What if they tell us they are registered as Self Employed?

• Each engagement must be assessed in its own right.

• The status refers to the work being completed and not the person completing it.
What if they refuse to provide the service unless we pay them without deducting Tax & NI?

- We are legally obligated to deduct Tax & NI in line with the policies set by HMRC.
- The individual can accept or decline the offer of work under the terms specified by UOL.
What if the individual engaged is already an employee?

- If there is a genuine reason to pay the employee additional funds for services provided then this will be paid along with their salary and Tax & NI will be deducted via Payroll.
Where do I write the GL Code on Fee Form 1 & 2?

• The GL Code is automatically driven by the type of work being undertaken.

  E.g. If the fee is for Examining then GL code 51310 would be used.
What paperwork do we need to keep?

- In the event of an HMRC audit on individuals engaged on a Self Employed basis you will need to provide:
  - ESI Printout
  - FEE FORM 1/2
  - SE 1/2
  - INVOICE

This information will need to be retained by Faculty/Services for 4 tax years.
What if we find out about the engagement after the work has been completed?

• The process will be completed retrospectively and the treatment of the payment will reflect the status of the work being completed.

• "But I promised it gross" is not a legally binding agreement recognised by HMRC.
If an individual is assessed as being Self Employed but they want us to deduct Tax & NI, can we do this?

• When Employee’s National Insurance is deducted, Employers National Insurance also has to be paid.
• This results in an unnecessary cost to the University.
Who do we contact if we have queries/unusual cases?

• Initial advice from School Managers/Administrators. Contact Faculty HR with all detailed engagement queries.

• Faculty/HR to contact Central HR for process queries relating to Employees.

• Faculty/HR to contact Payroll for Tax & NI queries and when an Undetermined Status is given by the ESI Tool.
What are the consequences of getting this wrong?

- Individuals are incorrectly informed of the terms of payment.
- Corrections to payments causes additional work for Faculties/Services & Payroll.
- HMRC will impose Penalties & Fines where correct procedure has not been followed. These costs will be charged back to the individual departments involved.
What if the individual has a Business Bank Account?

- Status is Self Employed for Tax & NI.
- Complete Fee Form 1 or Fee Form 2.
- Fees cannot be paid into a Business Bank Account when Tax and/or NI are due.