



HMRC is to shut down any PAYE schemes that have not been used in the last six months.

Employers who have not used their schemes will now receive letters explaining that their PAYE schemes are to be closed.

Any PAYE schemes opened after April 5 this year will be shut down automatically where the employer has not sent any PAYE returns or paid HMRC within four months of the scheme being set up.

Ruth Owen, HMRC's director general for personal tax, said: "Closing schemes that are no longer needed is really important for businesses and for HMRC as it means that HMRC won't waste employers' or taxpayers' time and money by needlessly pursuing returns or debts when in fact none are due.

"Since April, employers or agents (acting on behalf of their clients) who have set up PAYE schemes that are no longer needed can easily close the scheme by reporting this on their final submission. This new process helps further as it means we can identify and remove unnecessary schemes earlier."

From October 2013, PAYE schemes will automatically be closed where:

- No real time PAYE submissions have been made
- No payments have been made to HMRC
- The employer is not an annual payer
- There is no evidence that the employer wants to claim Construction Industry Scheme deductions
- The employer has not received an advance from HMRC
- There have been no periods of Construction Industry liability
- There is no evidence that the employer has any employees
- There is no evidence that Class 1A NIC is due.

HMRC to close Unused PAYE schemes

Written by Administrator

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