

Leigh Christou

Paying PAYE by Direct Debit

HMRC has confirmed plans to modernise its direct debit payment system for employer PAYE so a recurring direct debit can be set up for the first time.

Currently employers can only set up a direct debit to collect a single payment, but not a recurring direct debit.

As part of its payment modernisation programme, HMRC is going to offer a recurring direct debit to employers. This is part of a wider project to create a consistent set of payment methods for all taxpayers across the tax authority, rather than the current limited service, which varies depending on the type of tax payable.

The service will be available from mid-September this year, HMRC said:

Once available, there will be a change to the business tax account (BTA) and the employers' liabilities and payments screens. There will be a new link for 'set up a direct debit'. This will allow client companies to set up a direct debit instruction once, authorising HMRC to collect directly from their bank account based on their return submissions.

After an employer has set up a direct debit, the link will change to 'manage your direct debit' and an employer will be able to view, change or cancel the direct debit online.

Payments which will be covered by direct debit will show within employers' liabilities and payment screens for both employers and agents.

This service is not available for agents and only employers will be able to create, view, amend and cancel a direct debit.

Should you have any queries, please do not hesitate to contact us

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