

CIS

Construction Industry Scheme
Online Filing

2007/2008

May 2007

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1

Introduction

1.1 Overview

This manual describes SUPERPAY's CIS module. The screen diagrams correspond to Version 3.0.1.16 of the program. There is no Index. Instead you should use the Contents pages at the front of this manual to locate any specific area of interest.

The system requirements to run the module are the same as for SUPERPAY's FBI module and are described in 10.2 below.

1.2 Program updates

There has been no gradual changeover from 'old' CIS to 'new' CIS. What this means for you is that SUPERPAY's CIS module will by necessity evolve as the Inland Revenue clarifies its procedures and our CIS customers use the module in 'live' situations. So, you should expect to DOWNLOAD several updates over the coming weeks.

Because there are many small changes at the moment, we do not email you each time the program changes. Instead, each time you use the CIS module, **you** need to confirm that you are using the most recent version of the program. Click on HELP/CHECK FOR UPDATES.

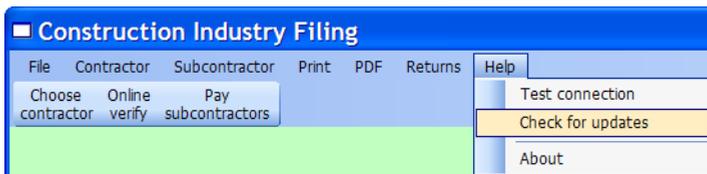


Diagram 1: Check for updates option

Then click on BEGIN to see if you have the most up to date CIS version on your PC.

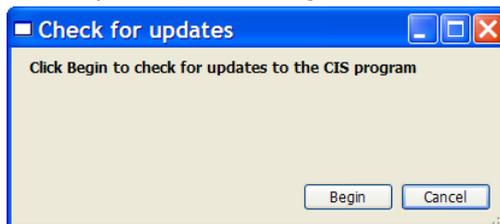


Diagram 2: Run 'Check for updates'

Introduction

If the screen tells you that there is a newer version available, close down the module and go to SUPERPAY's website www.superpay.co.uk and DOWNLOAD the latest update before proceeding.

In the longer term, you need to be on SUPERPAY's email list so that we can inform you of CIS program changes. If any program update significantly affects the way you use the module, we will also notify you that updated instructions are available as a Download from SUPERPAY's website. If you do not know how to join our email list, please see 10.1 below.

1.3 CIS icon and Licence number

After downloading the module, double click the CIS icon which is now on your desktop.



Diagram 3: CIS Icon

The first time you do this, you are asked to confirm that you agree to the terms of the CIS Licence Agreement. You then enter your CIS Licence Number which is valid for one full tax year - e.g. 6th April 2007 to 5th April 2008. No part-year Licences are issued; if you start using the module mid-year, your Licence will expire at the next 5th April.

1.4 Passwords

There are no passwords in the CIS module.

1.5 What SUPERPAY's CIS module does

The CIS module replaces the pre-6th April 2007 CIS functions which were included in SUPERPAY. For example:

1. The Company Record has been replaced by a CONTRACTOR option.
2. Employee Records have been replaced by a SUBCONTRACTORS tab.
3. Payroll run has been replaced by a PAY RUN option.
4. Print payslips has been replaced by a PRINT/PAY STATEMENTS option. (The statements are printed on plain paper instead of pre-printed payslips.)
5. The Wages Book has been replaced by a PRINT/PAYMENTS LIST.
6. Monthly CIS paper vouchers have been replaced by on-line RETURNS. If there have been no Subcontractor payments during the tax month you submit a nil return.
7. The Inland Revenue no longer requires year end CIS reports so there is no replacement for the year end CIS36.

8. A MONTHLY SUMMARY lists all your CIS payments and tax deductions for the tax month. You then manually add this CIS tax to your PAYE payment shown on SUPERPAY's Monthly Summary. (Previously, subcontractors' tax was automatically included in SUPERPAY's Monthly Summary report.)

Verification

In the new CIS system, there are no CIS Registration cards or Tax Certificates. Instead, you:

check your List of registered Subcontractors (sent by the Revenue to all Contractors in March 2007)

or

verify new Subcontractors' tax status off or on-line.

The CIS module can verify all your Subcontractors on-line **or** you can verify the subcontractors off-line and enter the tax status ready for payment. This split between *off-line* verification and *on-line* returns is very useful for those bureaux who wish only to file their clients' monthly returns without getting involved at the initial verification stage.

Declarations on monthly return

The 'new' CIS system requires each Contractor to confirm that they have considered the employment status of all their Subcontractors and applied the correct tax treatment; i.e. the MONTHLY RETURN is not just a monetary list of who has been paid and what deductions have been made. There are Declaration boxes which need to be ticked before you can file your RETURN.

1.6 Inland Revenue CIS help-line

If you have any queries about on-line Registration please contact the HMRC on-line hotline on 0845 60 55 999. The number for off-line telephone verifications is 0845 366 7899.

1.7 Subcontractors' details on SUPERPAY

There is **no** import of SUPERPAY data into the CIS module.

Subcontractor details were removed from 2007/8 SUPERPAY data files so that operators do not inadvertently run Subcontractors after 6th April 2007 under the 'old' CIS rules (e.g. with 18% deduction).

If you pay your Subcontractors by BACS, you will need to run the payments through SUPERPAY since the CIS module does not have any BACS, AUTOPAY or PAYMENT LINK FILE options. Please see 6.7 for more details.

2

Registration, Settings and ID

2.1 Overview

As well as processing your Subcontractors' PAYMENTS, the CIS module allows you to:

- VERIFY** your Subcontractors on-line. This process determines (or confirms) the tax treatment of the Payments to each Subcontractor. You need to Register for 'new' CIS before you can VERIFY on-line.
- SEND** on-line monthly RETURNS to the Revenue. Agents using 3rd party CIS software such as SUPERPAY's CIS module do **not** need to Register a client before they can file a monthly RETURN on-line for that client - see below.

Registration for monthly returns

Whilst the ability to file RETURNS without being Registered for on-line CIS is useful in Month 1 when there are Revenue delays in CIS Registration, in the longer term we do **not** recommend that you file your clients without prior VERIFICATION - and that does require Registration.

The reason why we recommend 100% **on-line** VERIFICATION is that it can be difficult to identify exactly why RETURNS fail. If you VERIFY **all** your subcontractors before you file your RETURN you can make any necessary corrections at the VERIFY stage and there is less chance that your RETURN will be rejected because of 'bad' or incomplete data.

Detailed instructions

There are different instructions below for Registering Contractors who file their own CIS returns and Agents who act on behalf of client Contractors. Agents need to Register themselves (i.e. enrol for the CIS service) and Register each of their clients. If you are **not** an Agent, please go now to 2.5 below.

2.2 Agent registration

If you are already Registered for PAYE on-line there is no need to Register your Agent details again to enrol for CIS on-line; i.e. you can use the same USER ID and PASSWORD for PAYE and CIS on-line services.

2.3 Client on-line registration

The Inland Revenue do not automatically add your PAYE on-line clients to your CIS client list. You need to either Register your client(s) on-line or complete a new style FBI (2) form. The 'old' FBI (2)'s which your PAYE clients have already signed cover on-line PAYE only.

Even though you can file MONTHLY RETURNS for non-Registered clients, you will only be able to VERIFY clients when they are on your HMRC on-line CIS client list.

E'er PAYE reference

In theory, you can Register all CIS clients on-line as described below. However, there is a glitch on the Inland Revenue website which prevents E'er References beginning with zero from being Registered on-line. We do not know when this glitch will be resolved. In the meantime, if any of your Contractor clients has an E'er reference beginning with zero, you need to register them for CIS on a new style paper FBI (2) form.

Examples

- E'er code 579/A12345. You can register on-line - see 2.4 below.
- E'er code 080/FZ67891. Complete a new style FBI (2) form - see 2.5 below.

Detailed instructions

1. Go to the Inland Revenue's website www.hmrc.gov.uk.
2. In the do-it-online section (on the left of the home page) click on the link to NEW CIS.

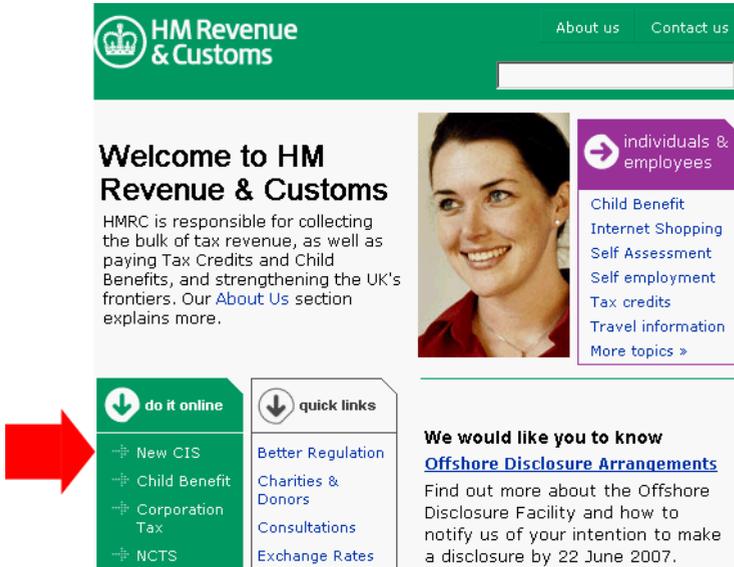


Diagram 1: Select 'New CIS' on the HMRC home page

3. Enter your existing PAYE User Name and password and click on the LOGIN button.



Diagram 2: Enter your User ID and password

4. Click on CIS for Agents.

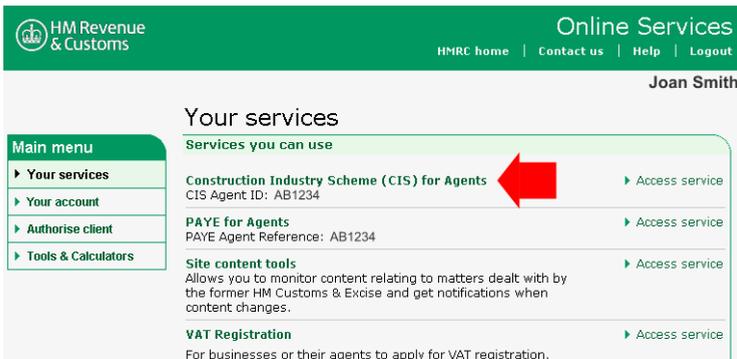


Diagram 3: Select 'Construction Industry Scheme (CIS) for Agents'

Registration, Settings and ID

5. Click on ONLINE AUTHORISATION.

HM Revenue & Customs Online services
HMRC home | Contact us | Help | Logout

Joan Smith

CIS Online for Agents

▲ Main Menu

CIS

Client Search Unavailable

Our records show you are not currently authorised to act online on behalf of any clients.

[Online Authorisation](#) can be obtained for each of your clients for you to act on their behalf. Alternatively your client(s) can complete a [EBI-2 agent authority form](#) and send it to the address indicated on the form.

Filing for unauthorised clients

From April 2007 you will be able to submit CIS Monthly Returns without the need for authorisation from your client.

You can file CIS Monthly Returns online using commercial software. [View a list of available third party products.](#)

Diagram 4: Select 'Online Authorisation'

6. Click on NEXT.

HM Revenue & Customs Online services
HMRC home | Contact us | Help | Logout

Joan Smith

Authorise client

▲ Main Menu

1 Select service → 2 Enter client details → 3 Submit request → 4 Enter authorisation code

Authorise client

Your services

Your account

Request authorisation

Unsubmitted requests

Enter code

FAQs

Tools & Calculators

Below is an explanation of the steps you need to carry out to request authorisation to act for your client. Please select 'Next' to proceed.

[Back](#) | [Next](#)

Step 1 Select service - you must be registered for this service

Step 2 Enter client details

Step 3 Submit request

If your request is validated successfully, a letter containing details of your request and an authorisation code will be sent to your client within 7 working days. If the client agrees that you can act for them, they will pass this code to you. You will need to return to this service to enter the code. The letter to your client will also show a date by which the code must be entered before it expires. This is approximately 30 days from the date of issue.

Diagram 5: Select 'Next'

7. Click on CIS.

HM Revenue & Customs Online services
HMRC home | Contact us | Help | Logout

Request new authorisation

▲ Main Menu

1 Select service → 2 Enter client details → 3 Submit request → 4 Enter authorisation code

Authorise client

Your services
Your account
Authorise client
Request authorisation
Unsubmitted requests
Enter code
FAQs
Tools & Calculators

Please select the service for which you require your client's authorisation, then select 'Next' to proceed. [Back](#) | [Next](#)

PAYE for Employers
You will need your client's
• Employers PAYE Reference
• Accounts Office Reference

CIS
You will need your client's
• Employers Reference
• Accounts Office Reference

Diagram 6: Select the 'CIS' service

Then click on NEXT.

8. On the next screen, enter your client's details in the appropriate boxes.

HM Revenue & Customs Online services
HMRC home | Contact us | Help | Logout

Request new authorisation for CIS

▲ Main Menu

1 Select service → 2 Enter client details → 3 Submit request → 4 Enter authorisation code

Authorise client

Your services
Your account
Authorise client
Request authorisation
Unsubmitted requests
Enter code
FAQs
Tools & Calculators

Enter client's details for CIS [Back](#) | [Next](#)

To request client authorisation for CIS, please complete the details below, then select 'Next' to proceed.

* Indicates required information

Client's Employers Reference: * / [Next](#)
e.g. 123 / A246

Your client reference: [Next](#)
e.g. Smith/004

Client's Accounts Office Reference: * [Next](#)
e.g. 123PX12345

Diagram 7: Enter client's CIS details

Remember, you can't Register any client who has an E'er Reference beginning with zero. However, you may need to enter leading zeros in the Accounts Office Reference field to pad out characters 1-3 and 6-13 if necessary; e.g. 099PX00123456.

Registration, Settings and ID

- Now press NEXT to move to the next screen. The HMRC website will guide you through the remainder of the on-screen Registration procedure.
- In 2 to 3 weeks the Inland Revenue will send a PIN to your client.
- Your client then sends you their new CIS PIN.
- You log on to the HMRC website and activate the PIN to add the client to your list of authorised CIS clients.

2.4 Client FBI (2) forms

If you cannot register on-line, you need to complete a paper FBI (2) form for your CIS client(s). Download a new style form from the Inland Revenue website www.hmrc.gov.uk. On the home page, type in: **FBI2** in the Search box at the top of the screen.

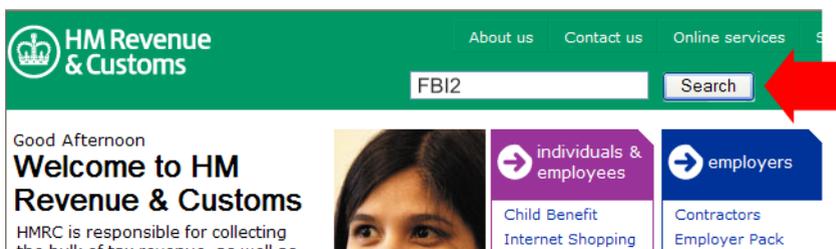


Diagram 8: Search for FBI (2) form

Click on SEARCH and a list of results is displayed.

Search results

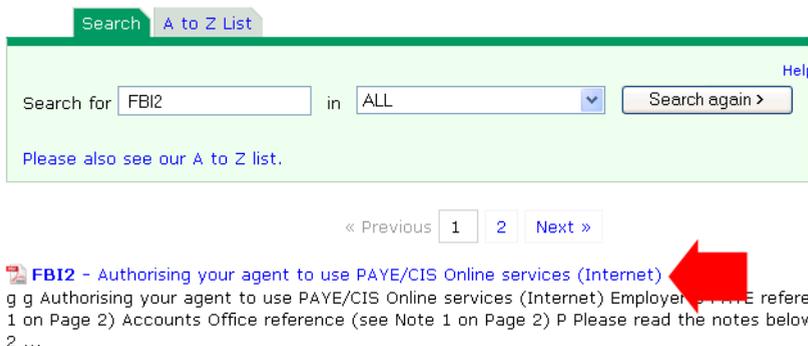


Diagram 9: Search results

Click on the FBI (2) link and the PDF FBI (2) form is displayed.

HM Revenue & Customs

*Authorising your agent to use
PAYE/CIS Online services (Internet)*

Employer's PAYE reference
(see Note 1 on Page 2)

Accounts Office reference
(see Note 1 on Page 2)

Please read the notes below and on page 2 before completing this authority

I, _____ (please print your name)
authorise my agent _____ (please print your agent's name)
to use PAYE Online and/or CIS Online services to receive information over the internet from
HM Revenue & Customs on my behalf.

Tick one or both as appropriate

PAYE Online
 CIS Online

Signature _____ Date ____/____/____

Employer's/Contractor's details **Please give your agent's details here**

Full name _____ Agent's name _____

Diagram 10: New FBI (2) form

1. Print the PDF form which you can see now has both PAYE **and** CIS tick boxes.
2. Photocopy the blank form and complete a form for each CIS client (ensuring that you tick the CIS box). Post the form(s) to your client(s) for signing and returning to you.
3. Send the completed form(s) to Longbenton (the address on the form) for processing.
4. In about 3 weeks the client(s) will be displayed on your CIS client list on the HMRC website. (There is a backlog at the Revenue for adding FBI (2)'s to client lists so we do not know exactly how long this process will take.)

2.5 Registration - single contractor

If you are **not** an agent, you need to enrol for CIS even if you have already Registered for PAYE on-line filing.

Registration, Settings and ID

1. Go the Inland Revenue's site www.hmrc.gov.uk and choose the New CIS Scheme.

The screenshot shows the HM Revenue & Customs homepage. At the top, there is a green header with the HMRC logo and the text 'HM Revenue & Customs'. Below the header, there is a navigation bar with 'About us' and 'Contact us' links. The main content area is divided into several sections. On the left, there is a 'do it online' section with a list of links: New CIS, Child Benefit, Corporation Tax, NCTS, PAYE for Employers, Pension Schemes, and Self Assessment. To the right of this is a 'quick links' section with a list of links: Better Regulation, Charities & Donors, Consultations, Exchange Rates, Forms, Freedom of Information, How to Pay, and Internet security. Further right, there is a 'We would like you to know' section with a sub-section 'Offshore Disclosure Arrangements' and a link 'New Construction Industry Scheme goes live on 6 April 2007'. A red arrow points to this link. Below the link, there is a paragraph of text: 'On 6 April 2007 the new Construction Industry Scheme replaced the scheme which had run since 1999.'

Diagram 11: Select 'New Construction Industry Scheme'

2. Choose Do it on-line.

The screenshot shows the HM Revenue & Customs website. At the top, there is a green header with the HMRC logo and the text 'HM Revenue & Customs'. Below the header, there is a navigation bar with 'Home', 'About us', 'Contact us', 'Online services', 'Site map', and 'Help' links. The main content area is divided into several sections. On the left, there is a sidebar with a 'do it online' section and a list of links: Key information, Do it online, Subcontractor registration, Publicity, and Legislation. A red arrow points to the 'Do it online' link. To the right of this is a 'You are here' section with a link 'New Construction Industry Scheme'. Below this is the title 'New Construction Industry Scheme (New CIS)' and a paragraph of text: 'The Construction Industry Scheme sets out the rules for how payments to subcontractors for construction work must be handled by contractors in the construction industry and certain other businesses. Under the Scheme, all payments made from contractors to subcontractors must take account of the subcontractor's tax status as determined by HM Revenue & Customs. This may require the contractor to make a deduction, which they then pay to us, from that part...'

Diagram 12: Select 'Do it online'

3. Choose the CIS On-line Service in the Contractors section.

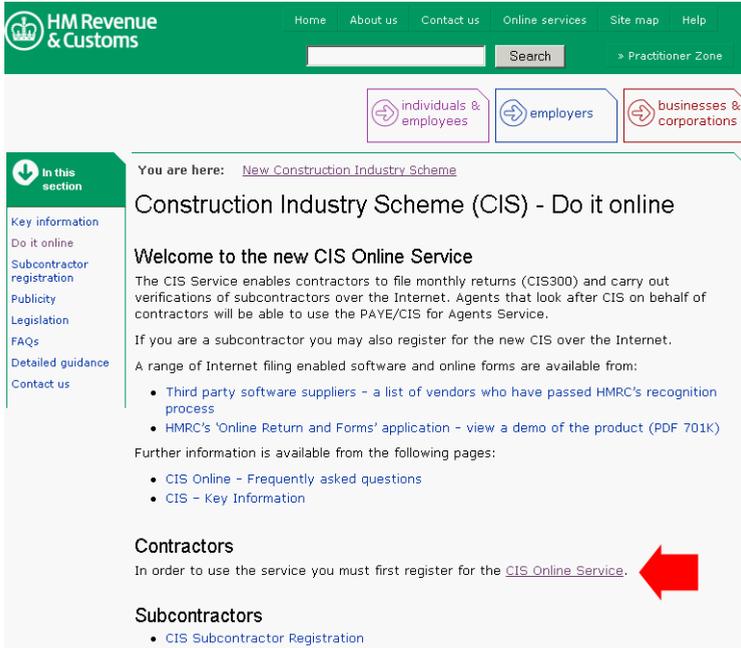


Diagram 13: Select 'CIS Online Services'

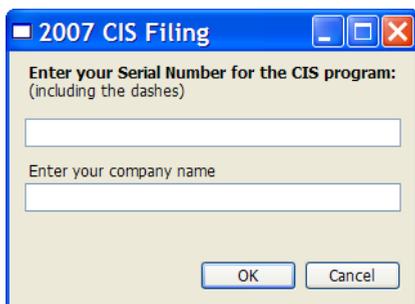
4. Enter your PAYE user name and password, and follow the on-screen instructions. If you need to enter your Accounts Office Reference, you may need to enter leading zeros in the box to pad out characters 1-3 and 6 -13 if necessary; e.g. 099PX00123456.)
5. The Inland Revenue will send you a CIS PIN which you need to activate on the hmrc website to be able to use the CIS module's on-line VERIFY option.

2.6 Run module

Whether you have Registered on the HMRC site for on-line CIS or not, you can use the CIS module straight away to calculate and record Subcontractors' payments. In addition, Agents can file a MONTHLY RETURN on-line even if your client is not yet displayed on your HMRC CIS client list.

After downloading the module, double click the CIS icon which is now on your desktop. The first time you run the module, you are asked to confirm that you accept SUPERPAY's Licence terms. Tick your acceptance. Then enter your Licence number and Company Name and click OK.

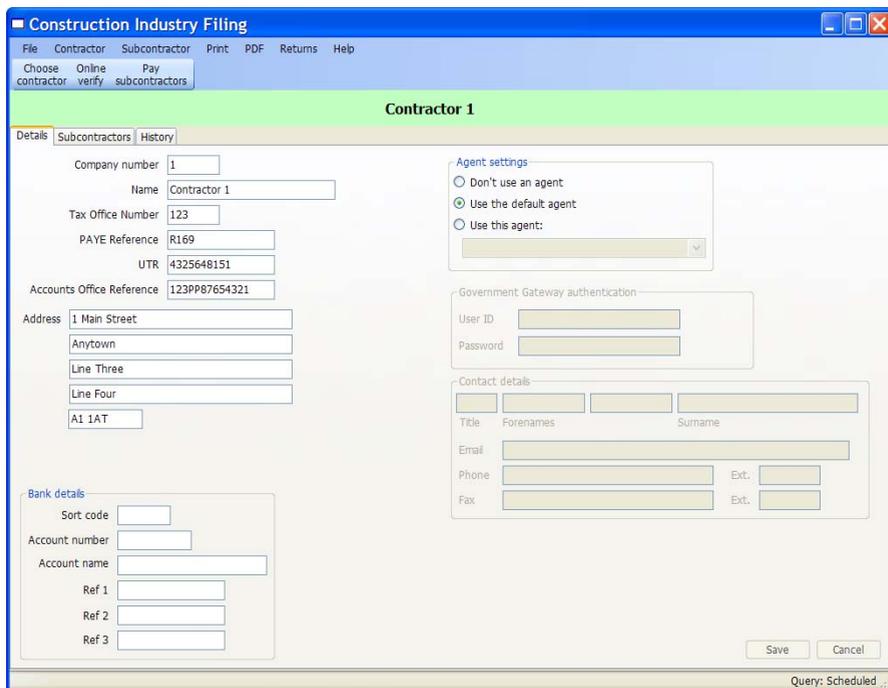
Registration, Settings and ID



A dialog box titled "2007 CIS Filing" with a blue title bar and standard window controls. It contains two text input fields: the first is labeled "Enter your Serial Number for the CIS program: (including the dashes)" and the second is labeled "Enter your company name". At the bottom right, there are "OK" and "Cancel" buttons.

Diagram 14: Enter your Licence number

The MAIN SCREEN is then displayed.



The main application window titled "Construction Industry Filing" with a blue title bar and menu bar. The menu bar includes "File", "Contractor", "Subcontractor", "Print", "PDF", "Returns", and "Help". Below the menu bar is a sub-menu for "Contractor" with options "Choose contractor", "Online verify", and "Pay subcontractors". The main content area is titled "Contractor 1" and has tabs for "Details", "Subcontractors", and "History".

The "Details" tab is active and contains several sections:

- Company information:** Company number (1), Name (Contractor 1), Tax Office Number (123), PAYE Reference (R169), UTR (4325648151), and Accounts Office Reference (123PP87654321).
- Address:** 1 Main Street, Anytown, Line Three, Line Four, and A1 1AT.
- Agent settings:** Radio buttons for "Don't use an agent", "Use the default agent" (selected), and "Use this agent:" with a dropdown menu.
- Government: Gateway authentication:** User ID and Password fields.
- Contact details:** Fields for Title, Forenames, Surname, Email, Phone (with Ext. field), and Fax (with Ext. field).
- Bank details:** Sort code, Account number, Account name, and three reference fields (Ref 1, Ref 2, Ref 3).

At the bottom right, there are "Save" and "Cancel" buttons. The status bar at the bottom right shows "Query: Scheduled ...".

Diagram 15: CIS Main Screen

2.7 Enter settings

On the MAIN SCREEN, click on FILE.

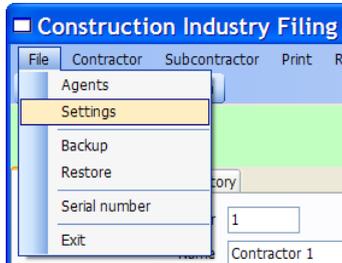


Diagram 16: Select Settings from the drop down menu

Click on SETTINGS to display the following screen.

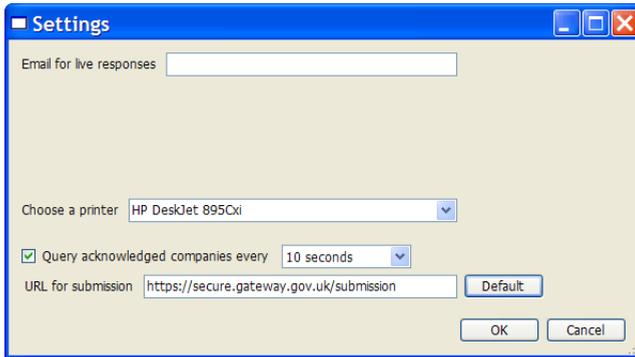


Diagram 17: Settings screen

Email address for Inland Revenue confirmation emails

Enter your email address. When you submit on-line VERIFICATIONS and MONTHLY RETURNS to the Revenue the Gateway will send a confirmation email to this address.

Select a printer

The CIS module prompts a printer from your Windows setup. If you want to use a different printer from the one prompted, click on the printer you want from the drop down list.

Close window

Do **not** change any other fields on this screen. Click OK and the MAIN SCREEN is re-displayed. You now need to set up your ID. What you do next depends on whether you are an Agent - i.e. acting on behalf of clients - or running a CIS payroll for your own company.

2.8 Set up Agent ID

If you are an Agent, click on FILE and then click on AGENTS from the drop down list.

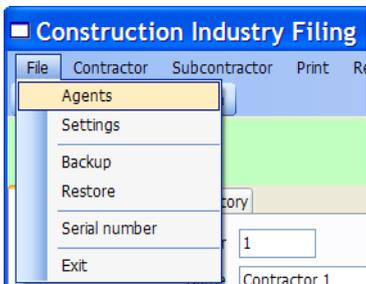


Diagram 18: Select 'File' and 'Agents' from the drop down menu

The following screen is then displayed for you to enter your Agent details. Since you have not yet set up any Agents, click on NEW. Then enter your details.

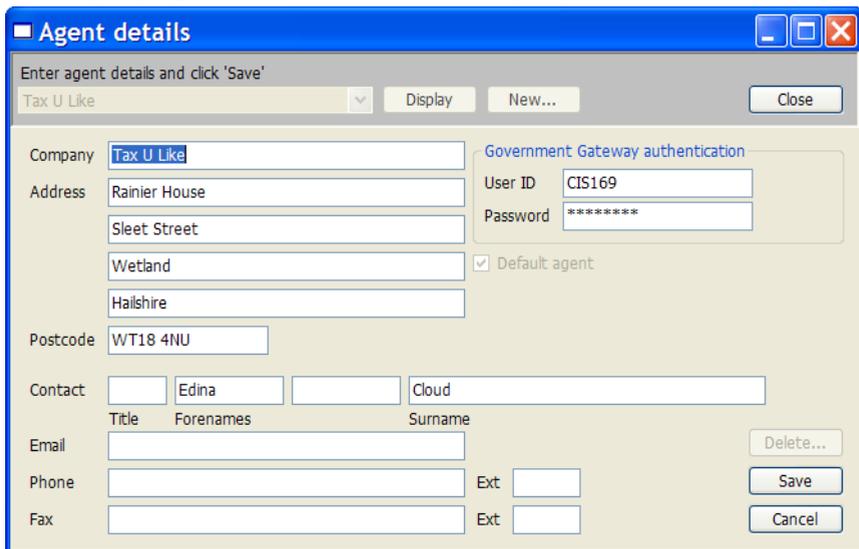


Diagram 19: Agent ID screen (with sample data)

1. The company name, address etc. fields are self explanatory.
2. In the Contact name you don't need to enter a title but you need at least one contact forename and a surname.
3. You can leave the email address blank if you have set up an email address in your FILE/SETTINGS screen (See 2.7 above).
4. In the User ID field enter your PAYE User ID which can also be used for CIS.

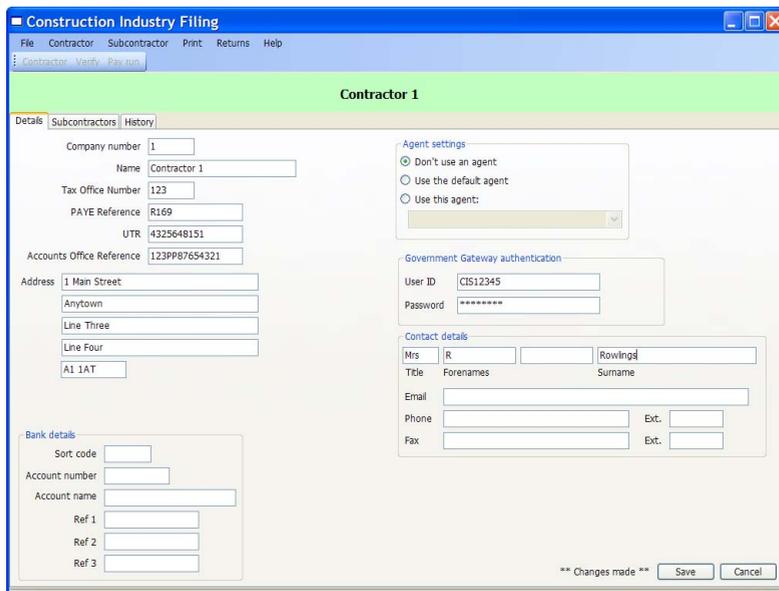


Diagram 22: Contractor details screen

Click on the DON' T USE AN AGENT button

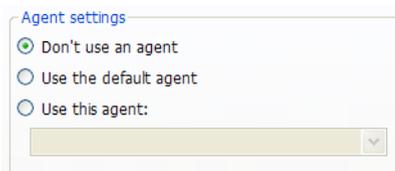


Diagram 23: Agent Settings panel

and the greyed out Government Gateway and Contact details boxes become active.

1. In the USER ID field, enter your PAYE User ID.
2. Enter the password you use for accessing the Gateway (maximum 12 characters). The Gateway rejects passwords with 13 or more characters.
3. In the contact name, you don't have to enter a title but you need to enter at least one contact forename and the surname.
4. You can leave this email address blank. The important email address is the one on the FILE/SETTINGS screen (see 2.7).
5. At this stage do not enter the remaining fields which are described in the next chapter.
6. Click on SAVE. The screen display doesn't change until you choose another option - see next chapter.

3.2 Individual companies - reselect Contractor option

Individual companies have already created a Contractor record in order to enter their Gateway ID. Click on the select a CONTRACTOR option again and click on **your** company - which is the only one on the Contractor List. Click OK and the details you have already entered are displayed.

3.3 Contractor screen

Construction Industry Filing

File Contractor Subcontractor Print PDF Returns Help

Choose contractor Online verify Pay subcontractors

Contractor 1

Details Subcontractors History

Company number

Name

Tax Office Number

PAYE Reference

UTR

Accounts Office Reference

Address

Agent settings

Don't use an agent
 Use the default agent
 Use this agent:

Government Gateway authentication

User ID
Password

Contact details

Title Forenames Surname

Email

Phone Ext.
Fax Ext.

Bank details

Sort code
Account number
Account name
Ref 1
Ref 2
Ref 3

** Changes made ** Save Cancel

Query: Scheduled

Diagram 3: Contractor details screen

1. Enter a company number (e.g. 1). You can choose whatever number you want. E.g. if you only have two clients on CIS and their SUPERPAY company numbers are 49 and 116, you can use the same company numbers here rather than 1 and 2.
2. Company name and address fields are self explanatory.
3. Tax office number and PAYE reference are the same as in SUPERPAY.
4. UTR stands for Unique Tax Reference. This is a **mandatory** field.
5. Accounts Office Reference is on the yellow P30 paying-in book. This **mandatory** field is in the format of 3 numbers, P, a letter, and 8 numbers. Leading zeros should be used to pad out characters 1-3 and 6 -13 if necessary; e.g. 099PX00123456.

6. The Bank details fields are for future reference only. The current CIS module does not support BACS, AUTOPAY or PAYMENT LINK FILE options.
7. Agents leave the default Agent setting as is. Individual companies have already changed this setting - see 2.9 above. For Agents, the USER ID etc fields remain greyed out.
8. Click on SAVE to store the screen. The screen display does not change until you choose another tab or menu option.

End session

Agents can set up more Contractors now or set up Subcontractors for each Contractor as they go along. Individual companies now move on to setting up Subcontractors - Chapter 4.

4

Set up subcontractors

4.1 Set up contractor first

You need to set up a Contractor(s) as described in Chapter 3 above **before** you can set up Subcontractors.

4.2 Employment status

Inland Revenue CIS regulations state that **before** you set up construction workers' details under the new CIS scheme, you (or your client) must consider the employment status of each worker you are about to pay. In particular, is the worker:

- a Subcontractor paid under CIS rules **or**
- an employee who is subject to PAYE?

Employment status can vary with different job contracts and it is up to you to decide whether your Subcontractors should be set up on this CIS module or set up as PAYE employees.

It is beyond the scope of the CIS module to confirm Employment Status. However, at the end of each month, each contractor or his Agent has to declare on the CIS Return that he has considered this issue and no 'employees' have been paid as Subcontractors.

4.3 Subcontractors' tab

Click on the Choose Contractor option.



Diagram 1: Select choose contractor option

Then choose a Contractor (i.e. click on a Contractor on the list, and click OK) - see Diagram 2 below.

Set up subcontractors

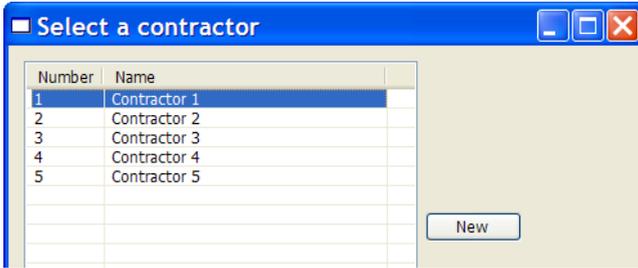


Diagram 2: Select a Contractor

The Contractor's name is displayed in the green band at the top of the screen. Now click on the SUBCONTRACTORS tab.



Diagram 3: Subcontractors' tab

A blank list of Subcontractors is then displayed.



Diagram 4: Blank Subcontractors' list

Click on ADD (at the bottom of the screen) to activate the greyed out boxes.

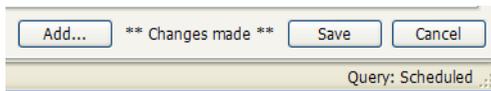


Diagram 5: Click on Add

You can now start entering Subcontractor details.

Validation

The CIS module validates the data that you enter in accordance with CIS on-line specifications. However, this does **not** guarantee that your data will be 'correct' since the module does not have access to the Revenue's CIS database of registered Contractors and Subcontractors. So, it is up to you to take care when you enter your data. For example:

- Don't enter unusual characters.
- Don't use an O instead of zero (and vice versa).
- Don't enter a space in front of a hyphen.

Insufficient data

Don't worry if you do not have enough data to complete this screen. Enter whatever data the Subcontractor has provided. If the data isn't sufficient for identification, the Revenue will either reject the on-line Verification or instruct you to deduct 30%. The onus will then be on the Subcontractor to provide more information either to the Revenue or to the Contractor if he wants to reduce his deduction percentage.

Subcontractor address

You do not have to enter an address for each Subcontractor.

4.4 Enter Subcontractor's details

Number

Enter any unique combination of letters and numbers - you can easily change this number at a later date if you wish.

Unique Tax Reference (UTR)

All **registered** Subcontractors have a UTR. Without one, the Revenue's specification for **on-line VERIFICATION** states a Subcontractor's status will be set as unmatched (i.e. 30% tax). This field is to the right of the Address fields



The image shows a screenshot of a web form. At the top, there are two input fields: 'Name' and 'UTR'. Below these, there is a larger input field labeled 'UTR' containing the number '2234567890'. The form has a light beige background and a blue border on the right side.

Diagram 6: The Unique Tax Reference (UTR) field

Set up subcontractors

Example of a completed screen

The following screen shows a sample Subcontractor who is a sole trader.

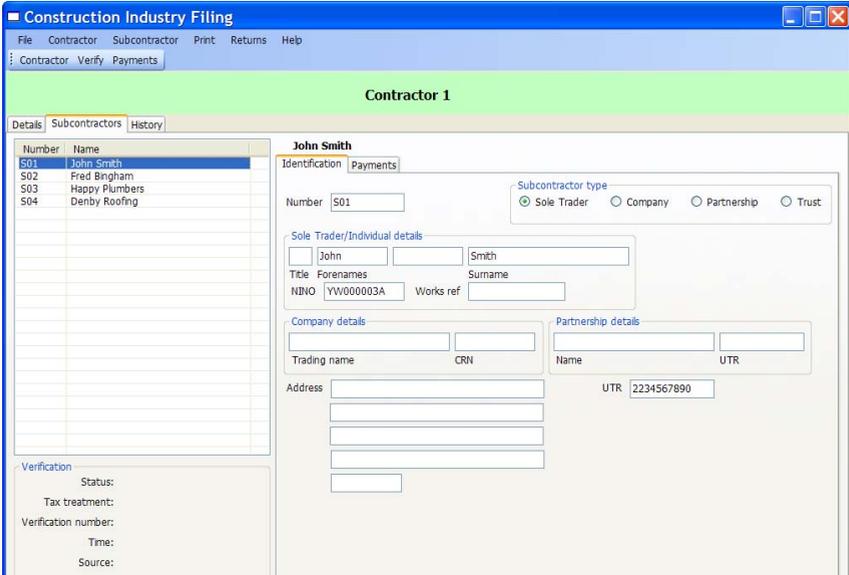


Diagram 7: Sample sole trader Subcontractor

Trading name

Even though the TRADING NAME field is in the Company Details section, any type of Subcontractor can have a trading name. E.g. If an individual Sydney James has a trading name of JS Plumbers, enter JS Plumbers in the Company Details box.

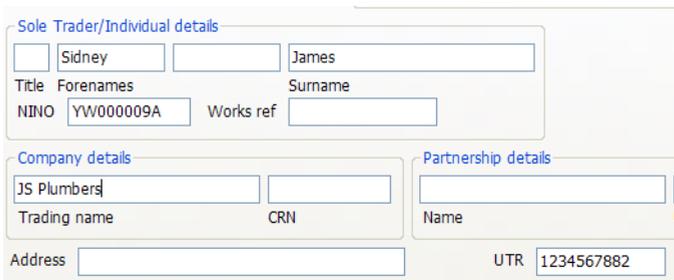


Diagram 8: Sole Trader with separate Trading Name

Though the Trading name is not a mandatory field, it is the only 'name' field for a Company.

Some subcontractors have more than one trading name e.g. Fred Bloggs Fencing, Fred Bloggs Surfacing, FB Garden Services etc. The Inland Revenue stores only **one** Trading Name for CIS identification and it is that name which you should enter here; e.g. if your Sub-contractor Fred Bloggs sends you an Invoice in the name of Fred Bloggs Fencing but the Revenue has FB Garden Services as the Registered Trading Name, you should enter FB Garden Services here.

As at 10th May 2007, there is a glitch in the HMRC software which means that on-line Verification fails if this Trading Name is more than 35 characters. So, for the time being do not enter any more than 35 characters here.

Subcontractor type

Different ID is used to identify a Subcontractor depending on what type of organisation/individual he is so this field is mandatory. In addition to the UTR, registered Subcontractors should be able to provide sufficient data to a new Contractor for on-line submissions. (The Revenue confirmed this data on a paper CIS 365A, CIS 365B or CIS 365C letter which was sent to each registered Subcontractor.)

1. Sole trader (see Diagram 8 above)

Taxpayer Name, Trading Name (if applicable), National Insurance Number.

Enter these details in the Sole Trader/Individual details box. You can leave the Works ref field blank. As at May 2007, there is a glitch in the HMRC software which means that on-line Verification fails if there is a space instead of a suffix at the end of an NI number.

2. Partnership

The screenshot shows a web form titled "Contractor 1" for a business named "Happy Plumbers". The form has two tabs: "Identification" (selected) and "Payments". Under "Identification", there is a "Number" field with the value "S03". To the right, the "Subcontractor type" is set to "Partnership" (indicated by a selected radio button). Below this, there are two sections: "Sole Trader/Individual details" and "Partnership details". The "Sole Trader/Individual details" section includes fields for "Title" (Forenames: Christopher Andrew, Surname: Biggins), "NINO" (YW000011A), and "Works ref". The "Partnership details" section includes "Trading name" (with CRN), "Name" (Happy Plumbers), "UTR" (6456789012), "Address" (26, Drain Street), and "UTR" (7234567892). At the bottom, there is a field for "RH10 4ER".

Diagram 9: Partnership Subcontractor

Set up subcontractors

Individual partner UTR - Enter the individual's UTR in the UTR box

Taxpayer Name, National Insurance Number - Enter these details in the Sole Trader/Individual details box.

Partnership UTR, Partnership Name - Enter these details in the Partnership details box.

Partnership Trading Name (if different from the Partnership name) - Enter this in the Company details box. In the above example this field is empty.

3. Company

The screenshot shows a form titled "Contractor 2" with a green header. Below the header, there are two tabs: "Identification" (selected) and "Payments". The form is divided into several sections:

- Identification:** A text box labeled "Number" containing the value "507".
- Subcontractor type:** A group box containing four radio buttons: "Sole Trader", "Company" (which is selected), "Partnership", and "Trust".
- Sole Trader/Individual details:** A group box containing several text boxes: "Title", "Forenames", "Surname", "NINO", and "Works ref".
- Company details:** A group box containing text boxes for "Sparks" (with value "44234567"), "Trading name", and "CRN".
- Partnership details:** A group box containing text boxes for "Name" and "UTR" (with value "1234567896").
- Address:** A group box containing three empty text boxes.

Diagram 10: Company Subcontractor

Company UTR, Company Name, Company Trading Name, and Company Registration number (CRN).

Enter the data in the appropriate boxes.

Tax treatment

The next chapter shows how you to enter each subcontractors' tax status in the **Verification** box on this screen.

4.5 Save record

Enter whatever data you have, click on SAVE and then move on to the next record until you have entered all the Subcontractors that you wish to pay. At this early stage for 'new' CIS system, there is little point in setting up Subcontractors unless they are about to be paid.

5.1 Contract declaration

HMRC's own on-line CIS software asks you to confirm that a contract is in place before you submit each Verification request. SUPERPAY's CIS module does **not** ask this question; i.e. there is no Contract declaration box for you to tick before a VERIFY request is submitted. Instead, the module assumes that you (or your client) have read the Inland Revenue's notes on this issue and only set up a Subcontractor on the module **after** a Contract is in place.

5.2 Subcontractors' tax status

Before you pay a Subcontractor, you need to determine his CIS tax status; i.e. what deduction, if any, needs to be made when paying the labour element of his pay.

Subcontractors who don't need 'verifying'

If you paid a Subcontractor within the last two years and his card number/certificate has not yet expired, his details will be on your March 2007 *List Of Subcontractors who do not need to be Verified* (Form CIS 333). If you only have a small pool of Subcontractors, this *LIST* is easy to check. If you (or your client) has a large pool of Subcontractors this *LIST* is so long that the Revenue provided the information on CD rather than on paper. (If you are an Agent make sure that your clients give you a copy of their *CIS 333 LISTs* immediately.)

Instead of constantly referring to this *LIST* as the *List of Subcontractors who do not need to be Verified*, this chapter will now refer to it only as the *CIS 333 LIST*.

CIS module's on-line verification

SUPERPAY's CIS module has been designed to ensure **all** subcontractors are VERIFIED before payment. This should ensure that the correct Deduction (if any) is recorded on Pay Statements and Monthly Returns. When you have built up a pool of 'verified' Subcontractors on the CIS module, the module will only need to verify **new** Subcontractors before each PAY RUN.

If you need to pay a Subcontractor and you can't get on-line to check his tax status, you can always verify the Subcontractor off-line as described below.

Interim measures - off-line verification

If your client is not yet on your HMRC CIS client list, you will **not** be able to do **any** on-line VERIFICATION for that client - see Chapter 2 (Registration). Instead, determine his Subcontractors' tax status either by

confirming that they are on the Revenue's *CIS 333 LIST* and do not need to be VERIFIED

or

by telephoning the CIS help-line for VERIFICATION (tel: 0845 366 7899).

You then enter the Tax status directly onto the Subcontractor's record as described in 5.3 below.

5.3 Enter subcontractor's tax status off-line

1. Click on the SUBCONTRACTORS tab. Assuming that you have completed Chapter 4, you should now see a list of Subcontractors.

Number	Name
S01	John Smith
S02	Fred Bingham
S03	Happy Plumbers
S04	Denby Roofing

Contractor 1

Details | **Subcontractors** | History

John Smith

Identification | Payments

Number:

Sole Trader/Individual details

Diagram 1: List of subcontractors

Tax status

2. If you have been given a Verification number when you telephoned the CIS help-line, enter that number now. (Leave this field blank if you checked the Subcontractor against the *CIS 333 LIST*.)
3. Click OK.

5.4 Move on to next Subcontractor

Repeat 5.2 and 5.3 above for each Subcontractor until you have entered all your Subcontractors' tax status. If you have no unmatched Subcontractors, move now to Chapter 6.

5.5 On-line verification

5.2 and 5.3 above describe the procedure where you either check the *CIS 333 LIST* or telephone the CIS help line to determine the tax status. When you have activated your Clients' CIS PIN's (or your new FBI (2)'s have been added to your CIS Client List), you can use the CIS module to VERIFY the tax treatment on-line and the program will update your subcontractors' records automatically. The following paragraphs describe that process.

1. Click on the CHOOSE CONTRACTOR option and choose a Contractor which has one or more Subcontractors who need Verifying.
2. Click on the ONLINE VERIFY option (at the top of the screen).



Diagram 4: Online verify option

3. The CIS module then scans that Contractor's list of Subcontractors to see which Subcontractors need Verifying. The ONLINE VERIFY option selects **all** subcontractors
 - who have not been verified - i.e. there is nothing in the Verification box, **or**
 - who have been verified off-line and do not have a Verification number. (This includes those subcontractors who are on your *CIS 333 LIST*.)

The following screen is then displayed.

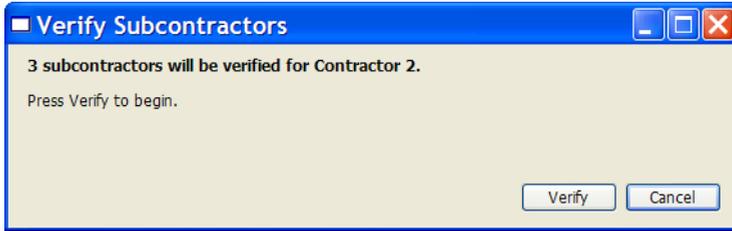


Diagram 5: Commence on-line verification

Click on VERIFY. The following *Verifying...* message is displayed while your data is being sent to the Revenue.

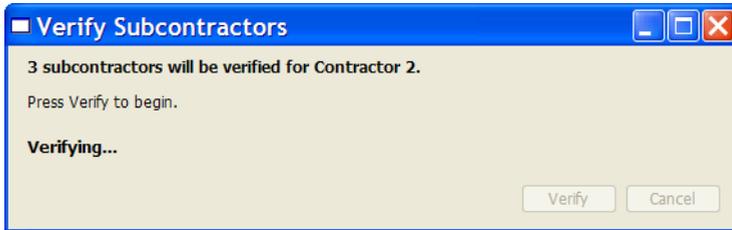


Diagram 6: Data is being sent to Revenue for verification

When your data has been received by the Gateway, the following screen is displayed.

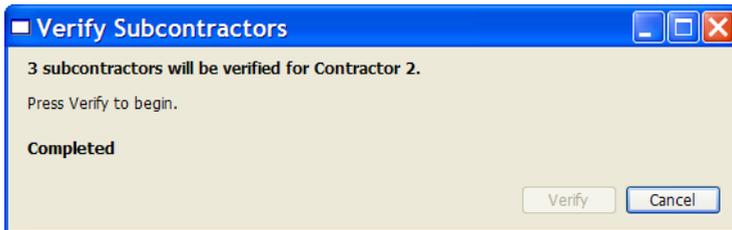
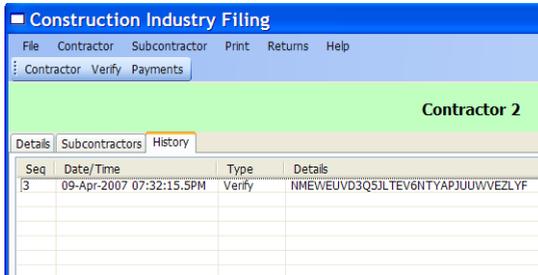


Diagram 7: Data received by the Revenue - no answers yet!

The '*Completed*' message indicates that the Gateway has received your data (i.e. it does not mean that there is a result yet). Click on CANCEL and then click on the HISTORY tab. If the Revenue site is very busy, it may be some time before you receive the results of your VERIFY submission.

5.6 History tab

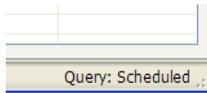
The contractor's HISTORY tab is your record of on-line Verifications and Monthly Returns.



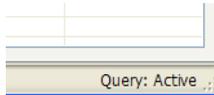
Seq	Date/Time	Type	Details
3	09-Apr-2007 07:32:15.5PM	Verify	NMEWEUVD3Q5JLTEV6NTYAPJUUWVEZLYF

Diagram 8: History tab - no response yet

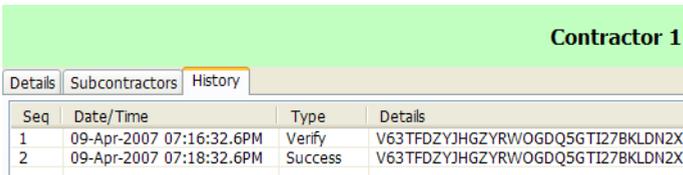
As you can see, in the above example an on-line Verification has been requested but there are no answers as yet from the Revenue. As long as QUERY SCHEDULED:



or QUERY ACTIVE



is displayed in the bottom right of your MAIN SCREEN, you will eventually receive a response - either SUCCESS or ERROR - and the HISTORY tab will show the results. The CIS module will also update each individual Subcontractor's record.



Seq	Date/Time	Type	Details
1	09-Apr-2007 07:16:32.6PM	Verify	V63TFDZYJHGZYRWOGDQ5GTI27BKLDN2X
2	09-Apr-2007 07:18:32.6PM	Success	V63TFDZYJHGZYRWOGDQ5GTI27BKLDN2X

Diagram 9: History - Successful verification

Error - failed to authenticate

If this message is displayed, your on-line VERIFY submission has not been processed. The Gateway did not recognise your USER NAME or PASSWORD, or you tried to VERIFY a client who is not yet on your list of Authorised CIS clients on the HMRC website.

You will not be able to proceed with on-line VERIFICATIONS until you sort out your ID. The first step is to double check your entries in your AGENT or CONTRACTOR ID fields (see 2.8 or 2.9 above). If this fails you need to telephone the HMRC on-line help desk for assistance.

Success

If the company's HISTORY tab shows Success, you now need to check that the Tax Treatment in the Verification box at the bottom of each individual Subcontractor record has been correctly updated.

Why you need to check each Subcontractor

In the contractor's HISTORY tab, you can double click on the message lines to see the Revenue's actual XML messages which are retained in full in case of Revenue queries. However, CIS XML messages are not designed for general use. What this means is that you need to click on the Subcontractors tab, and then click on each new Subcontractor in turn to view the Tax Treatment details in the Verification box at the bottom of the screen.

Diagram 10 below shows a Subcontractor who has been VERIFIED on-line, matched by the Revenue and who will have 20% deducted from his CIS labour payments.

The screenshot shows a software interface with a tabbed menu at the top containing 'Details', 'Subcontractors', and 'History'. Below the menu is a table with two columns: 'Number' and 'Name'. The table contains four rows of data:

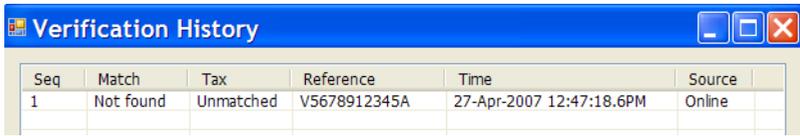
Number	Name
S01	John Smith
S02	Fred Bingham
S03	Happy Plumbers
S04	Denby Roofing

Below the table is a 'Verification' box with the following details:

- Status: **Matched**
- Tax treatment: **Net**
- Verification number: V5678912345
- Time: 09-Apr-2007 07:18:32.6PM
- Source: Online

Diagram 10: On-line verification complete - 20% deduction

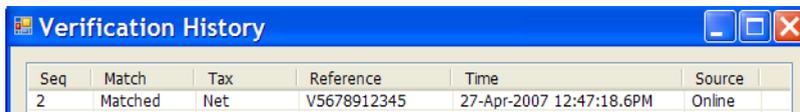
A list of the Verifications for this subcontractor is then displayed.



Seq	Match	Tax	Reference	Time	Source
1	Not found	Unmatched	V5678912345A	27-Apr-2007 12:47:18.6PM	Online

Diagram 13: Unmatched Subcontractor History

There will not normally be more than one or two entries on this screen. The above example (Diagram 13) shows a Subcontractor who was unmatched and so will suffer 30% deduction. Diagram 14 below shows a Subcontractor who has been matched and will suffer 20% 'tax'. Note the extra letter at the end of the Unmatched subcontractor.



Seq	Match	Tax	Reference	Time	Source
2	Matched	Net	V5678912345	27-Apr-2007 12:47:18.6PM	Online

Diagram 14: Matched Subcontractor History

Emails

You will receive an email from the Revenue when your on-line VERIFY submission has been processed. (Note: You do not get an email if your submission doesn't get past the Authentication stage.) If you are an Agent who has submitted on behalf of more than one client, the emails do not identify the client.

An Error email simply states that your submission failed because '*...it failed HMRC data checks.*' This is not particularly helpful and we will keep you informed of typical errors which cause on-line Verifications to fail.

Errors

So far, the only items which we know cause on-line submissions to fail are

- a Trading name of more than 35 characters
- a space instead of a suffix at the end of an NI code (which is an error)
- extra spaces in the name fields.

5.7 Overwrite on-line results

If you do not agree with an on-line Subcontractor's tax treatment, you can telephone the CIS help-line and explain your concerns. (For example, you may have previously employed the Subcontractor and you believe the deduction should be 20% instead of 30%.) If they agree with you, you can overwrite the on-line results with a subsequent off-line verification (remember to enter the new off-line verification number).

6

Pay subcontractors

6.1 Overview

The PAY SUBCONTRACTORS option processes Subcontractors' payments. You can only run this option when you have set up Contractor and Subcontractor records. When you have finished the run, you can print PAY STATEMENTS, PAYMENTS LIST and MONTHLY SUMMARY from the PRINT menu as required.

6.2 Pay Run screen

Choose a Contractor in the usual way and then click on the PAY SUBCONTRACTORS option.

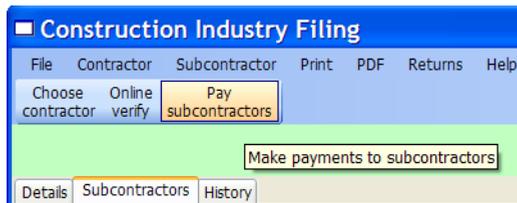


Diagram 1: Pay subcontractors option

The PAY RUN selection screen is then displayed.



Diagram 2: Pay run selection screen

Pay subcontractors

Date

The screen prompts today's date. If you want a different Payment date, select a date from the drop down calendar.



Diagram 3: Drop down calendar

It is essential that you enter the actual payment date rather than a processing date, week end date, or earnings period.

Wrong date

You need to take care entering this date. If, for example, you enter 7th May instead of 5th May, the payments will be included in the wrong tax month (i.e. May instead of April) and filed with the wrong RETURN. You cannot go back later and simply change the date.

If you had not yet filed your RETURN you would have to DELETE the 7th May payment and RUN another payment for 5th May. If you had already filed your April RETURN, you cannot get back into 5th May to enter a payment. You would then have to follow the Revenue's procedures re 'Errors and Amendments' which are not straightforward.

Tax interval

The tax week/month is not displayed.

Subcontractors to include

1. If you choose ALL, this does not commit you to processing a Payment for all your Subcontractors since you can still select individuals by choosing 'Pick from list' in the next box.
2. Those not paid - there are three options. This choice is useful if you want to run your Subcontractors in the same way as a PAYE payroll; i.e. have weekly paid Subcontractors and monthly paid Subcontractors displayed in turn for you to process their payment.

Pay subcontractors

Pay run screen

The Subcontractor's details are then displayed at the bottom of the Payment screen.

The screenshot shows a window titled "Payments to subcontractors". It has a blue title bar with standard window controls. The main area is divided into two sections: "Run details" and "Payment details".

Run details:

- Payment date: 10 Apr 2007 (dropdown menu), 2007/2008 Month 1
- Subcontractors to include: All, This tax month, This week, Today
- Run order: All in order, Pick from list
- Buttons: Begin, Cancel

Payment details:

John Smith 10/04/2007

Tax treatment: Net

Payment	<input type="text"/>	Tax	0.00
Materials	<input type="text"/>		
VAT	<input type="text"/>		
Taxable pay	0.00	Net pay	0.00

Buttons: Calculate, Store, Cancel

Diagram 5: Payment screen - before entries

As you can see, the CIS Payment screen is much simpler than the Payroll Run screen in SUPERPAY. Enter the labour, materials and VAT. If there is no materials or VAT amount, leave these fields blank (i.e. you do not have to enter zero).

This screenshot shows the same "Payment details" section as Diagram 5, but with numerical values entered into the input fields.

John Smith 10/04/2007

Tax treatment: Net

Payment	2000	Tax	0.00
Materials	100.00		
VAT	17.50		
Taxable pay	0.00	Net pay	0.00

Buttons: Calculate, Store, Cancel

Diagram 6: Payment screen with entries

Then click on CALCULATE for the CIS module to calculate the appropriate CIS deduction (if any) and Net payment.

Rounding before deduction

The CIS deduction is calculated on whole pounds; i.e. you ignore pence in the labour charge. E.g. 20% CIS deduction on a payment of £1050.99 is £210.00, **not** £210.20.

Payment details			
John Smith		27/04/2007	
Tax treatment: Net			
Labour	<input type="text" value="2000"/>	Tax	-400.00
Materials	<input type="text" value="100"/>		
VAT	<input type="text" value="17.50"/>		
Taxable pay	2000.00	Net pay	1717.50
<input type="button" value="Calculate"/>		<input type="button" value="Store"/>	<input type="button" value="Cancel"/>

Diagram 7: Completed payment screen

Click on STORE and move on to the next subcontractor.

6.3 End run - pick from list option

If you want to stop the run at any time, click on STOP RUN on the list of Subcontractors and the CIS module will re-display the MAIN SCREEN. Otherwise, continue until the end.

6.4 End run - all in order option

If you want to stop the run at any time, click on STOP at the bottom of a Subcontractor's Pay Run screen and the CIS module will re-display the MAIN SCREEN. Otherwise, continue until the end of the run when the MAIN SCREEN will be re-displayed.

6.5 View payments for each subcontractor

Click on the CHOOSE CONTRACTOR option.

Construction Industry Filing			
File	Contractor	Subcontractor	Print PDF Returns Help
Choose contractor	Online verify	Pay subcontractors	
Change contractors or create a new one			
Details	Subcontractors	History	

Diagram 8: Choose Contractor option

Pay subcontractors

Click on a contractor from your list of CONTRACTORS.

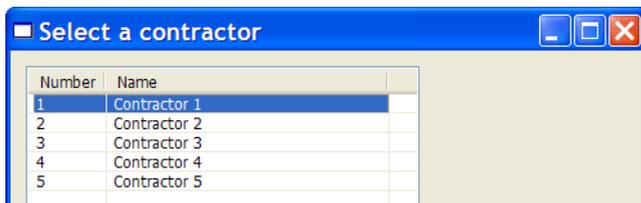


Diagram 9: List of Contractors

Click OK. Then click on the SUBCONTRACTORS tab and choose a Subcontractor from the list. Then click on the PAYMENTS tab.

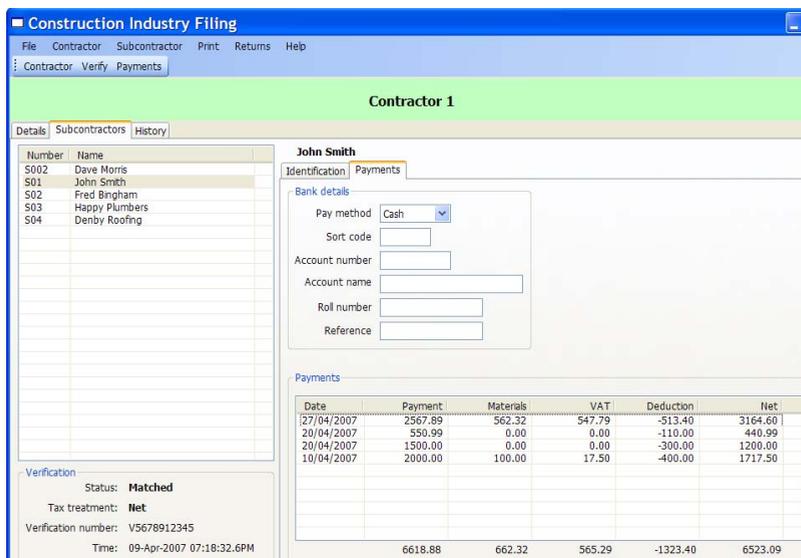


Diagram 10: Payments tab (payments to date)

The payments for that Subcontractor are displayed. If there are lots of payments, you can scroll up and down the list. You can click on each Subcontractor in turn to view all the payments to date.

6.6 Delete a payment

If you realise that you made a mistake in the RUN, you can DELETE a payment as follows. Click on the Subcontractor with the incorrect payment, and then click on the PAYMENTS tab.

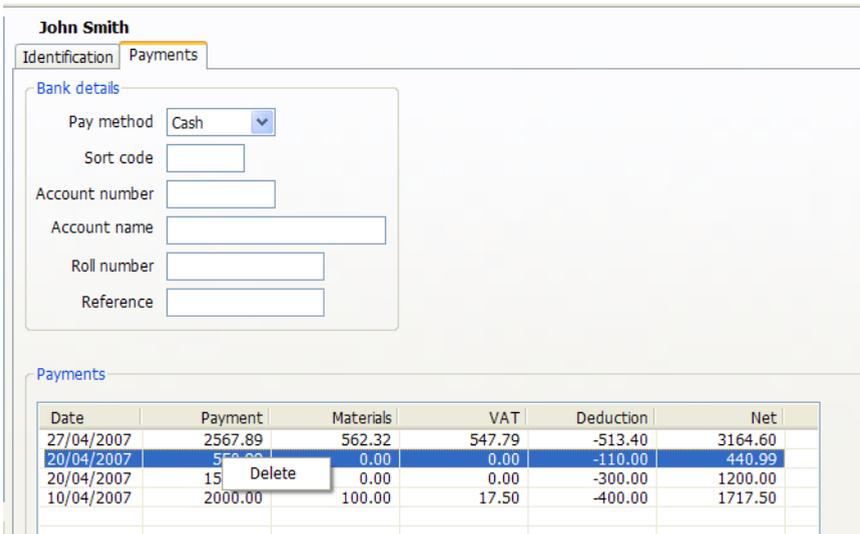


Diagram 11: Delete an incorrect payment

Then right click on the incorrect payment to bring up the DELETE option. Click on DELETE and the payment is removed from the list.

Note: You can **not** delete a payment if it has been included in a 'live' Month End Return. Instead you would have to follow the Revenue's procedures for Errors and Amendments which are not straightforward.

6.7 Print Pay Statements and reports

You can now move onto the PRINT or PDF menus at the top of the screen to obtain a hard-copy of the Run you have just processed.

6.8 BACS payments

If you paid your subcontractors by BACS through SUPERPAY, you can continue to do so by entering the Net amounts calculated by the CIS module as after tax items on a Subcontractor's Payroll Run screen in SUPERPAY. You do not need to print payslips in SUPERPAY, but you need to run their payment through Payroll Run for the BACS payments option to pick up their payment.

7

Print & PDF menus

7.1 Overview

You can:

- PRINT pay statements and reports
- produce PDF format pay statements
- PREVIEW the printouts or PDF's before printing.

You do not require any special stationery since all the options print on plain A4 paper.

Print preview

PRINT PREVIEW allows you to view statements and reports before you print them. Click on the option to turn it on. If a tick is already displayed, you can click on it to turn the option off.

When the option is turned on, everything is displayed on the PRINT PREVIEW screen(s) before printing. When you are familiar with all the CIS module print options, you may not need this option. However, it is very useful at the beginning when you're not quite sure what each of the PRINT options does.

It also allows Agents to view PDF Pay Statements before emailing them to clients.

PDF Pay Statements

Instead of printing Pay Statements directly onto plain paper from the PRINT menu you can instead choose PDF format Statement(s) from the PDF menu. Click on PDF (at the top of the screen) to drop down the menu. At the moment there is only one option - PAY STATEMENTS - on this menu. More options will be added later.



Diagram 1: PDF drop down menu

Click on PAY STATEMENTS. The selection screen is identical to the PRINT menu - see Diagram 3 below. Complete the screen and click OK. Your PC then asks you where you want to Save this file.

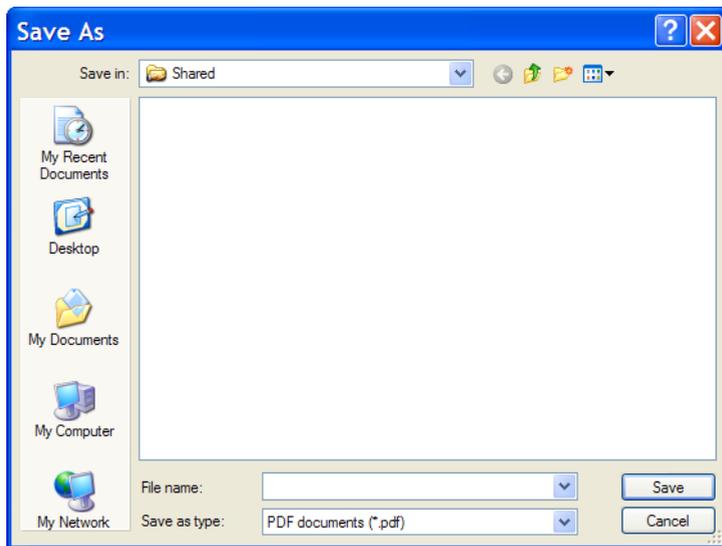


Diagram 2: Save PDF Pay Statement

Enter the folder name where you want to save the PDF file. Agents can then attach the PDF Pay Statement(s) to an email to a client to view and print on plain A4 paper if required.

7.2 Print menu

Click on the PRINT menu and a drop down menu is displayed for you to select an option.

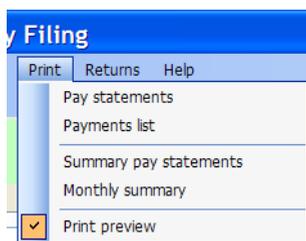


Diagram 3: Print menu

7.3 Pay statements

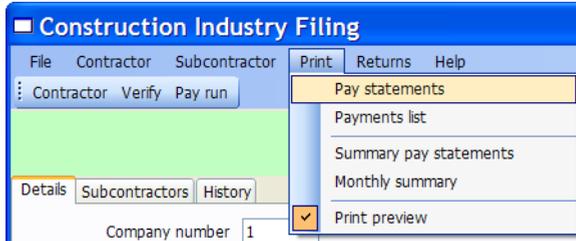


Diagram 4: Pay Statements option

The statutory requirement is to give each Subcontractor a statement **at least** once a month but the CIS module can print a PAY STATEMENT for each payment. You can also print SUMMARY PAY STATEMENTS - see 7.4 below.

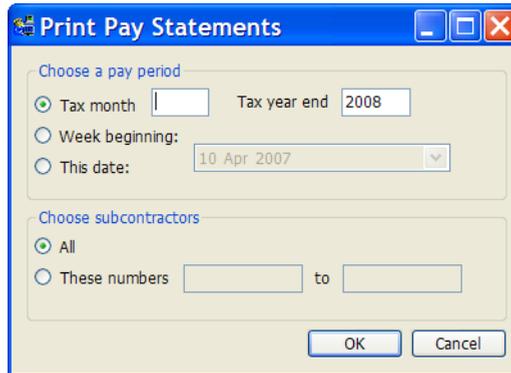


Diagram 5: Select pay statements to print

Choose a pay period

Choose which PAY STATEMENTS you want printed from the options displayed. If you tick THIS DATE, you can drop down a calendar to choose a different date from the one displayed.

Choose subcontractors

Tick ALL or enter a range. For an individual, enter the same number in both boxes.

Start printing

Click OK. The PAY STATEMENTS are then printed on plain paper.

7.4 Payments list

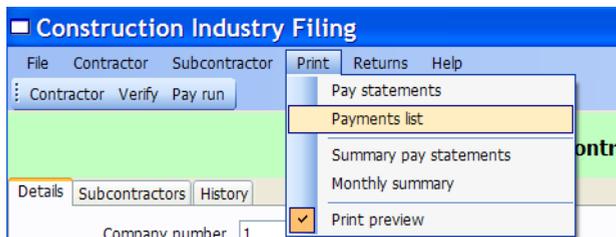


Diagram 6: Payments list option

When you have printed all your PAY STATEMENTS for this run, print your PAYMENTS LIST. (This report is equivalent to the Wages Book in SUPERPAY.) Select which Payments you want included in the same way as you selected PAY STATEMENTS – see Diagram 5 above.

7.5 Summary pay statements

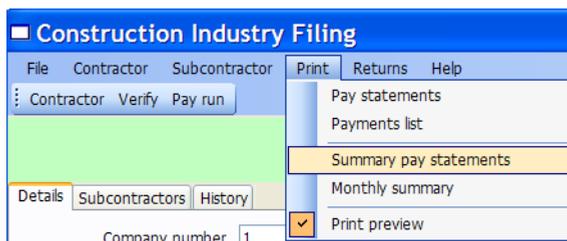


Diagram 7: Summary pay statements option

Choose SUMMARY PAY STATEMENTS.

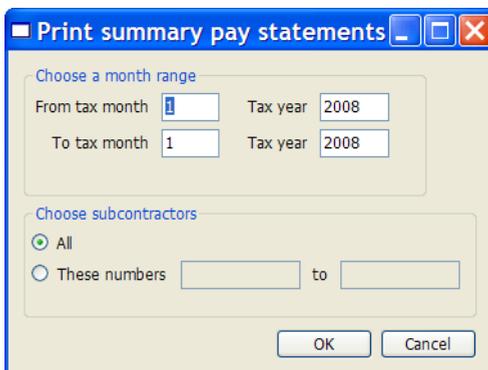


Diagram 8: Select summary statements to print

Select the dates and Subcontractors you want printed in the usual way. These Statements are particularly useful for audit purposes in that they can be agreed to the Monthly Summary report which shows the financial information sent to the Revenue in the Monthly Returns.

7.6 Monthly summary

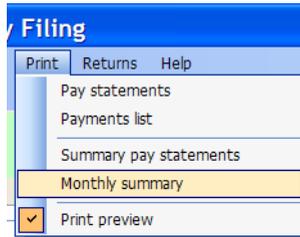


Diagram 9: Monthly Summary option

Choose MONTHLY SUMMARY. The following screen is then displayed.



Diagram 10: Monthly Summary print options

Enter Month 1 to Month 1 for April 2007, and click OK. This report lists the total paid to each Subcontractor for each of the months selected and shows if a MONTHLY RETURN has been submitted on-line.

The CIS MONTHLY SUMMARY can be for one month only or for a range of months. Manually add the 'tax' deducted from your NET and UNMATCHED Subcontractors to the PAYE tax shown on SUPERPAY's MONTHLY SUMMARY, and pay the combined tax over to the Revenue in the usual way.

Pence and Total for month

The MONTHLY SUMMARY printout shows the actual amounts paid. This includes any pence in the labour element paid to your Subcontractors.

In accordance with Inland Revenue specifications, the MONTHLY RETURN is in round pounds only. If you have a lot of Subcontractors, the total on the MONTHLY SUMMARY print-

out may differ by several pounds from the Total at the bottom of your MONTHLY RETURN screen (see Chapter 8). This does not represent an error. It simply reflects the difference between what was paid out (which can include pence) and the amounts the Revenue wants to see on your RETURN.

Example

You have 10 subcontractors who were all paid x pounds and 50p during the month. The total on the MONTHLY SUMMARY printout will be £5 (i.e. $10 \times 50\text{p}$) **more** than the total on the MONTHLY RETURN screen.

8.1 Overview

Under 'new' CIS rules, each Contractor has to submit a MONTHLY RETURN to the Inland Revenue. This RETURN can be sent on paper or on-line. SUPERPAY's CIS module submits the RETURN on-line.

Financial information

Each RETURN shows Subcontractors' payments and deductions during the previous tax month. There is no need to show individual payments; instead the RETURN shows the total labour and materials payments (in round pounds) and total tax deducted for the month for each Subcontractor. Print the MONTHLY SUMMARY from the PRINT menu before submitting your RETURN so that you can see what financial information you are about to send to the Revenue.

Declarations

Each Contractor (or his Agent) has to tick two declarations relating to the employment status and tax treatment of all the Subcontractors on the RETURN. The text on these declarations does not change from month to month and it is beyond the scope of this CIS module to evaluate the status and tax treatment of Subcontractors.

If you want to know more about these Declarations, visit the HMRC website or refer to the 'new' CIS publications.

Timing of return

It is important that RETURNS are sent on time. The first 'new' CIS RETURN needs to be received **and accepted** by the Revenue on or before 19th May 2007. Subsequent RETURNS need to be submitted and accepted by 19th of each month. Any late RETURNS could count against you (or your clients if you are an Agent) if you want to have or keep the right to be paid Gross.

Nil Returns

You need to notify the Revenue if you have made no Subcontractor payments during the previous tax month. (You can do this by telephone or on-line.)

Month end returns

Fines and Penalties

The Inland Revenue has stated that it will not charge CIS penalties if you have genuine difficulties in complying with the 'new' system until October 2007. After that, you need to file on time or you will incur automatic penalties and may incur fines.

8.2 Finalise data before sending return

By this stage you will have entered all the month's Subcontractor payments on the CIS module and have printed PAY STATEMENTS for your Subcontractors. If you haven't already printed it, print your MONTHLY SUMMARY now as described in Chapter 7. The totals on this report (minus the pence on the labour and materials totals) will be sent to the Revenue.

8.3 Choose which month to send

Click on the SEND MONTHLY RETURN option.



Diagram 1: Returns menu

Now tell the CIS module what Return you want to send; i.e. enter the date.

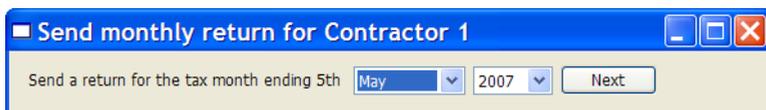


Diagram 2: Date prompted

Until the 19th of the month, the screen prompts last month's RETURN. After the 19th, the screen prompts this month's RETURN. If you want to send a RETURN for a different month, select a different date from the drop down month and year lists in the usual way.



Diagram 3: Change date (if required)

Now click on NEXT. The Declarations and Totals screen is then displayed.

8.4 Declarations and totals screen

Send monthly return for Contractor 1

Send a return for the tax month ending 5th May 2007 Next

Can you confirm that the employment status of each individual detailed on this return has been considered and that the contract under which returned payments are made are not contracts of employment?

Can you confirm that every subcontractor included on this return has either been verified with HM Revenue & Customs subsequent to the awarding of a contract or been included in my/our/the company's monthly (or annual) return in the current tax year or the previous two

Can you confirm that the information given on this return is correct and complete to the best of your knowledge and belief?

I do not anticipate paying any subcontractors in the next six months

Totals for Month 1

Payments	3550.00	Materials	100.00	Tax	-735.00
-----------------	---------	------------------	--------	------------	---------

2 subcontractors paid

Send Cancel

Diagram 4: Declarations and totals

Declarations

The Declarations are the same each month. However, you still need to read the text and tick the boxes to show that you confirm the Declarations.

(If you are filing on behalf of a client, a future version of the module will allow you to print this screen so that you can ask your client to sign next to the tick boxes before you file their RETURN.)

Financial totals

At the bottom of the screen are three totals which you need to check against the MONTHLY SUMMARY which you printed earlier - see 8.2 above.

Totals for Month 1

Payments	3550.00	Materials	100.00	Tax	-735.00
-----------------	---------	------------------	--------	------------	---------

2 subcontractors paid

Send Cancel

Diagram 5: Summary totals on Monthly Return

Month end returns

Remember the Payments and Materials totals on the RETURN are always in round pounds and so may differ slightly from your MONTHLY SUMMARY report.

Click on SEND

When you have confirmed the Declarations and Totals, click on SEND.

8.5 Sending data



Totals for Month 1		
Payments	3550.00	Materials 100.00
		Tax -735.00
2 subcontractors paid		
Sending...		<input type="button" value="Send"/> <input type="button" value="Cancel"/>

Diagram 6: Send in progress

While your RETURN is being sent to the Revenue, the text SENDING is displayed at the bottom of the screen.



Totals for Month 1		
Payments	3550.00	Materials 100.00
		Tax -735.00
2 subcontractors paid		
Completed		<input type="button" value="Send"/> <input type="button" value="Close"/>

Diagram 7: Submission complete

When the submission is complete, click on CLOSE and go to the HISTORY tab for that Contractor.

8.6 Submission complete



Construction Industry Filing				
File	Contractor	Subcontractor	Print	PDF
Choose contractor	Online verify	Pay subcontractors	Returns	Help
Contractor 1				
Details Subcontractors History				
Seq	Date/Time	Type	Details	
1	27-Apr-2007 12:46:29.3PM	Verify	ZTHJZSU7YKW6RTEK4ALHZDWIN5M2K2U	
2	27-Apr-2007 12:47:18.6PM	Success	ZTHJZSU7YKW6RTEK4ALHZDWIN5M2K2U	
5	09-May-2007 12:40:06.4PM	Return	6SEONU47SZBTA3QS3Z3GETMTIDZE4GQR	

Diagram 8: History tab - no results yet

Click on the HISTORY tab to find out what has happened to your submission. At this stage on Diagram 8 there is only one line - RETURN - and thus no reply from the Revenue. The following screen shows the HISTORY of a Contractor with three completed RETURN submissions.

Seq	Date/Time	Type	Details
1	27-Apr-2007 12:46:29.3PM	Verify	ZTHJZSU7YKW6RTEK4ALHZIDWJIN5M2K2U
2	27-Apr-2007 12:47:18.6PM	Success	ZTHJZSU7YKW6RTEK4ALHZIDWJIN5M2K2U
5	09-May-2007 12:40:06.4PM	Return	6SEONU47SZBTA3QS3Z3GETMTIDZE4GQR
6	09-May-2007 12:40:09.3PM	Error	1040: The submitted document contains an ir
7	09-May-2007 01:10:30.9PM	Return	6SEONU47SZBTA3QS3Z3GETMTIDZE4GQR
8	09-May-2007 01:11:01.8PM	Error	Multiple errors
9	09-May-2007 01:13:52.9PM	Return	REYK7CWTN2LJLQU2ZD7WVWV2T4KC3QWJ
10	09-May-2007 01:14:54.0PM	Success	REYK7CWTN2LJLQU2ZD7WVWV2T4KC3QWJ

Diagram 9: History - completed submissions

For this Contractor, the first two submissions had errors; the third submission was accepted by the Revenue - SUCCESS.

(Diagram 9 above is not typical of 'live' data where you would not normally have three attempts before your RETURN submission was successful. The two 'incorrect' RETURNS are included in this HISTORY diagram simply to show you how successful and unsuccessful submissions are displayed on the HISTORY screen.

8.7 Nil returns

Send monthly return for Contractor 1

Send a return for the tax month ending 5th June 2007 Begin

You are about to make a nil return. Only do this if you are not paying any subcontractors during month 2.

Can you confirm that you no payments have been made to any subcontractors in the construction industry in this period?

Can you confirm that the information given on this return is correct and complete to the best of your knowledge and belief?

I do not anticipate paying any subcontractors in the next six months

Totals for Month 2

Payments	0.00	Materials	0.00	Tax	0.00
-----------------	------	------------------	------	------------	------

No subcontractors paid

Send Cancel

Diagram 10: Nil return

Month end returns

If you are registered for CIS, you have to submit a RETURN each month - even when you have made no payments to Subcontractors. The only exception to this is when you give advance notice to the Revenue (see above - Declaration 3) that you will not be paying Subcontractors for the next 6 months.