

Date 3 April 2025
Our Ref SCPAYE1MM

Dear Sir or Madam

Please check you're taxing your security workers correctly

We're writing to private security businesses and others who provide security services.

Criminals operating complex supply-chain frauds are infiltrating security supplies in all sectors. The companies they set up often seem to be legitimate. But they aim to exploit you and your workers, by keeping the tax and National Insurance contributions (NICs) they deduct from workers' pay.

You need to make sure that the right tax and NICs are being deducted, and are paid to us. That way, criminals can't profit at your expense.

If you're not involved in security services, you don't need to read any further.

What you need to do by 2 August 2025

The typical arrangements for security workers are such that HMRC expects they will be employed for tax purposes. As such security workers should ordinarily be on the payroll, with Income Tax and NICs properly accounted for and paid to us. So please take these steps:

- 1 Check to ensure security workers are correctly registered for PAYE and NICs.
- 2 Make sure their pay fully accounts for Income Tax and NICs.
- 3 If other parties provide you with security workers, check who needs to operate PAYE on the workers' earnings. It could be you, or another security company, agency or recruitment company.

To avoid penalties, please act by 2 August 2025 to make sure you're getting your tax right.

If after reading this letter you think you need to make any changes to your earlier tax declarations, you may still be able to make an unprompted disclosure. For more information, go to GOV.UK and search 'CC/FS7a'.

Why you need to get this right

Proper tax compliance is important for workers' overall well-being and job satisfaction. They'll have better job security, fair wages, and access to benefits such as pensions and healthcare.

When companies in the security industry don't meet their tax obligations, they make it easy for dishonest operators to exploit workers with off-record cash payments. If you get your tax and NICs right, these criminals won't prosper at your expense.

More information

For more information on PAYE and payroll for employers, go to GOV.UK and search 'PAYE and payroll for employers'.

For more information on registering a new employee, go to GOV.UK and search 'Tell HMRC about a new employee'.

For more information on employment status, go to GOV.UK and search 'Employment Status Manual'.

For more on supply chain assurance, go to GOV.UK and search:

- '10 things about due diligence: supply chain assurance'
- 'Advice on applying supply chain due diligence principles'.

For more on using agency and temporary workers as part of your supply chain, go to GOV.UK and search 'ESM2039'.

If you need extra support

If your personal circumstances make it difficult for you to deal with us. Please tell us. We'll help in whatever way we can.

For information, go to GOV.UK and search 'get help from HMRC if you need extra support'.

Yours faithfully

HM Revenue and Customs