

Composite Pay Schemes

Reduce payroll costs!



A nervous construction industry

The changes to the Construction Industry Scheme (CIS) for contracting companies and construction businesses could mean that many in the industry (limited company) may be more nervous. National Insurance remains with the contractor (or subcontractor) and not the CIS individual.

It should be made explicit. The subcontractor and subcontractors.

However, this is

85 in September are making applications for such services through a PAYE and National Insurance. The work will not be as a self-employed

becoming more from all employer!

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Pay contractor

A composite facility is a company that handles the payroll (sales to name but a few) for

The composite facility employs workers and subcontracts them back, so there is no liability for employer's National Insurance contributions, thus saving 12.8%. The contractors do not become directors of any of the companies (shareholders) and so will not be submerged in paperwork or have corporate responsibilities thrust on them.

services company. These composite facilities handle the payroll (sales to name but a few) for construction, HGV/LGV driving, medical, I.T. and

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- Such composite service companies may be beneficial to certain industries, however they must be carefully considered, as they will not suit all situations.
- Whilst there are potential cost savings (i.e. National Insurance) composite facilities may be vulnerable to attack from HMRC.

- In circumstances where the risk of PAYE may apply to contractors formerly on the CIS scheme they might help mitigate the employer's risk.

Please consult your Barnes Roffe LLP contact Partner for assistance in this important area