
STATUTORY INSTRUMENTS

2003 No. 2682

The Income Tax (Pay As You Earn) Regulations 2003

PART 6

PAYE SETTLEMENT AGREEMENTS

Variation and cancellation of PSA

Variation of PSA

113.—(1) The Inland Revenue and the employer may, by agreement and consistently with the provisions of this Part, vary the terms of a PSA entered into by them.

(2) The agreement must be—

- (a) in writing, and
- (b) signed and dated by the employer and by the Inland Revenue.

(3) The last date for variation of a PSA is 6th July following the end of the tax year to which it relates.

Cancellation of PSA

114.—(1) The Inland Revenue may cancel a PSA if the employer has seriously or persistently failed—

- (a) to account to the Board of Inland Revenue for sums for which the employer is accountable under the PSA, or otherwise to comply with the terms of the PSA,
- (b) to produce records in accordance with regulation 117 (inspection of PSA records),
- (c) to deduct, or account for, tax in accordance with Parts 3 and 4 (deduction and repayment of tax; payments, returns and information), or
- (d) to deliver returns in accordance with Parts 3 and 4.

(2) Cancellation must be effected by notice to the employer.

(3) A cancellation comes into effect from the date of the notice.

(4) If a PSA is cancelled, this Part does not apply to general earnings—

- (a) to which the cancelled PSA related, and
- (b) which are paid, or (as the case may be) provided or made available, after the employer receives notice of the cancellation.