

## HMRC Off-Payroll FAQ

Question	Response
<b>Is there any difference in the way new off- payroll workers should be set up on payroll?</b>	Off payroll workers should be added to the payroll like any other new starter. They should be issued with a starter checklist so that key employment information can be forwarded to the deemed employer. There will be an RTI flag for deemed employees and this should be set for each payroll run. Ref ESM10019
<b>Is there a specific tax code that an off-payroll worker will be assigned?</b>	The declaration the worker chooses on the starter checklist will determine their tax code. Usually this will be declaration C as the worker will already have a primary employment with their intermediary. This would put them on tax code BR. OT week 1 / month 1 would apply if the worker does not return the starter checklist. HMRC can then issue another tax code if it is required. Devolved powers that affect tax codes apply as normal, for example Scottish rates of income tax. Ref ESM10019
<b>Is there a specific National Insurance (NI) table letter that applies to off-payroll workers?</b>	The same rules that apply to regular employees regarding NI category apply equally to off- payroll working employees. The off-payroll working rules do not change how a worker's NI category should be determined. Current guidance is here <a href="https://www.gov.uk/national-insurance-rates-letters/category-letters">https://www.gov.uk/national-insurance-rates-letters/category-letters</a>
<b>How are Employer National Insurance Contributions calculated for off-payroll workers?</b>	The ER NICs should be calculated based upon the full deemed direct earnings payment. See ESM10028. Normal NICs rates and thresholds apply.
<b>How are Employee National Insurance Contributions calculated for off-payroll workers?</b>	The EE NICs should be calculated based upon the full deemed direct earnings payment. See ESM10028. Normal NICs rates and thresholds apply.
<b>Can a worker subject to off-payroll working legislation still make Statutory Payment claims?</b>	To be eligible to claim statutory payments the worker must be paid a salary through their intermediary as set out in ESM10030. The worker's intermediary will need to report it on an FPS using box 58A if the worker wishes to claim statutory payments. (Note, the worker's <b>intermediary</b> does <b>not</b> need to set the RTI flag. The deemed employer will have already set the RTI flag on its payroll).
<b>Can a worker subject to off-payroll working legislation still have Student Loan/Post Graduate Loan Deductions made on their behalf?</b>	Student or post graduate loan deductions should not be made by the deemed employer when a worker is determined as an Off-Payroll Worker. Workers will make repayments through Self-assessment.
<b>Can a worker subject to off-payroll working legislation still be subject to Apprenticeship Levy?</b>	The deemed employer will be liable for Apprenticeship Levy. Ref ESM10002.
<b>Is there a requirement for a deemed employer to issue a pay slip to a worker subject to off-payroll working legislation?</b>	There is no requirement for a payslip to be issued. In practice under the 2017 public sector reform payslips or remittance notices are provided by the deemed employer containing payment and deduction information.

This FAQ document was provided to Moneysoft by HMRC. If you have any queries then please refer to HMRC guidance. The references that HMRC have provided in the questions above (e.g. ESM10019) refer to HMRC Employment Status Manuals. You can find these online by searching the GOV.UK website for the relevant manual.