



HM Revenue  
& Customs

Wealthy Midsized Business Compliance  
Employment Status & Intermediaries  
S0844  
NEWCASTLE  
NE98 1ZZ

Phone 0300 123 4464

Web

Date 13 October 2017  
Ref [REDACTED]

Dear [REDACTED]

### Checking the employment status of your subcontractors

We're writing to you as you engage, and make payments to, subcontractors on a self-employed basis.

It's important that the employment status of every worker is fully considered and we'd like you to check that you're getting the employment status of all your subcontractors right.

Whether a worker is employed or self-employed is not a matter of choice. Instead, we need to take a rounded view of how the work is provided by a worker. To find out more about the common differences between someone who may be employed and someone who may be self-employed, please go to [www.gov.uk](http://www.gov.uk) and search for 'employment status'.

### What you need to do now

Please now check that you are getting the employment status right for any worker who you pay on a self-employed basis. To help you do this, you can use our online tool, go to [www.gov.uk](http://www.gov.uk) and search for 'Check employment status for tax (CEST)'.

We'd like you to carry out this check within the next 30 days. We'll contact you again later to ask you what action you've taken. Please keep a copy of any decision produced by CEST as we may ask to see this at a later date.

When you've completed the check, if you consider that any worker should be an employee, you need to register them with us and the next time you pay the worker you must:

- calculate the appropriate PAYE tax and Class 1 National Insurance contributions due
- report the details of pay and deductions for these new employees in your 'Full Payments Submission' (FPS)
- pay us any PAYE tax and National Insurance contribution deductions you've made by 22<sup>nd</sup> of the next tax month

Information is available in large print, audio and Braille formats.  
Text Relay service prefix number – 18001



If you have any questions or need help with this, you can call our helpline on 0300 123 4464 or go to [www.gov.uk](http://www.gov.uk) and search for 'Pay employer's PAYE'. If you have a tax adviser, please discuss this with them too.

### **Contacting us**

If you need to contact us about this letter, you need to quote the case reference **ES&I Construction Letter 1** and any other references shown above. If you write to us, you need to use the address shown above. If you send any documents, you must tell us if you want them returned as we may securely destroy them after 90 days.

### **If we carry out a compliance check**

If we carry out a compliance check and find something wrong, you may be liable to a penalty. For more information about inaccuracy penalties, see our factsheet CC/FS7a 'Penalties for inaccuracies in returns or documents'. Our factsheet CC/FS9 'The Human Rights Act and penalties' explains your rights when we're considering penalties. To find our factsheets, go to [www.gov.uk](http://www.gov.uk) and search for 'CC/FS7a' and 'CC/FS9'.

Yours sincerely

**Employment Status & Intermediaries Team**