

Schemes and Payroll Agents

Example 9

F Ltd decides to outsource its wages function to a payroll agent C. C operates PAYE for its own employees, and now operates PAYE and pays the employees for F Ltd.

F Ltd reimburses C for the wages paid and also pays it a fee for its services.

C suggests that for convenience the employees of F Ltd are transferred to its own PAYE scheme. This **must not** be permitted. Both Employers are a separate legal entity and responsible for PAYE/NIC's for their own employees. Both schemes must be left as they are.