, reads as follows:

“HM Revenue & Customs (HMRC) records show that you haven't sent all of the Full Payment Submissions (FPS) that we expected for the period indicated. You must send an FPS each time you pay your employees.

From October 2014, if you don't send your FPS on time you may incur in-year filing penalties. Please make sure that you send your FPS on time in future.

If you didn't pay any employees within that tax period, you should let HMRC know by sending a no payment Employer Payment Summary (EPS) by the 19th of this month.

If you have sent all your returns or you have notified HMRC in the last five days that you no longer employ anyone, you don't need to contact HMRC.”

Although you have until the 19th of the following tax month to send an EPS to make a nil payment submission, we issue non-filing GNS messages shortly after the end of each tax month to prompt employers to make a submission in time to avoid a specified charge and, in future, a potential in-year filing penalty.

Employers may receive both a late filing and a non-filing GNS message relating to the same month. If you receive either message you should use it as a prompt to ensure that your business is ready to submit its PAYE returns on time from 6 October 2014, when in-year penalties for failure to report PAYE on time will be introduced.

There is more detailed information on these messages and why employers might receive them, in the updated guidance [Using HMRC's Online Service – PAYE for employers](#).

Recording the Scheme Contracted-out Number (SCON) when filing PAYE information in real time

In the [February edition](#) of the Employer Bulletin we told you that from 6 April 2014 employers would be legally required to show the relevant SCON, in addition to the Employer's Contracting-out Number (ECON), on their Full Payment Submissions (FPS) when submitting contracted-out National Insurance contributions for employees who have been in a contracted-out pension scheme during the tax year.

We also advised that we would temporarily use the automatic failure error message to provide a temporary valid dummy SCON to allow the immediate resubmission of the FPS where an employer genuinely could not obtain the correct SCON for one or more of their employees, prior to April 2014.

The first set of results covering FPS for April 2014, show the dummy SCON has been used by 3,740 PAYE schemes. The dummy SCON should only be used in extreme circumstances and not as an automatic default.

You can find your SCON on your Employers Contracting out certificate – which must be retained as it is the authority which allows you to deduct the lower rate of NICs payable for those employees who are members of contracted-out occupational pension schemes.

If this certificate is unavailable you should contact your pension scheme administrator who will be able to provide you with the relevant SCON.

If you do not have a contracted-out pension scheme you should leave this field blank. If you are prompted for a SCON you should make sure you are using the correct National Insurance contribution category letter for your employee.

We will continue to monitor use of the dummy SCON and may take remedial action if the same schemes continue to submit their FPS using the dummy SCON.

If you are unsure how to enter a SCON onto your payroll system please contact your payroll software supplier.

Rationalisation of PAYE non filing penalties

We have changed our approach to issuing updated penalty notices for the same non-filing default. The changes relate to PAYE end of year penalties for outstanding returns in relation to the 2012-2013 and 2013-2014 tax years. [Further information](#) on these changes can be found on HMRC's website.

PAYE Guidance is moving to GOV.UK

In the [April 2014](#) issue of the Employer bulletin we provided a background on why HMRC guidance is being moved to GOV.UK. On 3 April 2014 Statutory Payments guidance was successfully moved from the HMRC website to GOV.UK's website.

Expenses and benefits guidance is already available on GOV.UK as are the employer payroll publications for 2014 to 2015 – why don't you try searching for CWG2.

The remaining PAYE guidance for employers will be published on GOV.UK in June 2014. For a short time guidance will be available on both websites. During the summer content will continue to be improved and added to before customers are expected to use only GOV.UK.

What we'll do when we move customers to GOV.UK

We'll make sure there are no broken links. We'll ensure that anyone trying to access a page on HMRC's website gets automatically redirected to the most appropriate page on GOV.UK.

What you need to do

Our aim is that moving this guidance should have no impact on customers – you shouldn't need to do anything except to use our guidance on GOV.UK.

You can choose to get involved and help us make sure the content meets your needs. All pages on GOV.UK include a link (near the bottom of the page) for you to tell us if there's something that isn't working well for you, we welcome your feedback. There is more on the future of our online services on the [digital information blog](#).

Agencies and employment intermediaries

From 6 April 2014 new rules apply to the treatment of workers supplied through agencies or other intermediaries. The new rules affect workers who have previously been provided to end clients through an agency, to work on a self employed basis.

The changes apply where;

- a worker personally provides their services – this prevents the use of a standard substitution clause to avoid the agency legislation
- there is a contract between an end client (or someone connected with them) and any third party (i.e. the agency) and
- as a result of that contract the services of the worker are provided, or the client pays for the services to be provided

The changes to the agency legislation do not apply if the manner in which the services are provided mean that the worker is not subject to (or to a right of) supervision, direction or control by any person or the monies the worker receives for providing their services is already treated as employment income for income tax/NICs purposes.

From April 2014 the agency must decide whether the way in which the worker does their work is subject to (or to a right of) supervision, direction or control by the end client or someone else. If it is, then the worker's pay will be subject to PAYE and Class 1 employees/employers National Insurance contributions and the worker will be treated as an employee.

[Guidance](#) explaining the new rules is now available on our website.

Changes to the civil penalty scheme to prevent illegal working

Following a [public consultation](#) in the summer 2013, the government announced its intention to make changes to the civil penalty scheme to prevent illegal working. Details were set out in its [response to the consultation](#) in October 2013. The changes are intended to encourage and support employers to fulfil their duty to make the correct checks on their employees to ensure that they have the right to work in the UK. They came into force on 16 May 2014.

Illegal working is the main incentive for illegal immigration and often results in abuse and exploitation, the mistreatment of illegal migrant workers, tax evasion and illegal housing conditions. It can undercut legitimate business and have an adverse impact on people who are lawfully in the UK.

Employers have had a duty to prevent illegal working since 1997 by carrying out specified document checks on people before they employ them. Since 2008, this duty has been underpinned by a civil penalty scheme. Under section 15 of the Immigration, Asylum and Nationality Act 2006 an employer may be liable for a civil penalty if they employ someone who does not have the right to undertake the work in question.

On 16 May 2014 changes came into force to strengthen and simplify the civil penalty scheme for employers. This included changes to make it easier for employers to conduct right to work checks on their employees, as well as ensuring a more robust response to businesses which employ illegal workers.

To simplify the right to work checks:

- the range of acceptable documents that employers may have to check has been reduced
- the frequency of follow-up document checks for most employees with limited permission to be in the UK has been reduced
- the grace period for right to work checks for employees acquired as a result of a Transfer of Undertakings (Protection of Employment) has doubled to 60 days
- guidance has been simplified and support for employers is being improved

[article continues >](#)

To get tougher on employers of illegal workers the maximum civil penalty for the employment of an illegal worker has doubled to £20,000. The increased maximum penalty better reflects the harm caused by employing illegal workers, the costs to wider society and the unfair economic advantage derived from the activity. The Immigration Bill will also be used to make it easier to enforce the payment of civil penalties in the courts.

Full details of the changes and new requirements are set out in [guidance](#) available on GOV.UK, together with tools to assist employers in making right to work checks.

These measures do not make employers responsible for immigration control. The Home Office remains the first line of enforcement against illegal immigration and works with other agencies across government to take effective action against labour market abuse.

Direct Earnings Attachment (DEA) - update for employers

As an employer the Department for Work and Pensions (DWP) may ask you to make deductions from an employee's pay if they have an overpayment of benefits.

DEA only applies to a small proportion of people owing money to DWP and they will write to you and ask you to operate the DEA scheme if any of your employees are affected.

Having successfully piloted DEAs, DWP are now increasing the volume of cases from July 2014. A payroll software specification has been issued directly to over 600 payroll software development companies. Automation of the system will enable employers to manage the increasing number of DEAs.

Employers with fewer than 10 employees don't have to operate a DEA but you can do so in agreement with the employee.

Other government departments such as the Child Maintenance Service, The Courts and Local Authorities also recover money owed through the employee's salary. It is critical that employers note where a request has come from so that the correct account details are used when making payments. This will avoid unnecessary further contact by DWP Debt Management.

DWP's preferred method of payment is by BACS. It is important you use the correct payee reference when making a BACS payment. For example:

- when you make a single BACS payment for an individual employee or a series of separate individual BACS payments (rather than one combined payment for multiple employees), the payee reference is the employee's National Insurance Number. **This allows the automatic allocation of the payment to the employees' DWP account. In these cases DWP do not require you to send a payment schedule**
- when you make a single BACS payment which combines DEA deductions for multiple employees, the payee reference is DEA. In this case DWP do require you to send a payment schedule

Further information and guidance on DEAs is available to employers via [GOV.UK](#)

Helpline and Orderline numbers

Helpline – telephone advice and Orderline – for employers exempt from online filing obligations to order forms and guidance.

Calls may be monitored for quality control and training purposes

To access a wide range of employer information at a time to suit you, visit the Employer pages on our website at www.hmrc.gov.uk/employers

General payroll matters – for example PAYE and NICs

Been an employer 3 years or less? **0300 200 3211** Mon – Fri 8am – 8pm, Sat 8am – 4pm

Been an employer more than 3 years? **0300 200 3200** Mon – Fri 8am – 8pm, Sat 8am – 4pm

Textphone **0300 200 3212** for employers who are deaf or hard of hearing (only people with specialised equipment such as Minicom are able to use this number)

Order forms and guidance

Website www.hmrc.gov.uk/payerti/forms-updates/forms-publications/onlineorder.htm

Orderline **0300 123 1074** Mon – Fri 8am – 6pm

Construction Industry Scheme (CIS)

CIS Helpline **0300 200 3210** Mon – Fri 8am – 8pm, Sat 8am – 4pm

Textphone **0300 200 3219**

NIC: special topics

Contract Out Pensions Helpline and Orderline **0300 200 3507** Mon – Fri 8am – 5pm

Maternity Issues Helpline and Orderline **0300 200 3506** Mon – Fri 8am – 5pm

HMRC Information Orderline

Pay and Work Rights helpline **0800 917 2368** Mon – Fri 8am – 8pm, Sat 9am – 1pm

Orderline **08458 450 360** 7 days a week 24 hours

Other helplines

HMRC Online Services Helpdesk* *including technical support for the Basic PAYE Tools

Helpline **0300 200 3600** Mon – Fri 8am – 8pm, Sat 8am – 4pm

email helpdesk@ir-efile.gov.uk

PAYE/SA payment enquiries **0300 200 3401** Mon – Fri 8am – 8pm, Sat 8am – 4pm

If you would like HMRC to send you an email when a new edition of the Employer Bulletin is published go to

www.hmrc.gov.uk/payerti/forms-updates/forms-publications/register.htm