Employment Taxes Forums

Technical | Employment Tax



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A brief overview of employment taxes forum meetings attended by representatives of the CIOT, LITRG and ATT, including the Employment and Payroll Group, the Collection of Student Loans Group, the Employment Status and Intermediaries Forum, the Expat Tax Forum and the Share Schemes Forum.

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In this article, we summarise the main points from meetings of various groups that took place in late 2022, which are attended by CIOT, LITRG and ATT volunteers. HMRC publishes the minutes of meetings on GOV.UK.

Employment and Payroll Group

This group is the main HMRC forum for employment tax related matters. The forum is attended by representatives of CIOT and ATT and meets quarterly. The main topics of discussion at the last meeting were:

- the repeal of the Health and Social Care Levy and the changes to 2022/23 National Insurance rates, where HMRC indicated that there were no plans to reintroduce the levy;
- a discussion around the status of multi-purpose vehicles, and when they should be classified as a car or van; and
- HMRC's article on salary advances, and the issues this raises around the 'on or before' reporting principle.

Expat Tax Forum

This forum is attended by the CIOT, and recent discussions have included:

- an update from HMRC on UK tax issues relating to employee global mobility, with particular reference to UK outbounds;
- HMRC service levels;
- social security coordination, where the UK considers individuals who are working remotely from the EU to be covered by the posted or detached worker provisions, provided that they meet the usual direct relationship, duration of activity, etc. conditions and that these conditions won't be met where working temporarily in the EU against an employer's instructions;
- queries around the use of Appendix five arrangements;
- the definition of a lump sum from an overseas pension; and
- HMRC's 'one to many' nudge letters.

Share Scheme Forum

CIOT and ATT representatives attend this forum. The main topics discussed at the last meeting were:

- updates to HMRC's guidance in respect of Enterprise Management Incentives and (a) restrictions in options agreements, and (b) the independence requirement;
- the changes to Company share Option Plans taking effect from 6 April 2023;
- a review of the SAYE bonus rate mechanism; and
- the planned reduction in the CGT annual allowance.

Employment Status and Intermediaries Forum

This forum is attended by the CIOT. HMRC provided an update on:

- its umbrella company guidance, which HMRC have discussed with bodies such as LITRG who represent unrepresented taxpayers;
- moving the CEST tool to a new platform;
- progress on meeting the Public Accounts Committee's recommendations;
- what it means to take reasonable care in the context of making a status determination and what happens if the decision reached was wrong; and
- the difference between a Managed Service Company Provider and providing accountancy and tax services.

Collection of Student Loans Consultation Group

CIOT, LITRG and ATT representatives participate in this group. Topics discussed included:

- the case for updating the P45 to include student loan deduction information (and NIC deductions); and
- HMRC's research into understanding common employer issues, such as failing to start or stop deductions and how best to mitigate or address these issues.

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