



Specified Charges in Insolvency

Background

When an employer or contractor hasn't submitted their PAYE RTI (real time information) or CIS (Construction Industry Scheme) return for a pay period, HMRC systems raise an estimated charge. This is called a Specified Charge, and it estimates the tax and NIC which we consider might have been included in the RTI or CIS return, had it been sent. The correct amount due will replace our estimate on the customer record as and when the return is submitted for that period.

New Process for Insolvency Cases

Insolvency Practitioners (IPs) have not previously had a suitable mechanism to allow them to file pre-appointment RTI/CIS returns easily, however, HMRC are introducing such a mechanism now.

IPs are not obliged to file returns for pre-appointment periods. IPs should use their professional judgement whether to accept the Specified Charge or to replace it by filing the relevant return.

IPs appointed in formal insolvencies of employers or contractors will soon start to receive a notice that will advise of this option to file pre-appointment returns.

Further questions

If you have any questions about this Insolvency Bulletin, please direct them to R3 or your representative group who will take them forward with HMRC.