FREE PRINTABLE PACK · APRIL 2026 EVIDENCE CHECKLIST

The April 2026 umbrella evidence file

Who is jointly and severally liable, and a checklist to work through for every umbrella in your chain — HMRC's recommended checks first.

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The position, stated exactly

For payments made on or after 6 April 2026, section 24 of the Finance Act 2026 (inserting sections 61Y to 61Z2 into the Income Tax (Earnings and Pensions) Act 2003, and extended to Class 1 National Insurance by regulations) leaves the umbrella company with the duty to operate PAYE, and makes the relevant party jointly and severally liable with it for the PAYE and National Insurance due.

The relevant party is the recruitment agency that holds the contract with the end client. It is the end client instead where the client contracts with the umbrella directly, or through an agency that is connected to the umbrella or is not resident in the UK.

There is no statutory list of records and no due-diligence defence. HMRC's guidance recommends keeping a record of the checks you make, and names the first four below.

This file covers

Umbrella company ______________________________

Company number ______________________________

Checked by ______________________________

Date checked ______________________________

Next review ______________________________

The checks HMRC recommends you record, per umbrella

- [ ] Payslips and reconciliation statements, obtained from the workers themselves
  They show what the worker was actually paid against what you paid the umbrella.
- [ ] The umbrella is VAT registered and charging VAT
  An umbrella not charging VAT on the full invoice is a warning sign HMRC names.
- [ ] Its details match Companies House
  Name, number, directors and filing history, read rather than glanced at.
- [ ] It holds employer's liability insurance
  A legal requirement for an employer, and one of HMRC's four checks.

Per provider, reviewed at least annually

- [ ] Accreditation certificate and its expiry date
  A baseline, not a substitute for your own checks.
- [ ] The PAYE reference, and which entity in a group operates the payroll
  So you know who is actually paying the tax.
- [ ] The fee in pounds per week or month, not a percentage
  A percentage fee hides what is being taken from the worker.
- [ ] A worked example payslip from assignment rate to net pay
  It shows every employer cost line by line.
- [ ] The indemnity clause, who signed it and when
  An indemnity only helps from a party able to honour it.

Per pay period, per worker

- [ ] Payroll reports that reconcile to your placements and timesheets
  The trail from work done to pay made.
- [ ] Evidence of RTI submissions for your workers
  Shows the payroll was reported to HMRC.
- [ ] Evidence the tax was paid to HMRC
  A submission is not a payment.
- [ ] A payslip trail you could show a worker without asking the provider
  Disputes are answered from your own records.

In the contract

- [ ] Terms that state where responsibility sits and what the provider warrants
  The contract should match the law, not the old position.
- [ ] A right to audit, with a turnaround such as five working days
  "On request" is not a deadline.
- [ ] Notice terms that let you move workers without stranding them
  You need a way out if the checks fail.

Inside your business

- [ ] A one-page map of every provider, worker and route
  Most agencies are surprised by their own answer.
- [ ] A named owner for provider checks, with the review in a calendar
  Checks nobody owns do not happen.
- [ ] A brief for finance on the cash-flow and systems consequences
  Liability for a provider's unpaid tax is a finance risk.

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