

Windermere & Bowness Chamber of Trade

Penalties for Statutory Payments

The Windermere & Bowness Chamber of Trade provides the following article for information purposes only and acknowledges HMRC.

The HMRC is aiming to support those who seek to comply but come down hard on those who seek an unfair advantage through non-compliance. This work includes reforming penalties for incorrect returns for Income Tax, Corporation Tax, PAYE, VAT and NICs included in the Finance Bill 2007. One aspect is that no penalty will be charged where a person makes a mistake despite having taken reasonable care and a new concept of suspended penalty will be introduced.

Penalties for other taxes and other failures are currently being considered and Statutory Payments responsibilities are likely to be introduced in the review. This would cover employers who deprive their employees of their Statutory Payments entitlements and employees providing false information to gain entitlement to Statutory Payments.

The current Statutory Offences are:

- Not paying what's due to the employee,
- Not being entitled to Statutory Payment or funding claimed
- Not giving HMRC information formally required
- Not giving employees information required by law
- Not providing records as required.

Existing PAYE and NICs regulations cover two further offences:

- Not giving information (Statutory Payments) on the end of year return
- Making a return fraudulently or negligently with an incorrect entry (Statutory Payments).

The penalties, as with most other HMRC penalties, are civil (not criminal). The maximum penalties are variable and apply to each offence. The largest penalty for a single Statutory Payment offence is £3,000.

There are rights of appeal against all penalties.