

LITRG trial new umbrella company payslip audit service for workers

General Features

Employment Tax



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If you have clients that are employed through an umbrella company, it may be useful for you to know that they can soon request a free ‘payslip audit’ via LITRG. This will be carried out by special software developed by compliance and technology firm SafeRec, who have kindly provided access to this to LITRG for free.

We have a lot of information available on our website to help people understand umbrella companies and manually check whether pay and taxes are being dealt with properly. This includes a downloadable factsheet (tinyurl.com/35v64zzz). However, SafeRec’s software automates this checking process.

Their award-winning AI technology reads and forensically audits umbrella company payslips. It then cross-references the audit with the assignment rate (that is the amount paid by the agency to the umbrella company). The combination of these steps means that SafeRec can help workers to identify when they are being paid in a non-compliant way, such as through disguised remuneration, but also to identify other potential abuses, such as skimming or being in an Elective Deduction Model. We explain more about the Elective Deduction Model in a recent blog on the LITRG website (tinyurl.com/5hyxpvhc).

We hope that the payslip audit service will be valuable to any workers you know, or are supporting, who are employed by an umbrella company. It is important to note that the payslip audit results are provided for informational purposes only and should not be considered alone, without users seeking further professional advice.

This trial will also support LITRG's labour market work, helping us to explore and test new ways of gathering insight and information directly from taxpayers to better understand their issues and needs. While individuals' information will not be shared, it will be used by LITRG in an anonymised way in furtherance of our work – for example, to look for trends and patterns in umbrella company practices.

Keep an eye out for the payslip auditing service going live on our website. A new explainer page where workers can read more about the service, and a portal where they can agree some terms and conditions and upload their payslip and contractor reconciliation statement, will be linked to from our main umbrella company guidance page (tinyurl.com/2uyfdw72).

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