

FOCUS ON

PAYE and benefits in kind Health-check - why do it?

HM Revenue and Customs (HMRC) are becoming increasingly more focused in the area of employer compliance. They commonly impose financial settlements for a number of years to collect tax, national insurance, interest and penalties on any errors that they discover.

Our Health-check will give you comfort that your PAYE benefits and expenses procedures would stand up to scrutiny by HMRC. The areas covered by our Health-check can include:

- A review of payroll procedures, including SSP, SMP and SPP.
- A review of benefits-in-kind and Forms P11D procedures.
- To ensure those engaged on a self employed basis will be accepted not to be employees.
- Checking that all dispensations are up to date.
- Reviewing compliance with national insurance regulations.
- Compliance with the construction industry scheme.

So why should employers consider a PAYE 'health-check' type exercise every few years?

- If you're doing something wrong in the current year, you have the chance to rectify this before the tax year ends so that it is taxed and reported correctly.

- If you have made mistakes in previous years, it is better to notify
- HMRC of these mistakes than letting them find the mistakes themselves. The difference in tax penalties will be significant.
- There is no point burying your head in the sand. Things will not go away, or improve, if you do not do anything about them.
- It is not uncommon for cost saving opportunities to be identified during a PAYE review. Some of these opportunities are often 'easy wins' in that savings can be made without too much trouble.
- If HMRC has not been round to do a PAYE audit for 10+ years, they will get round to your business eventually.
- Business practices and tax legislation has changed considerably over the last few years. What might have been acceptable to HMRC five years ago may not be now. Also, what might have been ignored by HMRC previously may now be a taxable payment in accordance with legislation so there is no longer any leeway by HMRC.

Contact us

For further information, please contact Chris Blundell.



Chris Blundell
Tax Partner

E: chris.blundell@mhltp.co.uk
T: 020 7429 4100



Visit our website:
www.macintyreHUDSON.co.uk

MHA MacIntyre Hudson is the trading name of MacIntyre Hudson LLP, a limited liability partnership, registered in England with registered number OC312313. A list of partners' names is open for inspection at its registered office, 201 Silbury Boulevard, Milton Keynes MK9 1LZ. Registered to carry on audit work in the United Kingdom and regulated for a range of investment business activities by the Institute of Chartered Accountants in England and Wales. An independent member of MHA, a national association of UK accountancy firms. The term 'partner' or 'partners' indicates that the person (or persons) in question is (or are) a member(s) of MacIntyre Hudson LLP or an employee or consultant of its affiliated businesses with equivalent standing and qualifications. Partners and directors acting as administrators or administrative receivers contract as agents and without personal liability. Further information and links to the respective regulators and appointed individuals' qualifications can be found via our website www.macintyreHUDSON.co.uk/information.html

MHA MacIntyre Hudson is an independent member of Baker Tilly International. Baker Tilly International Limited is an English company. Baker Tilly International provides no professional services to clients. Each member firm is a separate and independent legal entity and each describes itself as such. MHA MacIntyre Hudson is not Baker Tilly International's agent and does not have the authority to bind Baker Tilly International or act on Baker Tilly International's behalf. None of Baker Tilly International, MHA MacIntyre Hudson, nor any of the other member firms of Baker Tilly International has any liability for each other's acts or omissions. Arrandco Investments Limited is the registered owner of the UK trade mark for Baker Tilly and its associated logo.