

A brief guide to Onshore Intermediaries



Onshore Intermediaries

Onshore Intermediaries Legislation is designed to prevent the perceived increase in false self-employment and the supply of workers through offshore locations. The new regulations will help HMRC penalise agencies that do not comply with existing legislation, it is expected to reduce unfair commercial gains, it will help support agencies that do comply and HMRC will increase their ability to collect the right amount of Tax and National Insurance that falls due.

The system of reporting will involve quarterly returns being made to HMRC, with the first quarter end being 5 July 2015. Within these returns you will be responsible for the delivery of information to HMRC regarding all non-PAYE temporary workers. You should report all transactions with self-employed contractors, those with limited companies as well as payments to umbrella companies.

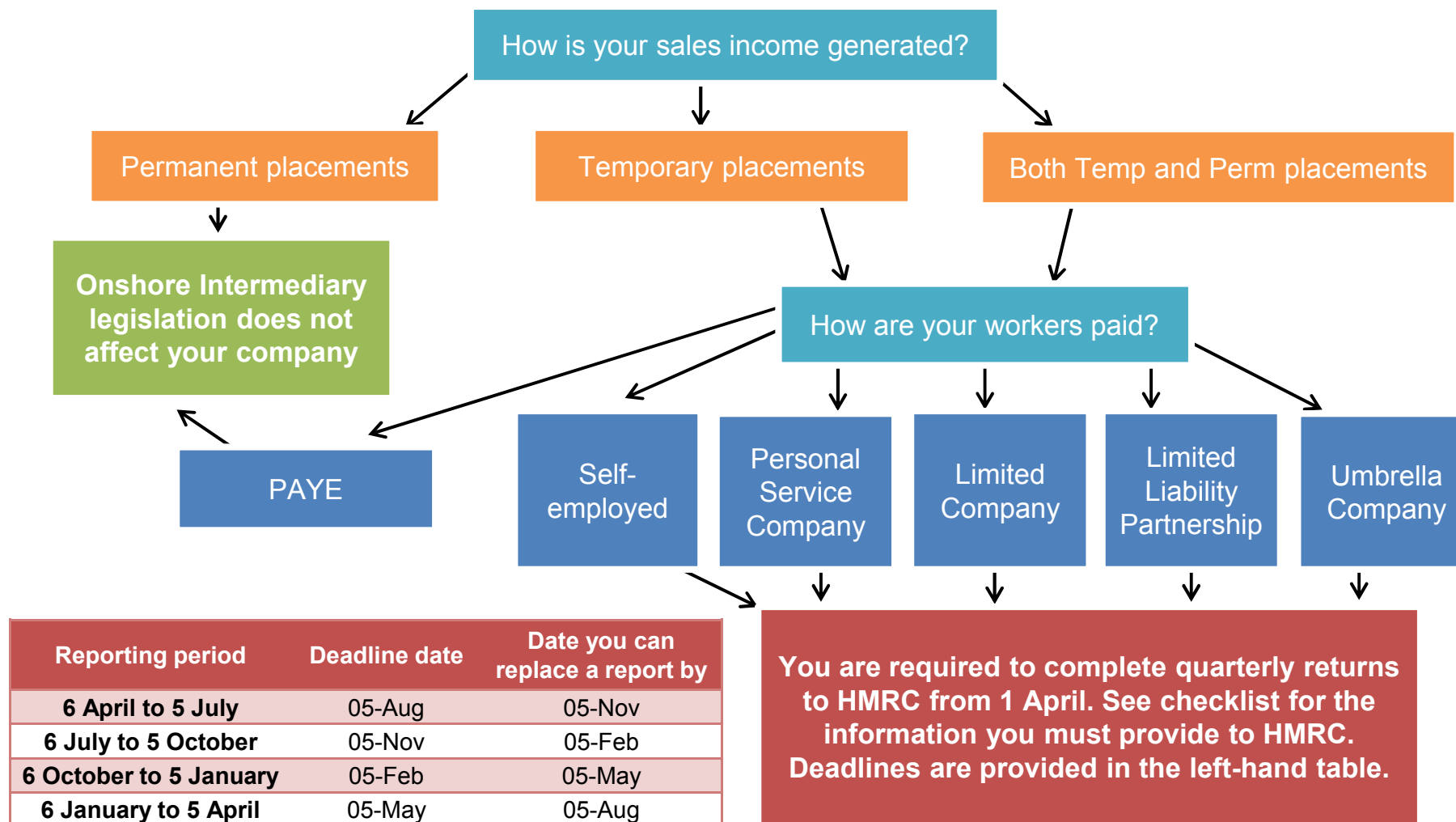
The reporting process is prescribed and made through HMRC's gateway and in each instance, you will need to provide HMRC with the following details:

- Worker's full name, address and postcode
- Worker's National Insurance number, or
- Date of birth and gender if they don't have a National Insurance Number
- Worker's unique tax reference number
- Worker's start date and end date
- A reason why you have not operated PAYE on the worker
- Total payment made including expenses and VAT
- The currency of payment
- Companies House registration number, if engaged through a limited company

You will need systems to capture this data and, if you do not have adequate systems in place, immediate action is needed. Those who use electronic timesheets management software or outsource your back-office department to an external provider may be ahead of the game, as the matter should already be in hand. However, for those of you who maintain your back-office in house, using manual or very basic computerised systems, you will need address this matter urgently.

The penalties for late or incorrect filing are relatively strong, being £250 for the first offence, £500 for the second and £1,000 for the third and further offences within a twelve month period starting from the first offence.

Does it affect me?



Checklist

Information required to report on

Information obtained?

- | | | |
|----|--|--------------------------|
| 1 | Worker full name | <input type="checkbox"/> |
| 2 | Worker date of birth | <input type="checkbox"/> |
| 3 | Worker gender | <input type="checkbox"/> |
| 4 | Worker national insurance number | <input type="checkbox"/> |
| 5 | Worker address, including postcode | <input type="checkbox"/> |
| 6 | Worker UTR (only if worker is self employed, Partnership or Limited Liability Partnership) | <input type="checkbox"/> |
| 7 | Start date of engagement | <input type="checkbox"/> |
| 8 | End date of engagement (if ended during the reporting period) | <input type="checkbox"/> |
| 9 | Amount paid for the worker's services (GBP or EUR) inclusive of VAT | <input type="checkbox"/> |
| 10 | Business name | <input type="checkbox"/> |
| 11 | Business address, including postcode | <input type="checkbox"/> |
| 12 | Companies House registration number if applicable | <input type="checkbox"/> |

If you would like to discuss this further, please call Stuart Hutchison on 01462 687333.