

**DELEGATED DECISION**

**RESOURCES SERVICE**

**11 October 2017**

**HMRC – settlement agreement re  
underpaid tax and national insurance  
payments**



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**Report of Resources**

**Helen Lynch**

**Head of Legal & Democratic Services**

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**Purpose of the Report**

- 1 To agree to signing of a settlement document supplied by HMRC in order to set out terms of agreement and save a potential penalty payment of £687.00

**Background**

- 2 The Council has been responding to queries raised as part of an HMRC audit of payroll activities, tax and national insurance payments. The audit concluded with a finding that there was underpaid Income Tax and National Insurance Contributions (NICs) following the incorrect PAYE treatment of a tax free element of an employee's termination package for the tax year of 2016/17. The total liability amounted to £4,580 which gave rise to an interest charge of £52. and a penalty payment of £687.
- 3 HMRC proposed terms for agreement whereby the penalty payment would be waived.
- 4 DCC agree to the suggested terms and will sign a document setting out such agreement.

**Details of any alternative options considered and rejected when making the decision**

- 5 The only real alternative option would be to pay the penalty payment.

### **Recommendations and reasons**

- (i) To sign the settlement agreement document setting out terms agreed and save the penalty payment.

### **Decision**

6 As recommendation above

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**Appendix 1: Implications**

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**Finance – settlement of HMRC penalty payment**

**Staffing – none**

**Risk - none**

**Equality and Diversity / Public Sector Equality Duty - none**

**Accommodation - none**

**Crime and Disorder - none**

**Human Rights - none**

**Consultation – Legal services and HR**

**Procurement – none**

**Disability Issues - none**

**Legal Implications – settlement of a penalty payment for unpaid tax and national insurance payments**

