# Construction Industry Scheme (CIS)

A guide to working tax efficiently and compliantly

workwell
contractor solutions

# Get the most out of the CIS scheme

Contracting through the Construction Industry Scheme is an extremely simple way to work.

All you have to do is register and then we'll take care of everything, ensuring you're paid on time, operating compliantly and able to switch seamlessly between contracts.

In this guide, we'll tell you everything you need to know about CIS with Workwell, from how to register to how much tax you could be saving.

Let's get started!

# What is CIS?

**What is CIS?**
The latest version of CIS was set up by the government in 2007. You don't have to register for CIS, but it may mean you have to pay more tax if you don't. CIS registered contractors pay 20% tax on their income, while unregistered workers pay 30%.

**Registration**
Registering for CIS is easy. You'll need to meet HMRC's eligibility criteria which covers the type of work you undertake and the level of 'supervision, direction and control' your role entails. We offer a free Contractor Assessment to work out if CIS is the right working option for you.

When joining the CIS scheme, you simply register directly with HMRC. Upon completion you will receive a Unique Tax Reference number which you can then provide to us.

Providing you're eligible, you can join CIS at any time, whether you're at the start of your contracting career or you've been contracting for a while.

**Eligibility**
You are likely to be eligible for CIS if you undertake construction work to permanent or temporary buildings/structures or civil engineering work like roads and bridges.

For the purpose of CIS, construction work includes:

- Preparing the site, e.g. laying foundations and providing access works
- Demolition and dismantling
- Building work
- Alterations, repairs, and decorating
- Installing systems for heating, lighting, power, water, and ventilation
- Cleaning the inside of buildings after construction work.

**Switching Contracts**
Our CIS service is designed to work around your needs. Whenever you wish to switch to a new project, simply get in touch with a member of our expert team and we will sort out the admin, usually within a matter of minutes - so you can get to work without delay. This means you can continue to benefit from our market-leading personal accident cover even when you move to a new assignment.

# Getting paid

Before you join Workwell, we will conduct a free Contractor Assessment and provide you with a detailed pay illustration to explain the deductions that will be made from your payslip. This will help you determine whether CIS is the right option for you.

Once you are registered with Workwell for CIS, we will invoice your recruitment agency or end client for the hours you have worked. We will then calculate and deduct the tax you have to pay (at the CIS rate of 20%), as well as our margin (the income we retain as the contracting company), then pass the net payment on to you.

You will have access to your payment records through our secure online portal, so you can find your information easily.

You'll need to complete a Self-Assessment tax return each year, but we can do this for you if you wish.

From day one, you'll benefit from our market-leading service where you’ll receive your take-home pay on time, every time, and be supported by our expert team. You’ll also have access to Workwell Rewards, giving you fantastic discounts on shopping and leisure. Plus, you'll receive your take-home pay on time, every time.

# Your Self-Assessment Tax Return

Your Self-Assessment tax return details your full income for the year, including any expenses you wish to claim.

Once submitted to HMRC, you may be due a rebate which you could receive within a few days of submitting your Self-Assessment.

While tax matters may sound complicated, there's no need to worry, our experts understand the Self-Assessment tax return process inside out, so we can help you complete this quickly and accurately, ensuring any rebate you're due will be processed and in your bank account as quickly as possible.

## How it works

To complete your tax return, we'll need to know all about the income you receive, including:

- Income received from work
- Dividend income
- Income from property or investments, including pensions
- Income from benefits and Child Benefit (if relevant)
- Gifts to charity (eligible for tax relief)

We will also need to understand any expenses you may have incurred, so it's important you keep accurate records and copies of receipts throughout the year to make the expense process simple and easy. This will ensure you receive the correct rebate you're entitled to.

Expenses you can claim for include:

- Business mileage & some travel costs
- Tools
- Work clothing/PPE
- Subsistence
- Capital expenses (e.g. work phones)
- Road tax, insurance, and fuel (providing your vehicle is used for business only)

If you haven't incurred any business expenses or your expenses have been minimal, you can claim back up to £200 in tax by utilising your trading allowance. This is a £1,000 expense allowance available to self-employed individuals only.

## Submitting your tax return

The deadline for submitting a self-assessment tax return is January 31st though you can submit your return at any time from the start of the new financial year.  The sooner you submit your return the sooner you will receive any rebate you may be due.

"We have been using Workwell's tax return service for a year now and couldn't be happier with the service they provide. The staff are extremely helpful and nothing is ever too much trouble."

**AMP Engineering**

# 5 Easy Steps

## Register

If you wish to use our CIS payment scheme, you must first register with HMRC using a straight-forward online process.

## Get Assessed

Once registered for CIS, we'll ask you to complete our screening process which is designed to indicate whether you are able to work on a self-employed basis. This ensures compliance at the very outset. You can do this over the phone with one of our expert advisors.

## Payment Set-up

We will take the necessary steps to ensure prompt and accurate payment can be made once you begin work.

## Easy Switching

Whenever you wish to switch to a new project, you can simply get in touch and we will sort out all of the paperwork - usually in a matter of minutes.

## Tax Returns

If you wish, our specialist contractor accountants can prepare annual tax returns for  you, ensuring submissions are made accurately and on time.

# Working for you

Our CIS service is designed to get you set up and ready to work as quickly as possible. We minimise the administrative burden for you, while taking care to ensure all compliance issues are addressed.

You'll find we have an excellent track record in helping people navigate their way through the rules so they receive accurate payments every time, without delay. Plus, our online portal makes tracking and monitoring your contracts and payments that much easier.

## Benefits of Workwell for CIS

- Free Contractor Assessment to ensure CIS is a suitable solution for you
- Option to use our market-leading personal accident insurance which also covers your commute
- 100% compliance - we understand CIS compliance, so you don't have to
- Get paid on time. Straight-forward registration process means no delays
- Provision of detailed pay illustrations from the outset
- Support from our experienced team whenever you need it - we're here to help.

## Supporting the construction community

At Workwell, we're dedicated to supporting construction contractors, and this spreads far beyond the workplace. We're proud to be partnered with the Lighthouse Club, a charity which provides financial and emotional support to people who work in the construction industry and their families.

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01923 257 257
workwellsolutions.com