Meetings of Employment Taxes Forums

Employment Tax

30 July 2021

A brief overview of recent forum meetings attended by representatives of the CIOT, LITRG and ATT, including the Employment and Payroll Group, the IR35 Forum, the Collection of Student Loans Group, and the Rewards and Employment Engagement Forum.

In this article, we summarise the main points from meetings of various forums that took place in June 2021, which are attended by CIOT, LITRG and ATT volunteers. HMRC publishes the minutes of their meetings on GOV.UK.

Employment and Payroll Group (EPG)

The group is the main HMRC forum for employment tax related matters and met on 2 June. The forum is attended by representatives of CIOT and ATT and meets quarterly. The main topics of discussion were:

- the Coronavirus Job Retention Scheme;
- the off-payroll working rules where HMRC are continuing to review the Check Employment Status for Tax tool to address
- ‘unable to determine’ results, national minimum wage policy;
- the Tax Administration Framework consultation and the Raising standards in the tax advice market consultation;
- employment income policy in relation to the pandemic (for example, working from home, provision/reimbursement of equipment); and
- Making Tax Digital.

Minutes of the meeting are published on GOV.UK at:

IR35 Forum

On 4 June, the CIOT attended a meeting of the IR35 forum. Discussions included HMRC's communications relating to the off-payroll working rules introduced from 6 April 2021 and the impact of these changes. It was noted that the reforms had had more of an impact in some sectors than others, perhaps because of industry press reaction. We understand that HMRC are reaching out to sectors that they can target with additional help. Misinformation was noted as a problem, especially around the use of statements of work and also with the use of umbrella companies.

Collection of Student Loans Consultation Group (CSL)

On 1 June CIOT, LITRG and ATT representatives attended a meeting of the CSL group. Topics discussed included:

- the new Scottish student loans threshold introduced on 6 April 2022 (new Plan Type 4), where work on contacting employers that have not implemented the plan type change is ongoing);
- more frequent data sharing with the Student Loans Company of student loan deductions reported by employers through the real time information system;
- a reminder that deemed employers should not be making student loan deductions where PAYE applies to an arrangement caught by the off-payroll working rules; and
- the new lifelong loan entitlement (to be consulted on later this year and introduced in 2025).

Feedback is requested on any issues members become aware of from employers implementing plan type changes to accommodate the new Scottish student loan repayment threshold. Minutes of the meeting are published on GOV.UK at tinyurl.com/wp9hbnw8.

Reward and Employment Engagement Forum (REEF)

REEF is an independent external stakeholder forum with a special interest in payroll matters to which HMRC is regularly invited. It is attended by ATT, CIOT and LITRG representatives. Its last meeting was on 16 June and included guest attendees from HMRC's Stakeholder engagement team, the OTS and the Pension Dashboard project in turn. Discussions with HMRC included the remit of the new Coronavirus Job Retention Scheme External Stakeholder Forum and the quality and content of HMRC's Employer Bulletin.

Discussions with the OTS covered the merits of changing the tax year-end from 5 April to 31 March or 31 December. Both non-tax implications of a tax year change, such as statutory payments, pensions auto-enrolment, national minimum wage/national living wage, state pension increases, etc and tax implications for employers and employees (including foreign tax credit claims) were raised.

Lastly, discussions with the Pensions Dashboard project (which is intended to show an individual all their pensions entitlement information online, including state pension, all in one place) focused on the issues of data quality. The project aims to commence a voluntary onboarding stage for data from larger schemes next year and then in 2023 there will be a staged onboarding for the rest.

More information can be found at tinyurl.com/2a2z38nj.