HMRC Employment Taxes Forums

Employment Tax

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A round up of recent meetings of four of HMRC's employment taxes related consultation forums: the Employment and Payroll Group, the Expatriate Tax and NICs Forum, the IR35 Forum and the Collection of Student Loans Group.

In this article, we summarise meetings from four of HMRC's employment taxes related forums, which are attended by CIOT volunteers, from the final quarter of 2020. HMRC publishes the minutes of the meetings on GOV.UK.

Employment and Payroll Group

The group is the main HMRC forum for employment tax related matters and met on 8 December 2020. The forum is attended by representatives of CIOT and ATT and meets quarterly. Items of discussion included the new Off-Payroll Working rules legislated to take effect from April 2021, the newly extended Coronavirus Job Retention Scheme (including HMRC's work on checking grant claims), the EU withdrawal agreement and social security rules post Brexit, and general payroll software changes taking effect from April 2021. A separate meeting also took place to discuss various benefits-in-kind issues arising from the coronavirus, such as virtual parties, working from home, flu vaccinations, employee welfare, cycle to work schemes, etc.

Collection of Student Loans Consultation Group

The group met on 1 December and is attended by representatives of CIOT, LITRG and ATT. Issues discussed included the change being made to the student loan repayment threshold for Scottish borrowers, including a revised New Starter Checklist for use from April 2021 and change of plan type start notices being issued in March 2021, real time information data sharing by HMRC with the Student Loans Company, and self-assessment returns, including student loan payment exceptions.

Expatriate Tax Forum

The forum met on 10 December 2020 and discussions centred on social security coordination post Brexit. For example, having a certificate for social security coverage does not signal any immigration status and EU citizens living in the UK have to apply under the EU Settlement Scheme. Similarly, any UK nationals living in Europe may need to make applications for leave to remain under the law applying in the country of residence. Other matters discussed include coronavirus related issues, such as ITEPA 2003 s 41ZA apportionments of earnings, short term business visitor reporting, residence issues and treaty relief/double taxation issues.

IR35 Forum

The forum met on 20 November 2020 and discussions concentrated on the upcoming changes to the Off-Payroll Working rules, including HMRC’s compliance strategy post April 2021 and amending ITEPA 2003 s 61O to ensure that the legislation does not apply more widely than intended. In addition, the group discussed set-offs for taxes already accounted for where a worker’s status is changed after PAYE/NICs, corporation tax and income tax on dividends, etc. has been deducted or paid by the worker, their personal service company and/or a deemed employer. The group also discussed avoidance and the misuse of umbrella companies.