



WELCOME TO BREEZE CIS

Thank you for your application to register with CIS through Breeze Resources Limited.

Registering for CIS should be a Breeze!

Our aim is to make your transition to Breeze CIS as simple and easy as possible.

Please find enclosed the following documents which should be signed and returned to us to complete your registration :

- Application Form (to confirm your registration details)
- Self Employed Worker Agreement (sign, date and return one whole copy)
- Your original passport or work visa to evidence your right to work in the UK and a document as proof of address.
- Due to the current situation, we can only receive these documents electronically (not by post or in person)
- Please also include a clear photograph of you holding your photo ID in your hand next to your face with your picture clearly visible.

Breeze holds no contractual agreement with regard to your hours worked these are a contractual relationship between you and the sub- contractor or Agency that you have advised to us. You are expected to find your own work and notify us of any new client(s) you decide to work for. As a sub-contractor you should note that we do not withhold payments however if payment is not forthcoming from your client we cannot action a payment to you.

HMRC requires that we deduct and hold CIS tax from each payment we make to you. This tax amount will be posted to HMRC monthly throughout the tax year. As a CIS worker you will be required to complete and submit an annual Self Assessment Tax Return to HMRC – this is your responsibility.

Please be aware that as a registered self-employed individual you are liable for two classes of National Insurance – Class 2 and Class 4. This will be recovered by HMRC along with any applicable PAYE due at the end of the tax year and offsetting the deductions already made for CIS.

Thank you for using Breeze CIS and we look forward to servicing your business over the coming months.

Yours sincerely

Breeze Registration Team!

Breeze Resources Limited
8th Floor, West Wing, 54 Hagley Road
Edgbaston | Birmingham | B16 8PE T: 0121 661 4850
E: enquires@breezeresources.co.uk
Registered in England Company Number: 08004822



CIS APPLICATION FORM



Please sign and complete this form (In Capitals) as soon as possible. Until we have processed your application, you cannot enjoy the benefits of the Breeze CIS product.

Please return this form to the address below by Post or Email with any supporting documents. Breeze Resources Limited, 8th Floor, West Wing, 54 Hagley Road, Edgbaston, Birmingham, B16 8PE

ACCEPTED PROOF OF ID INCLUDES:

- EU member state passport
- EU member ID card

For Non EU Nationals:

- A valid copy of your passport countersigned by a professional or manager and endorsed to show your immigration status.
- Biometric residence permits and residence cards (biometric format) copy both sides

ACCEPTED PROOF OF ADDRESS INCLUDES:

- Recent utility bill (dated within the last 3 months)
- Recent bank statement (dated within the last 3 months)
- Recent HMRC Tax Demand (dated within the last 3 months)
- Current UK driving licence (but only if not used for the name evidence)

ACCEPTED PROOF OF NATIONAL INSURANCE INCLUDES:

- National Insurance card
- Tax Office letter

If you don't have the document on your computer:

1. Take photo of the document on your camera phone
2. Email it to yourself
3. Save it to your computer (e.g: desktop)
4. Attach.

Personal Details

Title: First Name: Middle Name(s):

Surname:

Address:

Postcode: Contact No (mobile or home):

Email:

Date of Birth: National Insurance Number:

Nationality:

Bank Details

Bank:

Address:

Postcode:

Sort Code: Account Number:

Building Society Reference Number:

Name of Account Holder(s):

Agency Contact

Agency Name: Email:
Contact (Inc.. Surname): Phone:

Tax Registration Details

UTR (Unique Tax Reference Number):

Note: You have an obligation to register as Self Employed with HMRC within 3 months of commencing work in a self-employed capacity. Details of the registration process are available on our website or by directly contacting HMRC.

Emergency Contact

Name: Phone:
Address:
Relationship to you:

Proof of Identity - Documents to be provided by ALL applicants (please tick relevant boxes)

We are required by law to verify your ID and to retain the data for our records. You must attach a copy of one of the following:

EU member state passport EU member ID card Non EU national

Proof of National Insurance (please tick relevant box)

National Insurance card Tax Office letter

(Non EU national - a valid copy of your passport countersigned by a professional or manager and endorsed to show your immigration status)

And ONE from the following to confirm your address: (Please tick relevant box)

Recent utility bill (dated within the last 3 months) Recent bank statement (dated within the last 3 months)
Recent HMRC Tax demand (dated within the last 3 months)

Declaration

"I declare that the information I have provided is correct and understand that it is my responsibility to inform Breeze Resources of any changes to my personal, bank or agency details as soon as possible. I also understand that if I have provided details that relate to an account not held in my name, e.g. Spouse, and the relationship between the account holder and myself breaks down, Breeze Resources cannot be held responsible for any payments to the nominated account. I also agree to the terms and conditions set out in the Contract of Employment. I also acknowledge that the management of my tax submission and tax affairs is my personal responsibility."

Signed: Print Name:
Date:



TERMS OF ENGAGEMENT - SUB CONTRACTOR (CONTRACT FOR SERVICES)

NB : For use with Self-Employed Contractors ONLY

Parties to the Contract:

The "Company" Breeze Resources Limited, 8th Floor, West Wing, 54 Hagley Road, Edgbaston, Birmingham B16 8PE (registered company no. 08004822 The "Sub-Contractor" means [name and address of Sub-contractor] supplied by the Company to provide services to the Hirer;

1. DEFINITIONS AND INTERPRETATION

1.1. In these Terms the following definitions apply:

"Assignment"
delivery of the Services as agreed between the Company and the Sub-contractor

"Rate of Payment"
means, the agreed rate of pay agreed either verbally or in writing for the provision of the services payable weekly in arrears, subject to Deductions and any Agreed Deductions;

"Agreed Deductions"
means any deductions the Sub-contractor has agreed can be made from sums due in relation to services performed;

"Deductions"
means any deduction(s) which the Company may be required by law to make

"Hirer"
The Company's Client

"Losses"
means all losses, liabilities, damages, costs, expenses whether direct, indirect, special or consequential (including, without limitation, any economic loss or other loss of profits, business or goodwill, management time and reasonable legal fees) and charges, including such items arising out of or resulting from actions, proceedings, claims and damages; and "Loss" shall be construed accordingly.

"Services"
Specialist skills which the sub-contractor possesses which are of benefit to the Contractor.

"Type of Work"
The supply of Construction and Construction related services.

1.2. Unless the context otherwise requires, references to the singular include the plural and references to the masculine include the feminine and vice versa.

1.3. The headings contained in these Terms are for convenience only and do not affect their interpretation.

1.4. Any reference, express or implied, to an enactment includes a reference to that enactment as from time to time amended, modified, extended, re-enacted, replaced or applied by or under any other enactment (whether before or after the date of these Terms) and all subordinate legislation made (before or after these Terms) under it from time to time.

1.5. Should either party fail to apply or enforce any rights under this contract for whatever reason this shall not be construed by either party as acceptance of breach of contract and both parties shall retain the right to apply or enforce the terms of the contract

1.6. If any of the provisions of these Terms shall be determined by any competent authority to be unenforceable to any extent, such provision shall, to that extent, be severed from the remaining Terms, which shall continue to be valid to the fullest extent permitted by applicable laws.

1.7. All notices which are required to be given in accordance with these Terms shall be in writing and may be delivered personally or by first class prepaid post to the registered office of the party upon whom the notice is to be served or any other address that the party has notified the other party in writing, by email or facsimile transmission. Any such notice shall be deemed to have been served: if by hand when delivered; if by first class post 48 hours following posting; and if by email or facsimile transmission, when that email or facsimile is sent.

1.8. These Terms are governed by the law of England & Wales and are subject to the exclusive jurisdiction of the Courts of England & Wales.

2. THE CONTRACT

2.1. These Terms together with any verbal agreements made between the parties regarding the Sub-contractors rate of pay constitute the entire agreement between the Company and the Sub-contractor for the supply of services to the Company and shall apply at all times to the Sub-contractor's performance of the Services.

2.2. These Terms shall prevail over any other terms put forward by the Sub-contractor.

2.3. During the supply of the Service the Sub-contractor will be engaged under a contract for services by the Company on these Terms. For the avoidance of doubt the Sub-contractor shall not, under any circumstances, hold himself out as representing the Contractor other than in the context of a Sub-contractor. The Sub-contractor shall at all times present him/herself as a self-employed Sub-contractor and nothing in these Terms shall give rise to a contract of employment between the Company and the Sub-contractor and nothing in these Terms shall be construed as giving the Sub-contractor rights in addition to those provided by statute (if any) except where expressly stated.

2.4. Nothing in these terms shall render the Sub-contractor an employee, servant or worker of the Company. In the event that any person should seek to establish any liability or obligation upon the Company on the grounds that the Sub-contractor is an



employee or worker of the Company, the Sub-contractor shall upon demand indemnify the Company and keep it indemnified in respect of any such liability or obligation and any related losses which the Company shall incur.

2.5. The Sub-contractor being a self employed individual shall decide when and how it will provide services to the Company and, subject to complying with any reasonable operational requirements of the Company, he/she will have the flexibility to determine how such services will be provided. The Sub-contractor shall always have regard to project deadlines, health and safety or other site specific restrictions at all times whilst performing the Services.

3. SERVICE PROVISION

3.1. The Company shall be under no obligation to make work available to the Sub-contractor.

3.2. The Sub-contractor shall not be obliged to accept any Assignment offered by the Company.

3.3. Both parties acknowledge that there is no intention to create mutuality of obligations during any Assignment or between Assignments.

3.4. The Sub-contractor acknowledges that the nature of Self-Employed work means that there may be periods when no suitable assignments are available and agrees that:

3.4.1. The suitability of the work to be offered shall be determined solely by the Company; and

3.4.2. The Company shall incur no liability to the Sub-contractor should it fail to offer Assignments of any type.

3.5 The Sub-contractor shall not be obliged to perform the Services personally.

3.6 The Sub-contractor may engage and or provide a substitute or hired assistant to perform the Services on their behalf.

3.7 The Sub-contractor will ensure that he/she or any person or any substitute performing the Services on their behalf shall at all times perform the Services in a professional and workmanlike manner and using reasonable skill and care and shall ensure that anyone performing the Services is adequately skilled and trained for the task.

3.8 The Contractor reserves the right to reject provision of a substitute or assistant at any time if in the reasonable opinion of the Company they appear to lack the required skills necessary to perform the Services.

3.9 The Sub-contractor shall be responsible for the remuneration of any substitute or assistant provided to perform the Services and the Contractor shall not have any liability or responsibility in this regard.

3.10 As a Self-employed individual providing the Services in business on their own account the Sub-contractor confirms:

3.10.1 They have no entitlement to holiday pay, sick pay, SSP, SMP, any other statutory entitlements or any other payment in respect of the Sub-contractors absence from work

3.10.2 They are not subject to or governed under any grievance or disciplinary policies operated by the Company or its Clients.

4. SUB-CONTRACTOR'S OBLIGATIONS

4.1. The Sub-contractor is not obliged to accept any Assignment offered by the Company but if the Sub-contractor does accept an Assignment, during every Assignment and afterwards where appropriate, s/he will:

4.1.1. Observe any relevant rules and regulations of the Company or the Company's client's establishment (including normal hours of work) to which attention has been drawn or which the Sub-contractor might reasonably be expected to ascertain;

4.1.2. Take all reasonable steps to safeguard his or her own

health and safety and that of any other person who may be present or be affected by his or her actions on the Assignment and comply with the Health and Safety and/or security policies and procedures of the Company or its Client;

4.1.3. Not engage in any conduct detrimental to the interests of the Company which includes any conduct which could bring the Company into disrepute and/or which results in the loss of custom or business by either the Company or the Company's Clients;

4.1.4. Not commit any act or omission constituting unlawful discrimination against or harassment of any member of the Company's staff;

4.1.5. Not at any time divulge to any person, nor use for his or her own or any other person's benefit, any Confidential Information relating to the Company its employees, business affairs, transactions or finances;

4.1.6. On completion of the Assignment or at any time when requested by the Company, return to the Company, any Hirer property or items provided to the Sub-contractor in connection with or for the purpose of the Assignment, including, but not limited to any equipment, materials, documents, swipe cards or ID cards, uniforms, personal protective equipment or clothing.

4.2. If, either before or during the course of an Assignment, the Sub-contractor becomes aware of any reason why s/he may not be suitable for an Assignment, s/he shall notify the Company without delay.

4.3. The Sub-contractor acknowledges that any breach of his/her obligations set out in this clause may cause the Company to suffer Loss and that the Company reserves the right to recover such Losses from the Sub-contractor.

4.4. The Sub-contract shall provide the Services on a non-exclusive basis and is at full liberty to provide Services to other Companies and or Clients at any time.

4.5. The Sub-contractor is responsible for:

4.5.1. Correcting any defective work caused by his/her actions or those of any substitute that they may use at their own expense and without entitlement to further payment.

4.5.2. His/her or their substitutes own tools and equipment (including the maintenance and provision of adequate health and safety and / or security items)

4.5.3. Any and all travel and subsistence costs incurred in connection with the Services unless specifically agreed, in writing, with the Company.

4.5.4. Provision and maintenance of necessary insurances in relation to public or employers liability during performance of the contract.

5. INVOICES

5.1. The Sub-contractor shall provide appropriate cost details in respect to Services provided as requested by the Company.

5.2. The Company shall verify the Services delivered and subject to approval payment for sums due shall be made within 7 days of approval of the Services delivered.

6. PAYMENT FOR SERVICES

6.1 The Company shall pay to the Sub-contractor the agreed Rate of Pay subject to the Sub-contractors performance of the Services.

6.2 The parties shall negotiate and agree the Rate of Pay for the agreed Services between them from time to time with such rate agreed in writing.

6.3 Where the Sub-contractor is prevented from performing the Services for any reason whatsoever then he/she shall have no entitlement to payment under any circumstances.

6.4 All payments due under this contract are contingent upon the Contractor having been paid, in full, by its client for the Services provided.

6.5 The Company reserves the right to withhold sums, at its own discretion, from any sums due to the Sub-contractor:

(a) Until any defective works/Services have been made good to the Company's satisfaction.

(b) For any sums required to reimburse the Company or its client in respect to any costs incurred by the parties as a result of any damage to property or persons as a result of the Sub-contractors or the Sub-contractors representatives actions whilst performing the Services.

6.6 The parties agree that 10.77% of the total payments made under this contract shall represent non-contractual holiday pay and it is further agreed and acknowledged by the parties that such payment of holiday pay under this contract is not a statutory entitlement.

7. TERMINATION

7.1. The Company or the Sub-contractor may terminate the Sub-contractor's Assignment at any time without prior notice or liability and without reason.

7.2. The Sub-contractor acknowledges that the continuation of an Assignment is subject to and conditioned by the continuation of the contract entered into with the Company and its end client.

7.3. In the event that the contract between the Company and the client is terminated for any reason the Assignment shall cease with immediate effect without liability to the Company (save for payment for Services supplied by the Sub-contractor up to the date of termination).

8. TAXATION

8.1 The Sub-contractor acknowledges that it is their responsibility to account correctly for all taxes and National Insurance contributions payable to HMRC.

8.2 The Sub-contractor shall indemnify the Company against any and all costs, included but not limited to, PAYE, National Insurance, Associated fines or penalties in relation to all services provided under Assignments under this contract.

8.3 The Company shall only deduct, as required by law, any CIS deductions as indicated on verification of the Sub-contractors tax status using their UTR number as provided by the Sub-contractor. In the event that Services are outside of CIS scope and no tax status is identified the Company shall pay the Sub-contractor without deduction and the Sub-contractor shall be responsible for accounting to HMRC for all tax and national insurance liabilities.

9. SUB CONTRACTOR ACKNOWLEDGEMENTS

By signing below the Sub-contractor acknowledges:

9.1 They have entered into this contract of their own free will.

9.2 They have been given the opportunity to seek clarification on all terms contained herein.

9.3 They understand the nature and intention of this contract.

9.4 Alternative contract structures were offered but declined.

9.5 They have had the opportunity to seek independent advice on the contract.

9.6 They accept that by operating under a self employed arrangement that such arrangements can result in increased commercial risks.

9.7 Should they have any change in circumstance that renders supply under a self-employed arrangement inappropriate that they shall immediately inform the Company and the contract shall terminate with immediate effect.

**Signed by the Sub-contractor
Please Print Name**

SIGNED
PRINT NAME

Signed Date

--

**Signed on behalf of Breeze Resources Limited
Please Print Name**

SIGNED
PRINT NAME

Signed Date

--



CIS: HEALTH ASSESSMENT QUESTIONNAIRE

The Health and Safety at Work Act 1974 sets out the general duties which companies have towards employees / contractors and members of the public. Part of our duty of care is to confirm and clarify an individual's health status and any professional qualifications that they hold to determining that they are fit and proper to carry out specified assignment. Please complete the following short questionnaire as accurately as possible.

1. Have you ever sustained an accident or injury that we should be aware of in respect to any assignment offered? **YES** **NO**

If yes, please explain in more detail:

2. Have you any medical conditions or disabilities that we should be aware of prior to commencement of any assignment? **YES** **NO**

If yes, please explain in more detail:

3. Have you any fears of phobias (e.g. confined spaces, working at height etc.) that could prevent you from carrying out an assignment? **YES** **NO**

If yes, please explain in more detail:

4. Do you have any allergies or suffer from irritations (e.g. cement dust reactions, lime dust etc.) that could prevent you from carrying out an assignment? **YES** **NO**

If yes, please explain in more detail:

5. Do you require any specialist medical equipment or aids (e.g. hearing aids, glasses, support straps etc.) to carry out an assignment safely? **YES** **NO**

If yes, please explain in more detail:

6. Do you consider yourself fit and able to carry out an assignment safely? **YES** **NO**

If no, please explain in more detail:

7. Is there anything that we should be aware of not mentioned above that could preclude or prevent you from safely and effectively carrying out an assignment? **YES** **NO**

If yes, please explain in more detail:

I can confirm that I have answered all of the above questions truthfully and to the best of my knowledge (including any attachments). I likewise confirm that should I, at some later stage, become affected by any condition, phobia, ailment or allergy that prevents me from carrying out an assignment safely and effectively then I will promptly inform Breeze, my recruitment agency and the end client. I understand that my contract may be reviewed or cancelled as a result of my condition(s).

Signed

Date



CIS: CONSTRUCTION INDUSTRY SCHEME INFO GUIDE



Breeze Resources CIS (Construction Industry Scheme)

is an excellent way for self-employed construction industry contractors to be paid on time, every time, whilst reducing paperwork and administration responsibilities.

This service is only available to workers who are not caught under the new Onshore Intermediaries Legislation. The worker and the client will be required to confirm in writing that the assignment has no direction, supervision or control in respect to the daily work duties.

CIS is the only payment option available to self-employed construction industry workers. The requirements imposed on contractors to be registered with HMRC and to hold a UTR (unique tax reference) has created a system which is secure.

First class service at an affordable price

Our customer service levels, experience, knowledge and fee structure set us apart from our competition. We believe in providing you with a service that exceeds expectations and ensures that you pay less for more.

Our fees are scaled proportionately to your weekly income. We introduced this measure to ensure that you are charged fairly for your hard work.

This pricing structure is unique to the marketplace and is a reflection of our efforts to provide a service that benefits the contractor at every stage,

Weekly fee scales are contained within the registration pack. Maximum fee band is £21 per week.

Contractor benefits of joining Breeze CIS:

- **Reduced paperwork**
- **No waiting 30 days for payments (subject to receipt of payment from Agency)**
- **PLI (Public Liability Insurance) included in fee**
- **Maintain flexibility of being self-employed**
- **CIS tax status verified**
- **Health and safety guidance**
- **Assignment and contractual terms and conditions agreed with the recruitment agency**

Insurance to protect you

We provide Public Liability Insurance as standard and Personal Accident Benefit is available direct from BHSF through our App. Terms available on request.

Registering with our CIS product

If you're not registered as self-employed, you will need to:

- **Contact HMRC to complete a CWF1**
- **Class 2 and 4 NIC are now payable through your Self Assessment**
- **Register under the CIS Scheme at HMRC**

Once you have your UTR number:

1. Complete the registration form and return this to us with copies of your ID. From here, we will create your profile.
2. Once your profile is created, a member of our Customer Support Team will contact you to guide you through your first week's payroll, explaining the process and are available by phone to provide guidance and support whilst working through Breeze.
3. For every week you work, we invoice, provide insurances and collect your funds.
4. We run our payroll every Wednesday. As soon as payroll is complete you will receive an SMS confirmation of your net pay and your payslip is then emailed to you.
5. After deducting our weekly fee, which is scaled proportionately and capped at £21 we make payment to you into your nominated account, with the amount due clearing on Friday.*

Note: *if a Bank Holiday falls on a Friday, we will alert you to your revised pay date and day.

The process for CIS:

1. Contractor registers with HMRC
2. HMRC allocates UTR
3. HMRC allocates tax band 0%, 20% and 30%
4. Contractor works at site and registers with Breeze
5. Agency pays Breeze
6. Breeze confirms status and tax code with HMRC
7. Breeze processes your weekly remittance subject to the tax rate advised by HMRC
8. Contractor is sent a weekly tax certificate
9. HMRC is then sent a monthly summary of all payments made to the contractor

Please note:

- **Public Liability Insurance is included in our weekly fee.**
- **We make all appropriate tax deductions. Dependent upon your status, these deductions will normally be either 0%, 20% or 30% as advised by HMRC**
- **For an additional £3 per week we can provide a comprehensive Personal Accident Benefit cover. (Please contact us or refer to our website for more information)**
- **As a self employed worker your payments are deemed to be fully inclusive of any entitlement to holiday pay or other benefits**

Fees and Arrangements

The following set out the fees and charges appropriate to the support required for administering your business affairs.

- Weekly fee scales are advised in your starter pack. Maximum fee band is £21 per week. This fee is payable for every week in which a payment is made to the self employed contractor.

Insurance:

- **PLI** - as this is an essential part of any business transaction we now include this as part of the weekly fee. Please note you are only covered for the period when you work directly through Breeze.
- **PAB** - a weekly charge of £3 per week shall be payable to Breeze Resources for Personal Accident Benefit cover. Policy documents for both PLI and PAB are available on request.
- Agree to and accept the Contract for Services agreement with Breeze and its total content, terms and conditions.
- Your completed application form will be treated as your application to be paid via your CIS registration by Breeze.
- Should your CIS or contractual arrangements change and you no longer believe you can legitimately provide services as a self-employed contractor you should immediately inform and confirm that any outstanding payments due at that time shall be processed as PAYE payments following deduction of statutory National Insurance contributions and PAYE tax as appropriate.
- All self-employed payments are fully inclusive and any holiday pay is included weekly in your pay calculation and is paid on a weekly basis.
- Breeze may vary its terms and conditions without prior notice, in which case Breeze will make a copy of the revised information pack on request. You will then be bound by the revised terms contained therein. A copy of the latest information pack is available for inspection during office hours at Breeze office and a further copy will be set to you free of charge upon request. In the event that you do not agree to the revised terms, you will instruct Breeze in writing that you require to cease the service in which case Breeze shall have no further obligation to carry out work for you and all insurances arranged and group policies shall cease immediately.



OUR FEES CIS (CONSTRUCTION INDUSTRY SCHEME)

Our fees are scaled proportionately to how much you earn per week. So - the more you earn the more you keep. We introduced this measure to ensure that you are charged fairly for your hard work. With fees ranging from £1.00 to £21.00 per week, you'll receive a net saving at every band!

Our standard fees are simple!

Our standard fees are simple - 10% of your gross payments up to a maximum of £21.00.

Examples:

Gross Income	Fee £	Fee %
£80	£8	10%
£180	£18	10%
£280	£21	7.5%
£380	£21	5.5%
£480	£21	4.3%



TYPES OF WORK AND BUSINESS STRUCTURES COVERED BY CIS

CIS can apply to all types of businesses that work in the construction industry in the UK.

These include:

- Self-employed individuals working as sole traders
- Partnerships
- Companies
- Limited liability partnerships (LLPs)

As well as traditional construction businesses like builders, the scheme can also apply to businesses like:

- Labour agencies and staff bureaux
- Gangmasters - or gang leaders
- Property developers

The types of businesses and organisations that this could apply to include:

- Some large businesses
- Housing associations
- Other 'arms length' management organisations (ALMOs)
- Local authorities
- Government departments
- Other public bodies

If your business is based outside the UK, the CIS still applies if it does work in the UK - or UK territorial waters - that is covered by the scheme.

Businesses or other organisations whose work is covered by the CIS could be contractors, subcontractors, or both.

What are construction operations?

CIS covers construction operations carried out in the UK. The rules of the scheme define the types of work that are classed as construction operations. But as a general rule, the scheme includes almost any work that's done to a:

- Permanent building
- Temporary structure
- Civil engineering work or installation

Some examples of the types of construction work that are covered by the scheme include jobs like:

- Site preparation
- General construction - bricklaying, roofing, plastering and so on
- Alterations and extensions
- Repairs and refurbishment
- Decorating
- Dismantling work
- Demolition

The scheme defines 'construction' as a term with a broad meaning that includes:

- Building things
- Making things
- Putting things together
- Assembling things

So, construction work includes, for example, assembling prefabricated units and site facilities that have been made off-site.

Work that can sometimes be construction work:

There are some types of work that aren't automatically treated as construction operations, but can be in certain situations. For example, tree planting and landscaping aren't construction operations if they're part of estate management or forestry work. But HMRC would treat them as work that's covered by the CIS if they were done in the course of building a new housing development.

Contracts with some construction work and some non-construction work:

If you get a single contract that covers several tasks but only some of them are construction operations, HMRC will treat the whole contract as coming under the CIS. They will do this even if you put the different tasks on separate invoices.

Businesses, individuals and work not covered by the CIS:

Businesses which do not include construction operations aren't covered by the CIS rules as long as they spend less than £1 million a year on construction work.

Property investment businesses - but not property developers - aren't covered by the CIS as long as they spend less than £1 million a year on construction operations. Property investors buy properties to let out - or to make money when they sell them on.

Private householders who get construction work done on their own property - or have a new house built for themselves - aren't CIS contractors.

Own build - construction work on a business' own property:

If your business is a deemed contractor and it pays for construction work on a property that it uses itself, these payments aren't covered by the CIS. This would apply to work done on a property that's used by:

- **Your business for its own purposes**
- **Another company in the same group**
- **Another company in which your company owns at least 50 per cent of the shares**

But doesn't apply to property that's:

- **Let commercially to others**
- **Up for sale or let**
- **Held as an investment**

If all of the £1 million plus your business spends each year relates to its own property, you can ask HMRC to de-register you from the CIS. You can call HMRC's CIS Helpline.

This rule doesn't apply to deemed contractors that aren't businesses - like local authorities and government departments

Charities and schools:

Charities don't have to apply to the CIS to payments they make for construction work. But this doesn't apply to their trading arms.

The CIS rules don't apply to payments for construction work made by the headteachers and governing bodies of maintained and voluntary aided schools on behalf of the local authority.

Services provided on the construction site:

Providing services for workers on a construction site isn't a construction operation. Neither is the provision of facilities needed for operating the site. Some examples include:

- **Workers' canteens**
- **Workers' hostels**
- **Temporary offices for site workers**
- **Temporary toilets and showers for workers**
- **Medical facilities**

- **Safety services**

- **Security patrols**

Other construction-related tasks that are never construction operations:

Some jobs are specifically excluded from the CIS. They include:

- **Professional work, like architects' services**
- **Scaffolding hire - with no labour**
- **Fire alarm installation**
- **Carpet fitting**
- **Manufacturing things like windows, blinds and shutters off-site**
- **Making and putting up signs**
- **Delivering materials**

When are you a subcontractor under CIS?

CIS uses its own special definition of the term subcontractor. So even if you don't normally think of yourself as a subcontractor, you could be treated as one under CIS.

Under the rules of CIS, you're a subcontractor if you agree to do construction work for a contractor. It doesn't matter how you actually carry out the work - you could do it yourself, get your employees to do it, use your own subcontractors or make some other arrangement.

Subcontractors can be self-employed individuals, any type of business, or other bodies and organisations. Some examples of construction industry subcontractors include:

- **Sole traders, partnerships and companies that do construction work for contractors**
- **Labour agencies and staff bureaux that use their own workers to do construction work for a contractor - or that supply (but not just introduce) workers to a contractor**
- **Gang leaders who contract to do work for a contractor and are paid for the work done by their gang**
- **Foreign businesses paid to do construction work in the UK, or in UK territorial waters**
- **Local authorities and public bodies that do construction work for someone else**

Labour agencies:

If your business is a labour agency that supplies construction workers to contractors, you're a subcontractor if the workers are contracted to your agency. But if you just introduce the workers to the contractor who then contracts with them directly, you're not a subcontractor.

There are special CIS rules for agency workers in the construction industry.

Gang leaders:

If you're a gang leader and you're paid by contractors for construction work that your gang members do then you're a subcontractor. But if a contractor makes a separate agreement directly with one of your gang members then that gang member becomes the subcontractor,

Local authorities and public bodies:

Local authorities - and their direct services of labour organisations - can be construction industry subcontractors if they do construction work for someone else. Public bodies and their subsidiaries can be subcontractors too.

Are you a subcontractor or employee?

CIS only applies to construction workers who are self-employed - it doesn't cover employees. So if your contract is a 'contract of employment' then you're an employee and CIS doesn't apply to that contract. Instead, you'll pay any tax you owe through PAYE (Pay As You Earn).

Employment status - whether you're self-employed or an employee - is covered by general law. Your own employment status will depend on the terms of each engagement you undertake. It's quite possible to work as a self-employed subcontractor on one contract and then as an employee on the next.

When you're working for someone else, it's important to know whether you're working as a self-employed contractor or as an employee.

When are you both a contractor and a subcontractor?

You may well be a contractor and a subcontractor at the same time. It's quite commonplace for construction businesses to be paid by a contractor for doing construction work, while at the same time paying their own subcontractors to do work for them. When you're being paid by a contractor to do construction work you're a subcontractor and you must follow the CIS rules for subcontractors. When you're paying your own subcontractors you're a contractor and you must follow the CIS rules for contractors.

Situations when CIS doesn't apply:

Certain types of work that are linked to the construction industry aren't covered by the CIS. For example, professional work done by businesses like architects and surveyors isn't covered. Fitting flooring like laminate and vinyl is covered by the scheme, but carpet fitting isn't.

There are some situations when a business or organisation that would normally be a mainstream or deemed contractor may not have to apply the CIS rules for contractors. For example, certain businesses that would otherwise be deemed contractors don't need to apply the scheme when they pay for construction work on property used for the purposes of their own business.

The types of property covered by this exemption include offices, warehouses and nursing homes, as well as other facilities used by the business.

The normal CIS rules for contractors also don't apply when:

- **A deemed contractor pays for a small construction contract of less than £1,000 - excluding materials costs - and has authorisation from HMRC to exempt it.**
- **A contractor pays a subcontractor less than £1,000 - excluding materials costs - to do construction work on the subcontractor's own property - or on any agricultural property where the subcontractor is the tenant - and has authorisation from HMRC to exempt it.**
- **The governing body or head teacher of a local education authority maintained school pays for construction work on behalf of the local education authority.**
- **A charitable body or trust - but not its trading subsidiary - pays for construction work.**

Private householders are never treated as CIS contractors, no matter how much they spend on construction operations.