Tell HMRC no payment is due (NIL return)

CIS (Construction Industry Scheme) · https://paiyroll.com/kb/tell-hmrc-no-payment-is-due-nil-return/

NIL returns

Follow this guide if you have periods where you pay no employees. This is also known as a NIL return.

HMRC checks each tax period for a submission. If there is none, HMRC sends a notice automatically. Tell HMRC when you pay no employees.

If you pay at least one employee in a tax month, the Full Payment Submission (FPS) tells HMRC. You do not need to do more.

If you pay no employees and no FPS is due, tell HMRC with the Employer Payment Summary (EPS). HMRC explains this in Tell HMRC no payment is due.

CIS 300

paiyroll® sends the CIS 300 as part of the monthly pay run. It generates the return from the CIS subcontractors in that pay run.

- If you have subcontractors but pay none of them in a month, paiyroll® sends a NIL return automatically.
- If you have no subcontractors in paiyroll® yet, there is nothing to generate the return from. Nothing goes to HMRC.

Tell HMRC with the EPS

1. Click **Setup** > **Report Definitions**, and open **GB RTI EPS**.
2. Use one of the two options below, for the past or the future. Leave the dates empty, or the **Period of inactivity** at 0, for an option which you do not use.
3. Click **Update** to keep the settings.
4. In **Pay runs**, click **Redo** on the pay run.

Enter past months: No payment dates

Use this option for tax months that have ended, in which you paid no employees. Give the start of the first tax month and the end of the last tax month.

1. For **No payment dates from**, enter the 6th of a month in this tax year.
2. For **No payment dates to**, enter the 5th of a month.

Embedded media: https://paiyroll.com/wp-content/uploads/kb-snapshots/tell-hmrc-no-payment-is-due-nil-return/no_payment_dates.html

Do not give a date after the tax month of your earliest pay schedule. This is the pay schedule with the earliest next pay day.

Enter future months: Period of inactivity

Use this option to tell HMRC about tax months to come.

1. For **Period of inactivity**, enter the number of tax months, from 1 to 12. The period starts at the end of the current tax month.

Embedded media: https://paiyroll.com/wp-content/uploads/kb-snapshots/tell-hmrc-no-payment-is-due-nil-return/period_of_inactivity.html

Check the EPS

To see what the EPS sends to HMRC:

1. In **Pay runs**, click **View** on the pay run.
2. Click **Reports** > **GB RTI EPS** > **View**.
3. Look at the **Summary**. It shows the tax months of no payment.

Embedded media: https://paiyroll.com/wp-content/uploads/kb-snapshots/tell-hmrc-no-payment-is-due-nil-return/eps_summary.html

Add a CIS subcontractor

1. In their tax details, for **CIS**, select their business type, such as **CIS sole trader**.
2. Give them a CIS pay item.

Each monthly pay run then sends the CIS 300. This includes a NIL return for each month in which you pay no subcontractors.

File a CIS NIL return yourself

If you have no subcontractors in paiyroll® yet:

1. Sign in to HMRC's CIS online service with your Government Gateway account.
2. File the NIL return.
3. If you will pay no subcontractors for some time, tell HMRC that you have stopped using them. You then do not send NIL returns until you start again.

Next steps

- The rules change each year. Search the web for "HMRC RTI Data Items guide", and read Data Items 136 and 137.