

**Written evidence submitted by Crispian Huggill (Director at Brownhill Nurseries Ltd.)**

I run a small business in Swansea. A one man business. And like many in similar circumstances, I wanted to see if my business could take advantage of your support package. My landscape and specialist Japanese Knotweed control business has been completely halted by the covid lockdown; and in the circumstances of the coincidental fine weather in the last twelve weeks. At first sight, it appeared we could claim. However, upon a technicality, it turned out that I could not. Unlike many directors, who rely on dividend payments for all or much of their remuneration, I simply arrange my salary on the RTI system annually and at the end of the tax year. We have been recorded thus via the PAYE Basic Tools software on the RTI system since it started in 2013/14. And made annual payment submissions for each tax year since.

However, the CJRS regulations published in April stipulate that an application for those paid annually, is only valid if a payment submission has been made before March 19th 2020. Without specifying which tax year that submission was required for; and that as there were still two weeks of the 2019/20 tax year to go, I interpreted the requirement as to mean that an annual submission for 2018/19 would be acceptable. However, after spending three weeks in online dialogue and phone conversations with HMRC staff, it transpires that the required submission has to be for a 2019/20 payment before March 19th. The last agent I spoke to, June 10th, was very understanding and very sympathetic with my claim that this situation was a seemingly unfair discrimination against annually paid employees/directors.

In view of the detail that HMRC have gone to in drafting the regulations, I find it very hard to understand how such a simple situation as mine can have escaped the considerations for, and scope and intents of, the regulations.

**ADDITIONALLY**

**CJRS application process:**

- May 18. After an initial query in April to the online Technical help, which was responded to but never actually answered, necessitating a phone call, I completed an online furlough application. Submitted it. And got an auto response that 'no employees are registered on or before March 19<sup>th</sup>.' So ...
- May 19<sup>th</sup>. I phone in. Agent Kieran says his system is down and cannot help. Tells me I will get a call back within 10 days,
- May 27. Call back received from Fiona. She agreed that we DID have an employee on the RTI register; myself. But the reason the application was rejected was that 'we have been told that the company needs to have made a Full Year Submission before March 19<sup>th</sup>.' But there are still 2 weeks left in the tax year' I said! Fiona arranged for a line manager to call me back.
- May 28. Call back from Helen. Who repeated Fiona's advice. And suggested I Contact Complaints. But then gave me a web address that turned out not to exist! A google search found a portal on the gov.uk website.
- June 4. Received a call from Tony Duggan in Complaints. Somewhat of a 'put down' manner, but did state that it was a Payment Submission that was required; and that it had to refer to 2019/20, and not a previous year. Despite my annual pay arrangement/submission.
- June 9. Attempted a second CJRS application; though HMRC system initially failed to respond with an access code on logging in! I had this three times, then had to give up, as the system automatically locked me out! Tried again later; and logged in !
- June 9; CJRS application system told me at the start of the application, that we were not valid as 'no payment submission had been received' . Phoned the helpline; told to phone in and make a manual application on the phone.. Agent gave me the number.

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- June 10. after 20 attempts, 8.10 - 9.30am on the 0800 0241222 number given, it was always 'we can't take your call right now. Please call back later'. So, I phoned the employers help line. And was directed to an agent in Technical. Sharon Caldwell sympathised with our dilemma on the March 19<sup>th</sup>. 2019/20 submission requirement for annually paid employees/directors. She said she would raise this issue in a team meeting that afternoon. Sharon kindly provided me with an e mail address for contacting CEO Jim Harra.

- June 15. Report/complaint sent in to CEO and the Chancellor of the Exchequer.

#### **HMRC RTI and PAYE Basic Tools system**

- As a user of the PAYE Basic Tools software, I would like to bring to your attention a frequent problem we have experienced. At the end of the tax year or start of the next, we regularly find the software installed on our PC fails to update properly. Which it is supposed to do automatically upon logging in. This was the case in April/May 2019. And it was not until early June that I was sent the update link and that I was then able to make the payment submission for 2018/19; indeed, I had to submit an Early Year Update instead. As in several previous years.

- One reason for our annual submission policy, is that I find the RTI system a very difficult experience. The previous End of Year Returns which were submitted in May, were by comparison so much easier, and user friendly! Additionally, I do not think it right to employ our accountants' services to make our PAYE submissions. This is something that should be within the capability of every company to do for themselves.

*June 2020*