

Employer FAQs

The following FAQs are related to the two new questions on the 2026 Levy return asking employers to declare the payments they make to Labour Agencies, Umbrella Companies, CIS Payroll Providers and similar organisations.

On the paper Levy Return these are in section 3b and are called box G and H. On the online portal these questions will be in the 'payments' section with subheading 'payments to labour suppliers'

1. Why is CITB asking for this information?

To better understand the employment models being operated by the construction industry and assess the impact of this on CITB Levy payers and the skills system.

2. Will providing these figures affect my Levy Assessment?

The figures we are collecting are for research purposes only and do not affect current Levy liability.

3. Why should I provide this information?

CITB has Secretary of State approval to collect this information and completion of the Levy Return is a statutory requirement.

4. What is CITB using this information for?

It helps us understand how labour is supplied across the construction industry and how different labour models are used.

5. What are labour agency payments?

Labour agency payments are amounts you pay to organisations that supply workers to your business. This includes labour agencies, umbrella companies, CIS payroll providers, and similar labour or payroll intermediaries. CITB are requesting payments you make through the CIS (box G) and outside the CIS (box H)

6. What will happen to my assessment if I don't provide this information?

Your Levy Assessment will be the same whether you use these types of business or not.

7. Which Levy Return does this apply to?

This information is first collected on the 2026 Levy Return, covering payments made between 6 April 2025 and 5 April 2026. It is highly likely we will also be asking for this information on the 2027 Levy Return.

8. Can you define 'similar organisations'?

The reason we refer to '*similar organisations*' is that these types of businesses are known by multiple terms (e.g. contracting and payment services, staffing agencies, CIS payroll service, CIS payment intermediary, CIS payroll bureau, labour/resource providers, labour/payroll

solutions providers). Many of these terms are interchangeable, but it's the service they provide rather than what they are called, which is important.

9. What is Box G?

Box G is the section on the paper levy return and asks for payments made **through** CIS to labour agencies, umbrella companies, CIS payroll providers or similar organisations **with HMRC gross payment status**.

10. What should be included and excluded from Box G:

INCLUDE	EXCLUDE
Payments made through CIS to labour agencies, umbrella companies, CIS payroll providers or similar organisations with gross payment status	Payment to PAYE workers
	Payments to net paid CIS Subcontractors
	Payments made to gross paid CIS subcontractors, who are NOT labour agencies, umbrella companies, CIS payroll providers or similar organisations.
	Payments to off payroll workers, deemed as employed for tax purposes under HMRC IR35 rules
	VAT

11. Where can I find the figure for Box G?

Use HMRC CIS monthly return summaries and filter for payments to labour agencies, umbrella companies and CIS payroll providers with Gross Payment Status for the tax year.

12. Can I just use my total gross paid subcontractor figure?

No, as we only want payments to labour agencies, umbrella companies or CIS payroll providers.

13. What is Box H?

Box H is a section on the paper Levy Return and asks for payments made **outside** the CIS to labour agencies, umbrella companies or similar organisations.

14. What should be included and excluded from Box H:

INCLUDE	EXCLUDE
Payments made outside the CIS to labour agencies, umbrella companies or similar organisations, regardless of activity	Payments to PAYE workers
Agency commission/fees paid for the provision of labour	Payments to off-payroll workers, deemed as employed for tax purposes under HMRC IR35 rules
	Payments for Agency finder's fees / transfer fees
	VAT

15. Where can I find the figure for Box H?

Please use purchase ledger reports (accounts payable/trade creditors) and nominal codes to identify the relevant payments

16. I'm going to find it hard to separate payments to recruitment type businesses for finders' fees (excluded Box H) and payments for workers (included in Box H).

We ask employers to do their best this year, if necessary, include the finder's fee in the declaration. If these payments were ever to be subject to Levy in the future, employers would be made aware in enough time to code these payments separately in their ledgers.

17. We have a massive supplier list I do not know how I can recognise the relevant payments?

It may be obvious by the company name that a business is operating as an agency i.e. ABC Payroll Solutions but this is not always the case. The use of AI **may** help you identify the correct suppliers to declare. During a pilot some employers reported that AI had helped them correctly identify many of their labour agencies. It is up to individual employers to follow their own internal procedures regarding the use of AI.

18. What if a contract includes labour and non-labour services?

To be part of this research this needs to be a contract made specifically to an agency, umbrella company, payroll provider or similar organisation. If so, the payment is likely to be predominantly for labour (workers) however any non-labour elements i.e. commission or fees will need to be included in the total.

19. I have used a recruitment agency to find an employee for me who is now on my payroll. Do I need to include this fee?

No, if the payment you made to the recruitment agency is solely a finder fee, you do not need to declare this.

20. What if we cannot separate recruitment fees from labour supply?

Include the full amount if a breakdown is not available.

21. We use an agency for cleaning. Surely, I don't need to declare those payments?

Yes, please include any payment you make to agencies **regardless of the activity**

22. Why are you asking me to include payments I make to an agency for non-construction activity?

Our aim is to build a comprehensive picture to better understand the full extent of Labour Agencies' usage, including non-construction activities.

23. Do we include PAYE wages or payments to our employees?

No. These are declared in Box A only.

24. What if we outsource payroll for our own employees?

These payments should not be included as they are declared in box A (payments to employees)

25. What if our accounting system doesn't track these suppliers separately?

For Box G (agency payments made gross through CIS) the figures can be obtained from your monthly CIS300 Returns for Box H (agency payments made outside the CIS) please provide your best estimate based on existing reports.

26. Should I include the fees I pay the labour provider?

Yes, because it forms part of the service provided.

27. Where do I go for help?

There is extensive help and support on our website including a 'how to complete your Levy Return' video. You can also call us on 0344 994 4455.

28. Do I need to be accurate with the figures?

Yes. CITB has Secretary of State approval to collect this data, and accurate data is required to provide us with a better understanding of the employment models being operated by the construction industry.

29. Where will this information be stored?

The data will be stored in accordance with the Industrial Training Act 1982, the Data Protection Act 2018 and the UK General Data Protection Regulations, as replaced, amended or updated, as applicable.

30. Has a decision already made to Levy on these payments?

No. CITB only has Secretary of State approval for collection of this data only.

31. Will CITB use this data to identify non-compliance with CIS rules?

CITB is not checking CIS compliance and does not share data with HMRC.