

HMRC Testing The Self Employment Status Of Doctors

News Article



HM Revenue & Customs (HMRC) has started writing to doctors who are engaged by NHS Trusts on a self employed basis. The letters request a meeting with the doctors involved and documents relating to their terms and conditions, including a copy of their written contract or letter of appointment. Copies of the letters are not being sent to the tax advisers representing the doctors concerned.

An example of the HMRC letter:

Dear Dr xxxx

Employment status

Employment status is a term we use to mean whether you are employed or self employed.

I need to decide whether it is correct for you to be treated as self-employed for the work you do for The xxxxxx NHS Foundation Trust. To help me do this, I need some information from you. I would also like to meet with you to discuss this matter.

This is not a check of your personal Self Assessment return.

If you have an accountant or professional adviser you may wish to let them see a copy of this letter.

What you need to do now

Please phone me on the above number to arrange a meeting for a time and place that suits you.

I will also need you to send me any documents you have relating to your terms and conditions of work. These might include a written contract or letter of appointment. When

we talk we can agree the date by which you should send these to me. If I have these before our meeting this may reduce the amount of time our meeting will take.

About the meeting

You do not have to agree to a meeting but it may help speed up the time it takes for me to decide what your employment status is.

At the meeting I will need to ask you questions about the work you do for The xxxxxx NHS Foundation Trust. This will help me decide what your employment status is.

If you have an adviser, you can ask them to be present at the meeting.

If you do not agree to a meeting, you should still let me have the information and documents I need relating to your terms and conditions of working.

The letters go on to explain how the information provided will be shared and how a decision will be reached.

NHS Executives

The Daily Telegraph recently reported that 86 senior health service officials, working in 21 different trusts, had been paid off payroll and had refused to give assurances to their employers that they were paying the correct level of income tax and national insurance. The Treasury now wants the NHS trusts that engage them to hand their names to HMRC for possible investigation.

Danny Alexander, the Chief Secretary to the Treasury, is reported in the article as saying 'The rules I brought in two years ago make clear that where people have failed to provide satisfactory assurance of their tax affairs, their details must be passed to HMRC.'

It is not just the doctors and NHS executives who are under increased scrutiny.

Several substantial fines have been levied on Government agencies for breaching the off payroll rules. The Land Registry was hit with a record fine of £1.03m after it was found to have employed one board member off payroll for more than six months. The Department for the Environment & Rural Affairs was fined £102,080 earlier this year and the Department of Transport was charged £400,000, both for similar off payroll offences.

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