



For further information contact

**construction industry training board**

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# Annual Levy Return

## Guidance Notes



[www.citbni.org.uk](http://www.citbni.org.uk)

A guide to completing the 2009 Annual Levy Return

# Important Notice to Levy Payers

## Levy

The Construction Industry Training Board is a statutory training board with the purpose of encouraging the adequate training of persons employed in or intending to be employed in the construction industry in Northern Ireland. Consequently CITB provides a wide range of services to its levy payers including training advice and guidance on training grants.

As it is considered that your business activity is within the scope of the Board as defined by Schedule 1 of the Industrial Training Board Order 1964 CITB need to determine if you will be required to pay a training levy and, if so, the amount. The legislation requires you to complete the Annual Return to enable CITB to calculate your levy and you are respectfully asked to submit it to CITB **not later than 14 September 2009**.

For the forth-fifth levy period, 1 September 2009 to 31 August 2010 the levy will be 0.65% of the total of all emoluments paid by you to employees and self employed labour only subcontractors who are not themselves levy payers during the 2008/09 tax year. The levy threshold will be raised from 1 September 2009 from £15,000 to £80,000.

Please note that if you fail to complete the Annual Return, CITB has the right to inspect emoluments for up to five years or from the initial date of registration if less than five years and a levy can be collected for that entire period if it is found to be due.

As a result of the introduction in April 2007 of the new HM Revenue & Customs (HMRC) CIS Scheme you are advised to keep copies of any monthly returns made as CITB is required by law to examine these.

You are asked to note that, for the purposes of interpretation the term "business" is deemed to include limited companies, partnerships, Limited Liability Partnerships, sole traders or any other persons involved in any commercial enterprise or activity within construction as defined in the Industrial Training (NI) Order 1984.

### Definitions

**Emoluments** are gross wages paid in the relevant tax year to PAYE and labour only subcontractors.

**Working Directors** are directors who make executive decisions and are on hand in the Board Room, and take an active part in decision making and are involved in the day to day running of the business.

**Establishment** is a construction operation which is based in Northern Ireland for a period of 27 or more weeks in the base period.

# Answers to Our Frequently Asked Questions

## Q1 Why am I registered with CITB?

**A** You are required to register if you are an employer in the construction industry in Northern Ireland and working for 27 or more weeks in the current training year.

## Q2 How do I de-register with CITB?

**A** You cannot de-register with CITB unless you cease trading or your main activity changes and falls outside the scope of the legislation.

## Q3 I have received an Annual Return form, how do I complete it?

**A** Please use these guidance notes provided with the form which will explain what is required. Alternatively, please contact us and we can talk you through it.

## Q4 What figures do you require on my Annual Return form?

**A** You must give the gross amount paid to all PAYE including working directors and any bonuses paid. You must also give us the gross figures for labour only subcontractors. Emoluments for work outside Northern Ireland should not be included. Also emoluments for administration and support staff supporting activities outside Northern Ireland should not be included. If work is in both Northern Ireland and the Republic of Ireland, emoluments should be apportioned between these areas.

## Q5 How and when is levy calculated?

**A** By multiplying the levy rate of 0.65% by the total emoluments for the year. Usually in 2 instalments October & February or, if option taken October & April.

## Q6 What is the Option?

**A** The Option is when levy is calculated on the current tax year figures i.e. April 2009/10. You would only take the Option if your emoluments were going to be less in the current tax year than in the previous year or if it your first year of trade and you wish to avail of the grants. The deadline for receiving Option requests is 14 September 2009 unless it is your first year of trade. **This deadline is strictly adhered to.**

## Q7 What are the benefits of paying a levy?

**A** When you pay levy to CITB, you can claim grant for training and for qualification achievement in many disciplines that will improve the performance of your business. In addition to the financial benefit that CITB grant system provides, you also receive benefits from other CITB activities including training advice and support from your local Regional Adviser, who is available at any time if you need help and guidance; the Mobile Training Unit, which can deliver a range of health and safety training on site free of charge; and specialist training through CITB's training division, TASC.

## Q8 Can I pay by instalments?

**A** Yes. You can elect to pay by direct debit in 10 equal monthly instalments commencing in October and ending in July if you have given CITB actual figures. You must notify CITB before 14 September 2009 if you wish to pay by direct debit. An option to pay by direct debit will be on your Annual Return form.

## Q9 Why is the person I am working for deducting levy from my pay?

**A** CITB is the only body authorised to collect levy but it is a matter between you and your employer what arrangement you have agreed on. It is unlawful for anyone to make a deduction from your emoluments without your consent.

## Q10 Can I get a Levy Payer Certificate to show the main contractor that I am paying levy directly to CITB?

**A** A Levy Payer Certificate can be issued to any levy payer upon request.

## Q11 Do I include VAT?

**A** No. VAT should not be included.

## Q12 Can I pay levy electronically?

**A** Yes. However CITB will not pay any bank charges incurred by this.

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## How do I work out the Levy on Emoluments to Labour Only Subcontractors?

Employers must pay levy on payments to labour only subcontractors as well as on direct employees. The employer must include in the Annual Return the total of all emoluments made for labour only services in the last tax year. This includes emoluments to all firms and individuals, who are not registered with CITB. CITB's annual registered list of levy payers gives the names of all active levy payers. Employers should declare gross emoluments before any deductions (other than pensions) for example, insurance or tax. Employers should not include VAT on the payments.

Under the Industrial Training (Northern Ireland) Order 1984 CITB levies employers in the construction industry. The Order does not give authorisation to employers to levy or make deductions from any amounts paid to a labour only subcontractor or other worker. However, Part VI of the Employment Rights (NI) Order 1996 enables an employer to make a deduction from emoluments of a worker employed by him when:

- the deduction is authorised under the worker's contract, or
- the worker has previously signed in writing his agreement or consent to the making of the deduction.

There have been a number of cases before industrial tribunals about employer deductions of CITB levy. The tribunals have made it clear that the deductions are legal only if the worker has agreed beforehand.

The condition shown above of the Employment Rights (NI) Order applies to deductions made from labour only subcontractors as well as employees on PAYE. You may want to get legal advice about your own circumstances.

Levy rates may change from year to year. CITB will notify the industry about any changes as soon as possible.

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## Pay your Levy the easy way and sign up for CITB's Direct Debit Scheme

CITB is offering all employers the opportunity to pay their levy in 10 monthly Direct Debit instalments. All you need to qualify is to:

- Complete your 2009 CITB Annual Return form before 14 September 2009\* and return to Levy Department, CITB, Nutts Corner Training Centre, 17 Dundrod Road, Crumlin, BT29 4SR.
- Complete the direct debit mandate which is enclosed with the Annual Return and return it to the Levy Department, CITB, Nutts Corner Training Centre, 17 Dundrod Road, Crumlin, BT29 4SR on or before 14 September 2009.

CITB makes no charge for the direct debit service and you will receive notice of how much is payable before any monies are collected from your bank. After you have agreed to pay by Direct Debit instalment, we will do the rest for you. Your levy will be calculated in October 2009 and will be debited from your account in

10 equal instalments commencing in October 2009. CITB can only calculate levy from the information provided on the Annual Return Form.

Direct Debit mandates must be completed annually as CITB can only apply the direct debit scheme to employers who have provided **actual** figures on their 2009 Annual Return Form.

CITB can only collect levy by direct debit for the current training year. If you have previously paid by direct debit and have had a recent adjustment to your account for prior years incurring additional levy, this amount cannot be collected by the current direct debit scheme and payment should be made by cheque.

## Interest Charge

To facilitate the timely recovery of levy for the purpose of investment in training, interest will be charged on all overdue levy raised in the forthcoming training year (Levy Period 45).

With effect from 1 October 2009, interest at a rate of 8% gross per annum will be calculated from the date upon which accounts became overdue (30 days after levy invoice has been raised) up to the date of payment.



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If you need any further clarification or have any queries please contact us on 028 9082 5466.

# Guidance on Completion of 2009 Annual Return

## Part 1 – Main Activity of a Business

CITB is required by law to collect levy from employers who are wholly or mainly engaged in the construction industry in Northern Ireland. Information on your main activity is required to help CITB decide if you have to pay a levy and to assess the training needs of the industry. Main activity is determined by emoluments paid, not turnover.

## Part 2 – Your Details

Please complete in the right hand column any changes to your previous details. These details are all deemed essential and we would encourage you complete all contact details.

## Part 3 – Member of Employer Organisation

We consult regularly with employers' organisations on key issues, including levy rates and thresholds. It is important that you tell us of all the employers' organisations that you belong to. This enables us to ensure that those we consult with represent the majority of our registered employers to measure support for future levy proposals. Be assured we do not pass financial information you give us to employers' organisations.

## Part 4 – Establishment Details

An employer who owns two or more construction establishments may elect to have all establishments assessed as if they were a single establishment. You must advise us in writing if you wish to receive a joint assessment notice.

## Part 5 – Option

Please complete Part 5 if you wish us to calculate your levy using emoluments for the current tax year i.e. the tax year commencing 6 April 2009. **Once an election has been made it cannot be withdrawn or amended.** Employers who elect to have their levy calculated on this basis will be issued Option Forms in October 2009 and April 2010 which must be returned detailing emoluments for the periods 6 April 2009 to 5 October

2009 and 6 October 2009 to 5 April 2010. The Board will issue notices of assessment for each of these periods. It is **not possible to pay your levy by Direct Debit** if you elect to take the Option.

*NB: If you wish to elect for the Option, your completed Annual Return form must be received by CITB no later than **14 September 2009**. CITB will accept a faxed or emailed copy on or before **31 August 2009** as long as the original follows in the post. Applications received after **14 September 2009** will be refused.*

## Part 6 – Number of Employees on PAYE

Please write in Part 6 the average number of employees directly employed during the tax year ended 5 April 2009.

## Part 7 – Payments

### i) Emoluments to be included

You must include the total GROSS emoluments (before deductions) made to all employees (including working directors, administrative, technical and clerical staff as well as operatives) which are taxed under Schedule E. Please refer to your PAYE Deduction Working Sheets (Form P11) or HMRC Year End Returns for this figure. Do not include emoluments relating to pensions or catering staff. You are advised to keep records of all emoluments included in this calculation, as we are required by law to examine them.

### (ii) Emoluments to be included – labour only subcontractors

You must include the total GROSS emoluments (before deductions) made to labour only subcontractors, under labour only agreements plus any emoluments made to employment agencies for labour. Do not include VAT. If you employ labour only subcontractors who are not levy payers, you are liable to pay levy on all emoluments made to them. **You are advised to keep records of all of all payments included in this calculation as we are required by law to examine them.**

### (iii) Emoluments to be excluded

**Do not include emoluments to labour only subcontractors who are themselves levy payers.** The CITB Alphabetical Listing contains all levy payers registered in Northern Ireland.

**Please refer to this list when making your calculations.** Employers registered after the date of publication may apply for a certificate of registration. If you have excluded employers who have produced a certificate we advise that you keep a copy for your records.

Do not include emoluments relating to administration or support staff working in Northern Ireland but who only support activities outside Northern Ireland. You are advised to keep records of all payments included in this calculation as we are required by law to examine them.

Do not include pensions or emoluments relating to any catering staff.

## Part 8 – Accountant Details

Please complete this section with details of your accountant.

## Part 9 – Direct Debit Payments

If you wish to pay your levy in 10 equal monthly instalments please tick this section and refer to Page 6 for further details. Please note that if you are audited during the year and the amount of levy due changes, you will receive a revised schedule of payments prior to CITB collecting the next instalment of levy. Additional levy for prior years can **not** be collected by Direct Debit. Payment by Direct Debit can only be made if you have provided CITB with actual figures for the current year. Direct Debit payments must be applied for annually.

## Part 10 – Registration

If you believe that someone should be on the list of Levy Payers and isn't, please provide full names and addresses in this section. Please remember, CITB can only register someone who is an employer, in the construction industry in Northern Ireland and who pays out more than £80,000 in emoluments. **You should not exclude a labour only subcontractor from your Return to CITB unless you are certain they are a levy payer.**

## Part 11 – Declaration

Please ensure that all information supplied on this form is correct to the best of your knowledge and signed by someone in authority within your establishment.

## Queries

If you have any difficulty completing this form, please contact us on (028) 9082 5466 or Email [levy@citbni.org.uk](mailto:levy@citbni.org.uk).

## CITB Website

CITB's website has recently been upgraded to allow firms to file their Annual Return online. We would encourage all firms to use this facility. Please visit our website at [www.citbni.org.uk](http://www.citbni.org.uk).