

## **PAYE - Do you need to be registered?**

Whilst arranging your clubs insurance this year, you will be asked if the club is registered as an employer, or if the club operates a Pay As You Earn (PAYE) system for employees Income Tax and National Insurance.

This is because of new Employers Liability insurance guidelines which mean that all insurers who provide Employers Liability need to collect the individual PAYE number or Employers Reference Number (ERN) that is allocated to every registered employer. The reason for collecting this number is to enable the Employers Liability insurer to be traced should there be a claim under an Employers Liability policy in the future. This information will be kept by the Employers Liability Tracing Office (ELTO).

According to HM Revenue & Customs, you will need to be registered as an employer if any of the following apply:

1. You pay an employee at or above the National Insurance Lower Earnings Limit. This limit is £5,564 per year, which works out to be £107 per week or £464 per month.
2. You pay an employee at or above the PAYE threshold which is £8,105 per year. This is £156 per week or £675 per month.
3. You employ somebody who already has another job.
4. You employ somebody who is receiving a state or occupational pension.
5. You are providing an employee with employee benefits such as a company car or health insurance.

More information on PAYE, whether or not you are required to register as an employer and registering as an employer can be found on HM Revenue & Customs website which is [www.hmrc.gov.uk/payee/index.htm](http://www.hmrc.gov.uk/payee/index.htm).

Alternatively, if none of the above applies to your club then you are PAYE exempt and when arranging your insurance you simply need to state that you are exempt.

If when arranging your insurance you do not supply a PAYE number, it will be assumed that you are exempt.