

PAYE / NMW COMPLIANCE HEALTH CHECKS

Why should a Health check be considered?

HM Revenue & Customs (HMRC) have indicated that they will increase the number of enquiries they will carry out to recover unpaid taxes. They have increasing amounts of data from third parties that enable them to target taxpayers for enquiry.

HMRC seek to recover unpaid tax and NIC but also charge interest with powers to issue behaviour based penalties up to 100% of the underpaid tax and NIC.

HMRC also carry out National Minimum Wage/National Living Wage (NMW) inspections. Underpayments of NMW result in penalties and potentially being publicly named.

What are the issues that may give rise to a large tax bill?

Why not try our mini PAYE/NMW health check quiz to find out?

If you cannot answer YES to all of these questions, then you should consider a PAYE health check.

- Are there employment contracts for employees?
- Are there right to work checks carried out for all new employees?
- Are there self employed contracts for self employed worker?
- Are benefits provided to employees e.g. health Insurance?
- Are company owned assets used by employees for private use e.g. car, van, fuel?
- If no to question 5, can you prove it?
- Are you aware of the NMW legislation on what can reduce the gross wage for calculation of hourly rate e.g. Savings clubs, work related expenses?
- Are you aware of the 4 types of worker under NMW legislation and how that impacts on the calculation of the NMW rate?
- Are any expenses paid or provided by the company to employees e.g. fuel?

Key Contacts

- Do you use only your own employees and not workers supplied from labour providers?
- Do you provide your employees to other businesses to operate under your control and not their control?
- If you have employees working in the Republic of Ireland or any other country, have you considered the reporting requirements for that country?

How can we help?

We can carry out health checks tailored to your business that consider not only payroll and NMW issues but also highlight any other issues that a HMRC or Irish Revenue enquiry may identify that could result in inspections for personal tax, corporation tax and VAT.

It is always good to talk. So, please contact tax team if you have any queries.



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