



NHS Widening Access Training scheme – Trainee Clinical Psychologists

Dear Sir or Madam,

I'm writing to update you on the situation regarding tax relief and National Insurance Contributions (NICs) for Trainee Clinical Psychologists (TCPs) on the Widening Access Training scheme.

You will know that HMRC issued an opinion in February 2017 that TCPs did not meet the qualifying conditions for relief from income tax and NICs as part of the scheme. I am now writing to update you following representations received from both individuals and the NHS.

HMRC's opinion remains that TCPs do not meet the qualifying conditions. To make sure the position for TCPs is clear going forward, we have updated our guidance as follows:

TCP courses starting before February 2017

If a TCP course started prior to February 2017, i.e. when the opinion letter from HMRC was issued, the payments they received **should be treated as non-taxable** (but see below regarding NICs), providing all other Widening Access qualifying conditions are met.

When assessing the liability for NICs, the employer should consider the earnings threshold of £15,480 per academic year. If the payments received by the TCP exceed this figure, the full amount is subject to NICs. The appropriate NIC treatment for these TCPs should be administered using the normal payroll systems and processes.

TCP courses starting after February 2017

Any TCP course that started after February 2017 should be subject to income tax and NICs in the normal way as set out in HMRC's opinion letter. This includes those TCPs who started their course in September 2017.

TCP courses starting after 6 April 2013 up to February 2017

For TCP courses which started after 6 April 2013 up to February 2017, payments should be treated as non-taxable providing they satisfy all of the qualifying conditions. The correct treatment should be administered using the normal payroll systems and processes. As explained above, where payments exceed £15,480 per academic year, NICs will be due on the full amount.

TCP courses starting prior to 6 April 2013

HMRC wants to minimise the administrative impact of this directive on NHS Trusts and Boards. In order to do this, where a course started prior to 6 April

APPENDIX



2013 there is no requirement to include these on a schedule. Instead these individuals should be directed to HMRC in the first instance so they can assess whether a refund is due.

Refunds already made

If any refunds relating to WATS courses starting prior to February 2017 have already been made, HMRC will not be seeking to recover the monies.

I hope this clarifies the situation for you.

Gerry Newman
Deputy Director, Live Services (PAYE, SA, National Insurance and
Construction Industry Scheme)