

CITB LOOKING TO MAKE THE LEVY RETURN SIMPLER TO COMPLETE

CITB is currently consulting with industry on a proposal to simplify the way Levy is generated.

In conjunction with the Levy Working Party, which is made up of industry representatives and the consensus federations, CITB has listened to concerns from employers. The main concern has been identifying which payments are Labour-only, but there is also a call for the Levy Return to be quicker and easier to complete.

Following the consultation, a notice period will be given to employers and amendments will be made to the levy legislation - any change is unlikely to be introduced until 2016 at the earliest.

The proposal is a simplified system based on payments through the HMRC Construction Industry Scheme (CIS), and specifically on payments to sub-contractors who are paid net of tax (referred to as Net CIS from here on). The main points of the proposal are as follows:

- Retain PAYE Levy at 0.5%
- No longer raise Levy on payments to Labour-Only Sub-Contractors
- Introduce a Levy on payments made to Net CIS Sub-Contractors
- Removal of the offset mechanism. Currently available to employers carrying out labour-only contracts for other employers in the construction industry, it allows labour-only payments

received (LOPR) to be offset against the Levy liability to prevent levy being paid twice on the same work.

- Only payments made through the PAYE or CIS systems would be liable to Levy
- CITB to maintain current Levy income levels – **not increase them**
- The majority of employers should end up paying roughly the same amount of Levy as they currently do
- The final proposal must be endorsed by industry

With the proposed changes, Industry could be expected to see the following benefits:

- Straightforward identification of figures required to complete the Levy Return straight from the monthly CIS300 return to HMRC
- Removal of the offset mechanism will simplify the process and spread the payment of levy more widely and in the view of the LWP more equitably.
- Employers will simply use records kept for HMRC purposes to identify both PAYE and Sub-contractor figures
- There is no ambiguity about the status of a Sub-contractor; they are either Net or Gross paid, so it is fact based rather than open to interpretation
- Less time consuming than present, therefore cheaper to complete, possibly reduced accountant / bookkeeper costs and resulting in more value added time becoming available
- Less scope for employers to get the Levy Return wrong, resulting in a more level playing field for all

As part of the consultation process, CITB will be holding various workshops around England, Scotland and Wales. You may receive an invitation to attend one of these and we would urge you to take up this offer

if you do. The proposal may also be discussed at various Scottish Decorators' Federation members' meetings.

During 2014, CITB will be sending a questionnaire about the proposal to a sample of employers. We would encourage you to complete this to have your say if you receive one.

As with 2013, CITB will be collecting data regarding CIS payments with the 2014 Levy Return. Again, to ensure the research is as accurate as possible, we would strongly urge you to provide this information when you complete your Levy Return. Further information and FAQs about the proposal can be found at the CITB website at <http://www.citb.co.uk/levy-grant/levy-simplification-proposal-consultation/>

Finally you can send any thoughts or comments to us at info@scottishdecorators.co.uk or directly to CITB at levy.simplification@citb.co.uk

SCOTTISH EMPLOYER FORUMS FOR LEVY AND GRANT

CITB EMPLOYER FORUMS FOR LEVY SIMPLIFICATION PROPOSAL AND GRANT UPDATE

CITB, in conjunction with the Levy Working Party (a small group of industry representatives), is currently consulting with industry on a proposal to simplify the Levy system. As part of the consultation in Scotland four employer forums have been arranged for 28th and 29th January 2014.

This email is an invitation to attend one of these forums to hear, in more detail, what

the proposal is, how it would work and what the impacts and benefits of it would be. You will also have the opportunity to provide your thoughts and ask questions about the proposal. Employer feedback is an essential element of this research, and therefore your participation in this project is most important. In addition to this, representatives from the CITB Levy and Grant team will also update you on Grant and other Employer Funding issues.

The forums will be held at the following venues:

Tuesday 28th January 2014

9.00am – 11.00am – Aberdeen – Atholl Hotel

(<http://www.atholl-aberdeen.co.uk/>)

3.30pm – 5.30pm – Glasgow – Normandy Hotel

(<http://www.thenormandyhotel.co.uk/>)

Wednesday 29th January 2014

9.00am – 11.00am – Dumfries – Easterbrook Hall

(<http://www.easterbrookhall.co.uk/>)

3.30pm – 5.30pm – Edinburgh – Holiday Inn Edinburgh City West

(<http://www.holidayinn.com/hotels/gb/en/edinburgh/edbuk/hotel/detail/directions>)

If you would like to attend one of these meetings can you please respond to levy.simplification@citb.co.uk by Wednesday 22nd January confirming the venue you wish to attend, the name(s) of the attendee(s) and the name of the business you represent. If you are a member of a trade federation could you please also include this information in your response?

In the meantime for additional information on the Levy Simplification Proposal please visit the CITB website at <http://www.citb.co.uk/levy-grant/levy-simplification-proposal-consultation/>