

WHAT IS THE CONSTRUCTION INDUSTRY SCHEME (CIS)?

The CIS is a UK tax scheme designed to handle payments to self-employed subcontractors in the construction industry. Subcontractors in the construction industry will need to register for the CIS by calling the CIS helpline on 0300 200 3210. Subcontractors must also be registered as self-employed which can be done by calling 0300 200 3500.

HOW DO I CLAIM MY EXPENSES?

As a self-employed subcontractor you are eligible to claim your business expenses. This must be done at the end of the tax year by completing a Self-Assessment. Please ensure you keep a record of all the expenses you incur as well as accompanying receipts.

WHAT INFORMATION DO I NEED FOR A SELF-ASSESSMENT?

You will need to have a record of all of your business' sales and expenditure such as invoices and receipts. You will also need to declare any other income you may have such as dividend income or property income. If you make payments into a pension scheme or receive any benefits from any employment throughout the year, these will also have to be disclosed.

CAN STONEBRIDGE COMPLETE MY SELF-ASSESSMENT?

Yes. Once we have got all of your information we will put your claim together within 21 working days. Once we have sent this to HMRC, your rebate (if you are due one) will typically be paid out between 6-8 weeks. If you would like us to complete your self-assessment at the end of the year please email info@sbukpay.com. Our standard fee to complete a Self-assessment is £250 plus VAT, which may increase with additional sources of income.

WHAT EXPENSES CAN I CLAIM FOR?

All expenses you claim for must have been incurred 'wholly and exclusively' for the performance of your construction trade. Expenses incurred that are only partially for business will be allowable to the extent they were used for business purposes. Typical expenses include, but are not limited to, travel costs, tools and equipment, work specific clothing and footwear, training costs, insurances, accountancy fees, advertising and laundry.

HOW MUCH TAX WILL I PAY ON THE CIS?

How much tax you will pay all depends on the verification status of your UTR number. Most subcontractors will have their UTR number verified at 20%. Once you receive your UTR number, you will need to call the CIS helpline to verify it, otherwise you will be taxed at 30%. If you meet certain turnover, business and compliance tests, you may get a gross (0%) payment status.

WHAT NATIONAL INSURANCE DO I NEED TO PAY?

You will pay class 2 National Insurance which is £3 a week if you earn more than £6,365 a year. You will also pay 9% on profits between £8,632 and £50,000 and 2% on profits over £50,000.

WHAT INSURANCES SHOULD I HAVE?

As a self-employed subcontractor you are required to hold public liability cover. If you do not have your own cover, Stonebridge will provide this to you for £2.50 per week that you work. You also have the option of taking out our personal accident insurance for £2.50 a week, which can provide invaluable financial assistance in the event that you are unable to work due to an accident.

HOW DO I KNOW I HAVE BEEN PAID?

We will send you a text message once we have processed your pay and this will indicate when you are being paid. You will also receive a remittance advice via email which will detail your gross earnings and a breakdown of your deductions. This will then be uploaded onto your online portal for you to view at your convenience.

HOW CAN I GET A COPY OF MY STATEMENT OF EARNINGS?

Please email us at info@sbukpay.com to receive a copy of your statement of earnings. This will detail all invoiced amounts and deductions from your time contracted to Stonebridge, which will enable you to complete your Self-Assessment tax return.

AM I ENTITLED TO HOLIDAY PAY?

Only workers and employees are entitled to holiday pay. As a self-employed subcontractor, you are not entitled to holiday pay. You are expected to manage your own finances and have a provision set up for when you do take time off work, or if there are times that you do not have work available.

HOW CAN I APPLY FOR GROSS PAYMENT STATUS?

For a sole trader to qualify for gross payment status, you must meet the following criteria:

- THE COMPLIANCE TEST: you must have filed all of your Self-Assessments on time, as well as paid your tax and National Insurance on time
- THE TURNOVER TEST: your turnover must be £30,000 or more, excluding VAT and the cost of materials, in the last 12 months
- THE BUSINESS TEST: you must be doing construction work and must be operating through a UK bank account