

Succession

Example 3

Mr W has a shoe shop and trades as W Shoes. Mr W sells his 'W shoes' business to PP Ltd which continues to trade at the shop as 'W shoes' and retains the employees.

If PP Ltd already has a PAYE scheme the scheme for Mr W can be succeeded into it. If PP Ltd does not have a PAYE scheme a new PAYE scheme must be created before the scheme for Mr W can be succeeded into it. In these circumstances forms P45 are not issued to PP Ltd employees.

Mr W is responsible for PAYE/NIC's liabilities to the date he sold the business

PP Ltd is responsible for

- PAYE/NIC's from the date it acquired the business
- Employer's Annual Return P35 and forms P14 for the full year

Further information can be found in subject 'Successions' in the 'Movement of an Employer Record' section of the PAYE Manual

Example 4

Messrs B,W & G are in partnership and trade as 'B & W'. They form a Limited Liability Partnership 'B W & G LLP' which takes over the business and continues to trade as 'B & W'.

B W & G LLP

- Employs all the staff from the old partnership
- Takes over all the payroll records from the old partnership
- Will submit an Employers Annual Return P35 for the full year in which it took over the business

It is necessary to set up a new PAYE scheme for B W & G LLP and succeed the scheme for B, W & G into this new scheme. Forms P45 will not be issued to the employees of B'W & G.

B, W & G is responsible for PAYE/NIC's up to the date that the business was taken over by B W & G LLP

B W & G LLP is responsible for PAYE/NIC's liabilities from the date they took over B, W & G Employer's Annual Return P35 and forms P14 for the full year

Further information can be found in subject 'Successions' in the 'Movement of an Employer Record' section of the PAYE Manual