

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.

Note Where an employer requests not to issue forms P45 to leavers, but to provide the relevant information in list form instead, this is acceptable provided that you are satisfied that it is no more difficult or time consuming for you to handle the matter in this way