Working hours data plan scrapped

Briefings



18 February 2025

The government has scrapped plans to require employers to provide HMRC with data on the number of paid hours worked by employees following concerns from CIOT about the ‘significant administrative burden’ this would place on businesses.

The (Draft) Income Tax (Pay As You Earn) (Amendment) Regulations 2024 will not be progressed further after the results of a consultation were published in January. HMRC said: ‘The government has listened to businesses and acted on their feedback about the administrative burden the requirements in these regulations would bring.’

The CIOT warned in May that the estimated one-off cost to businesses of £58 million and ongoing costs of £10 million – an average per business of £29 and £5 respectively – were ‘significantly underestimated’. The Institute added it was unclear why HMRC wanted to collect this information and what they were going to use it for.

Eleanor Meredith, Chair of the CIOT’s Employment Taxes Committee, said: ‘We’re pleased to see the government’s decision not to progress this legislation. We raised several concerns about the proposal, primarily the extra burden this would place on

businesses to provide much more detailed data to HMRC. It’s reassuring that we, and other representatives, have been listened to during this process and our warnings heeded.’