Self-employed

Setup paiyroll® · https://paiyroll.com/kb/self-employed/

paiyroll® can be used to set up employees who are not subject to HMRC PAYE or CIS Tax. Examples are self-employed Actors, musicians, or carers who work as sole traders or limited companies.

Setup

The different types of workers are specified as follows:

Type	**Pay Item Editor > Show Statutory Pay Items**	**Pension Pay Item**	**Employees > Details > Tax > CIS**	**Payslip**
PAYE (HMRC)	Standard set (AWE Sink, AWE Source, CIS, GB Liability, NIC, PAYE) imported or added automatically by adding **AE**	AE (Auto Enrolment)	No	Standard payslip
CIS (HMRC)	Standard set (AE, AWE Sink, AWE Source, CIS, GB Liability, NIC, PAYE) imported or added automatically by adding **AE**		CIS sole trader, partnership, trust or company	Construction Industry Scheme Payment and deduction statement
Non PAYE or CIS (No tax)	**AWE Sink** and **AWE Source** only - ensure all other Statutory Pay Items are deleted	AE (Auto Enrolment) can be used	CIS sole trader, partnership, trust or company	Standard payslip

Errors

Incorrect CIS Payment and deduction statement payslip

If you have incorrectly added a CIS Pay Item, this will generate a CIS Payment and deduction statement payslip, and the Live Payslip shows Tax basis "CIS verified -". To correct this, you will need to remove the CIS Pay Item and clear the employee's CIS state:

- **Pay Item Editor > Show Statutory Pay Items** > Delete the **CIS** Pay Item using the Trash icon
- Click **Update/View payslip**

Clear the CIS employee state:

- **Employees >** search or select the employee > **Update**
- **System** tab Click **+ State**
- Enter "**CIS**" in the Search field (right) to filter only the CIS keys (which should all be zero)
- Select or double-click) each of the 3 CIS Keys and click **Delete**
  - Click **Delete** when asked: *Are you sure you wish to delete 1 row?*
- Click **Update** to save the employee changes

The employee CIS state has been deleted. After a Pay Run **Redo**, the standard payslip will be visible.

No PAYE Tax

The employee's start date must be set as the date they became a PAYE worker, which is the date they are reported to HMRC as a starter. Tax is calculated only from this date to the pay run date.