The income record viewer: a digital handshake

Employment Tax | Personal tax



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HMRC has rolled out its income viewer service, making it easier for agents to access the details of their clients' pay. While it is a welcome service, there are still some teething problems.

Key Points

What is the issue?

HMRC has rolled out its income record viewer service after a period in private beta testing. This online service allows agents to see details of their clients' pay and tax details for the current tax year on a real time basis, plus the previous four years.

What does it mean for me?

Providing richer and more timely data than previously available, this is potentially a very useful service to agents. When authorisation can be achieved, feedback has been positive.

What can I take away?

In order to access the income record viewer for a client, clients must first have a Government Gateway account, enabling agents to complete a digital handshake. Feedback shows that this part of the process can be time consuming and challenging.

In one ideal world, clients would provide their agents with details of their employment income in a timely fashion. In another, since HMRC already receives employment data on a regular basis thanks to Real Time Information, agents should be able to access the information that HMRC already holds about their clients easily and quickly.

Whichever view you subscribe to, we are getting a bit closer to the latter, thanks to the opening up of the income record viewer service last year after a period in private beta testing. This online service allows agents to see details of their clients' pay and tax details for the current tax year, plus the previous four tax years.

Providing richer and more timely data than previously available, this is potentially a very useful service to agents. The only issue is a hurdle the height of which varies depending on the digital capability of clients. To access the service, agents and clients need to be able to complete a *digital handshake,* as any existing authorisation via a 64-8 is not considered by HMRC to be sufficient.

Background

Once upon a time, HMRC was willing to provide employment income information to agents over the phone. This was quick and easy for agents, but costly for HMRC. In 2017, it was reported that HMRC received 2.7 million such calls each year, driven in part by high demand from repayment agents seeking details to make expense claims. Significant HMRC resources were consumed in supplying data which it felt clients should already have.

The phone service was significantly curtailed in 2017, when HMRC moved to only supplying the information by letter, and has since been further restricted. In addition to discouraging calls, the changes were intended to address security concerns about giving sensitive data over the phone.

Since then, there have been various digital approaches designed to help agents get employment income information.

Pre-population

Pre-population allows an agent's self-assessment software to download employment data (P60s, etc.) direct from HMRC. While this can work, every year we get a lot of feedback from agents frustrated that data is not available, incomplete or incorrect.

Problems arise because the pre-population service can only access data once HMRC has completed the annual reconciliation for that taxpayer. This is a massive exercise involving millions of records and processing runs, and takes until at least October after each tax year. Until a client's record has been reconciled, no data can be supplied by the pre-population service, and it is impossible for the agent to know when reconciliation has occurred for any individual client.

Even after reconciliation, last year ATT members helped HMRC to spot that not all PAYE data is available to the service. HMRC is investigating this problem, but it may be too costly to fix.

Developing the income record viewer

The latest approach should address some of the shortcomings of the pre-population approach because the data comes from a different source. The income review viewer accesses Real Time Information data held by HMRC directly, in real time, with no need to wait for the annual reconciliation process.

The income record viewer has been in private beta testing since July 2017, which means that a handful of agents have been using the service and giving feedback to HMRC for the last few years. A lack of funding appears to have slowed subsequent expansion but on 16 November 2022 the service finally moved to public beta. This means that *all* agents can now access the service via their agent services account. We understand that in the first few months since the move to public beta, over

1,000 agents have used the income record viewer.

What can agents access?

According to the guidance (see bit.ly/3SKFB28), it is possible to access the following information about a client using the income record viewer:

- PAYE information for the current year plus the four previous tax years;
- employment records, including for each employment: pay and tax details, PAYE reference, and time in employment;
- any student loan repayments collected through the payroll;
- the latest tax code for the current tax year, including allowances and deductions;
- taxable benefits, such as company car and medical insurance, and whether these are forecasted (P11D not received yet) or actual (P11D received);
- state and private pension information; and
- details of any underpaid tax and other debts such as tax credits or Class 2 National Insurance contributions collected through the tax code.

The list of information is quite extensive and it may be necessary to click through several screens to get to detail such as the PAYE reference. (This is now a much more useful piece of information since it became a required entry on form P87.)

This is a ‘view only’ service, so data for self-assessment purposes will need to be manually entered into tax return software. It would be sensible to keep a screenshot of the data obtained to support any entries.

Although state pension information is available, other taxable benefits such as employment support allowance, jobseeker’s allowance and carer’s allowances are not shared with HMRC and are not available.

Accessing the income record viewer

The income record viewer should appear in the agent services account under the heading ‘View a client’s income record’. Once authorisation is complete, the journey starts with the client’s National Insurance number and then selecting the desired tax year.

Authorisation

In order to access the income record viewer for a client, agents must first complete a digital handshake. The digital handshake will already be familiar to agents involved in residential property disposals or trusts. In brief, it requires the agent to log into their agent services account, enter the client's National Insurance number and date of birth, and generate an authorisation link. This can then be sent to their client via email. The client follows the link, signs in with their Government Gateway account and approves the request.

A client who already has a Government Gateway account will use the same username and password to sign in via the authorisation link. Otherwise, they will need to set one up by following the instructions at www.gov.uk/personal-tax-account .

Agents frequently report how time consuming it can be to help clients through the process of setting up a Government Gateway account. We have asked for improved guidance on many occasions and will keep pressing. More generally, we are also working with HMRC on improving agent authorisation routes. We understand that, once completed, the handshake is a 'once and done' authorisation that should endure.

Digitally excluded

The income record viewer team have already received feedback that completing the digital handshake is the most challenging part of the process.

If a client cannot complete a digital handshake, either due to a lack of computing skills or because they cannot verify their identity online, then they (not the agent) will need to call HMRC and ask for the Extra Support team to provide assistance. Given current helpline waiting times, this approach has its own challenges.

Multiple authorisations

It is worth knowing that a client authorisation link is specific to the agent, not the client. Having generated a link for one client, HMRC advises that the same link can be pasted into a mailing to all clients. Each client then signs in with their individual Government Gateway credentials to complete authorisation. Be warned, though,

that while the same link can be used by multiple clients, it will still expire within 21 days of generation.

Deceased clients

Since it is not possible for an executor to set up a Government Gateway for the estate, the income record viewer is not currently available for agents trying to finalise the affairs of a deceased taxpayer. We understand that HMRC is looking at possible solutions.

Incorrect information

HMRC's digital service update for November 2022 suggests that if any of the information provided by the service is wrong, either the agent will need to contact the Agent Dedicated Line or the client will need to speak to their employer, their pension provider or the DWP as the source of the information supplied.

Summary

Gaining efficient access to employment information has been a problem for agents for a number of years. Those in practice will appreciate just how challenging it can be to obtain this (or indeed any!) information from certain clients. We therefore welcome HMRC's efforts to make this information available to agents on a real time basis. It is also possible to access data for PAYE only clients. With pre-population, PAYE data can only be obtained for clients in self-assessment.

HMRC will be reviewing the income record viewer service in early 2023, including whether authorisation via the 64-8 might be possible. In the meantime, feedback on experiences of the income record viewer is always welcome.

Please send comments or concerns to: atttechnical@att.org.uk

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