

Why PAYE Registration Is Important

SNIPEF Training Services Ltd (STS) works with employers across Scotland to recruit, train, and support Plumbing and Heating apprentices. As part of our contractual requirements with Skills Development Scotland (SDS), we must gather specific information from employers to secure apprenticeship funding.

One of the key contractual requirements from SDS is that all employers must be registered with HMRC as an employer and operate a PAYE (Pay As You Earn) system. This ensures we can access government funding for your apprentice.

This guide explains what PAYE is, why it's important, and what steps you need to take as an employer.

About PAYE

PAYE is the process for deducting Income Tax and National Insurance (apprentices under 25 years old are not applicable) from your apprentice's wages. It's a legal requirement and ensures:

- Your apprentice is treated as a proper employee.
- You are eligible to receive apprenticeship funding.
- You remain compliant with employment law and HMRC regulations.

What You Need to Do

1. Register as an Employer with HMRC

You must register before the first payday. This can be done online: <https://www.gov.uk/register-employer>

HMRC will then issue you:

- An Employer PAYE Reference (e.g. 123/A45678).
- An Accounts Office Reference Number.

These are important and should be stored safely.

2. Set Up Payroll or Use a Payroll Provider

Once registered, you need to run payroll each time you pay your apprentice.

You can:

- Use payroll software (e.g. HMRC Basic PAYE Tools or commercial options).
- Use an accountant or payroll service provider.

Your payroll system will:

- Calculate tax and NI deductions (for apprentices over 25 years old).
- Report pay and deductions to HMRC (RTI – Real Time Information).
- Produce payslips.

3. Provide a Contract of Employment

The SNIJIB Training & Registration Agreement is your contract with your apprentice stating the terms and conditions of their employment. You complete this document when you register your apprentice.

What You'll Need to Provide to STS

To confirm compliance, we will request the following information before your apprentice starts on the Modern Apprenticeship in Plumbing & Heating:

- Your HMRC Employer PAYE Reference.
- Your Company Registration Number (if applicable).
- A Declaration Form confirming you are operating PAYE.
- Copy of confirmation from HMRC (letter or screenshot).

Helpful Resources

Below are some useful links that can guide you through registering as an employer, using PAYE tools, and understanding your responsibilities when hiring your apprentice. Or you may want your accountant to do all this for you.

- Register with HMRC: <https://www.gov.uk/register-employer>
- Using Basic PAYE Tools: <https://www.gov.uk/basic-payee-tools>
- Employing someone for the first time: <https://www.gov.uk/employing-staff>
- National Minimum Wage for apprentices: <https://www.gov.uk/apprenticeships-guide/pay-and-conditions>

SDS Audits and Evidence Requests

Throughout the duration of the apprenticeship programme, SDS carry out audits to ensure that we have instructed you to register your apprentice on PAYE. The audits will include requesting evidence, such as your apprentice wage slips for specified months, to verify you are PAYE compliant and your apprentice is being paid in line with requirements. You must be able to provide this documentation when requested. Failure to do so may result in funding being withheld or reimbursed by you. STS will support you in understanding and preparing for these requirements.

Need Help?

If you're unsure how to register or run PAYE, speak to:

- Your accountant or bookkeeper.
- A payroll service provider.
- HMRC Employer Helpline: 0300 200 3200.

Or contact STS for information. We're happy to guide you through the process.

Final Checklist

Requirement	Confirmed?
Registered as an employer with HMRC	☐
Received PAYE Reference Number	☐
Payroll system or provider in place	☐
SNIJIB Training Agreement (contract of employment) issued	☐
Details submitted to SNIPEF Training Services	☐

Remember: PAYE is not optional. Your apprentice must be employed legally with PAYE to be part of the STS Modern Apprenticeship in Plumbing & Heating training programme.

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