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SHINING A LIGHT ON JOINT &  
SEVERAL LIABILITY (SUPPLY  
CHAIN TAX COMPLIANCE)



## THE CHALLENGE

Recent draft legislation proposes the introduction of Joint and Several Liability (JSL) across the temporary labour supply chain. This places increased compliance responsibility on employment businesses, agencies, and pay intermediaries.

Where errors or omissions occur in tax submissions, liability — including penalties and fines — may transfer across the chain. In cases where no umbrella company is involved, risk may extend directly to the end client.

As a result, all parties must be able to proactively demonstrate tax compliance, not merely assume it.

Joint and Several Liability focuses specifically on the accurate and timely calculation, reporting, and payment of:

- Employer tax liabilities (ERs)
- Employee tax liabilities (EEs)
- PAYE
- National Insurance Contributions

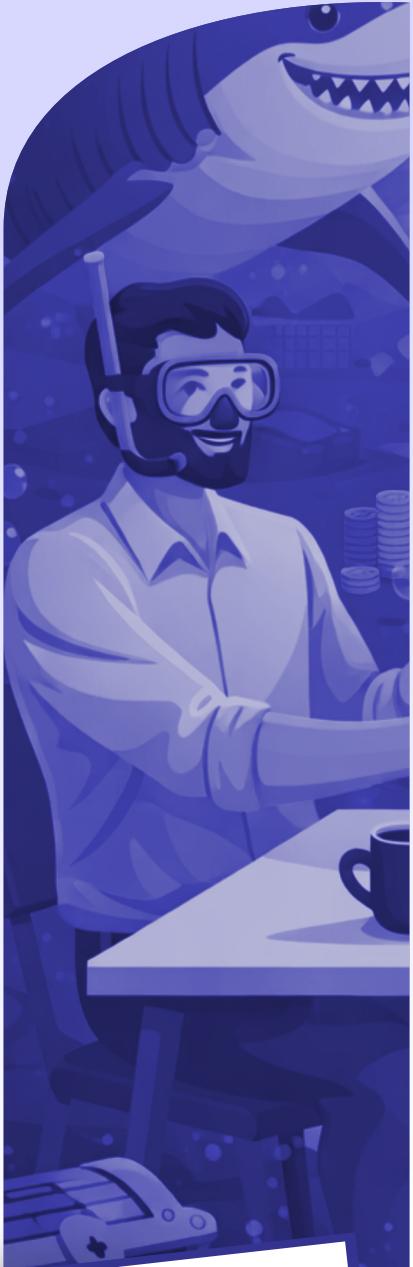
**Transparency is no longer optional.**



### The Four Questions Every Agency Must Answer

1. What is my organisation's liability?
2. Has the liability been calculated correctly?
3. Has the liability been reported correctly to HMRC?
4. Has the liability been paid on time?

Without clear, auditable answers to all four, risk remains.



# THE SOLUTION: LIGHTHOUSE



MADE BY OCTOPAY

Lighthouse is a cloud-based compliance portal designed to provide clear, real-time visibility of worker tax submissions across the supply chain.

It enables agencies to demonstrate compliance confidently to their clients — and their clients' end clients — using verified payroll and HMRC submission data.

## Key benefits include:

- Real-time transparency across tax calculations, submissions, and payments
- Built on Octopaye's proven payroll infrastructure
- Seamless integration with the Octopaye platform
- Flexibility for agencies to submit directly if preferred
- Designed specifically to support HMRC compliance requirements



# HOW LIGHTHOUSE WORKS

## 1. Calculate

Total liability payable to HMRC is calculated within the Octopaye payroll platform and presented via the P32 report.

## 2. Submit

FPS returns are submitted to HMRC through the Octopay API.

An IR-marked receipt is returned as confirmation of successful submission.

### 3. Report

The IR marker confirms that the liability has been reported and received correctly by HMRC.

This status is displayed clearly within the Lighthouse portal.

#### 4. Confirm

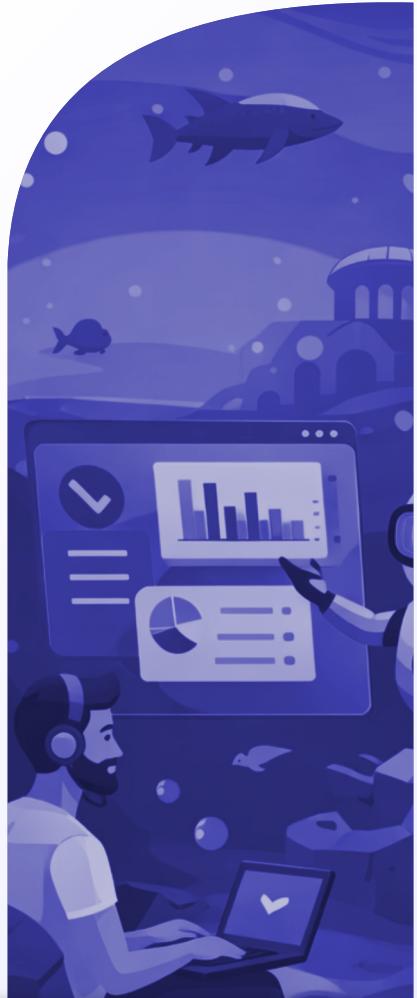
Lighthouse provides a real-time snapshot of the appropriate HMRC account where funds have been received.

Interim solution (pending HMRC API documentation):

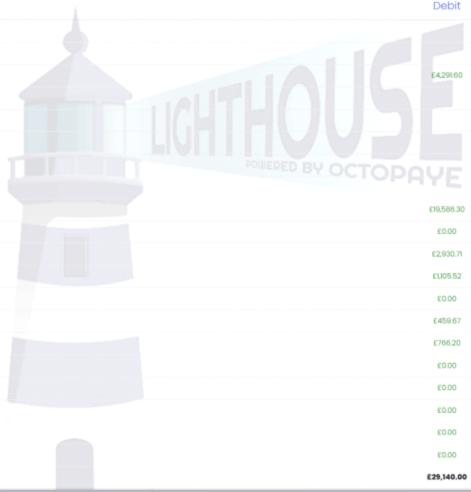
A screenshot of the recipient bank account is uploaded to the portal to evidence accurate receipt of funds.

## Octopaye P32 report:

### The source of detailed liability information

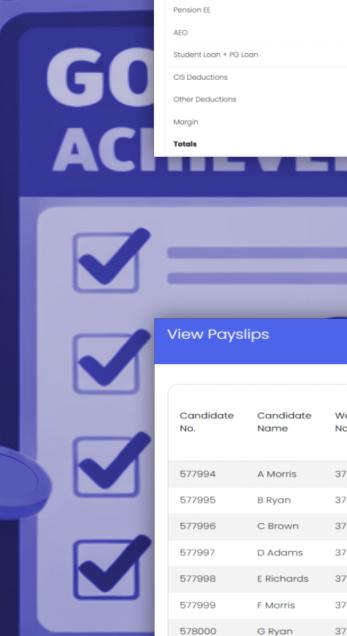


# LIGHTHOUSE REPORT & PAYSLIP DRILL-DOWN.



Totals		Debit	Credit
Detail			
Net Payment From Agency			£21458.00
VAT Received			£4291.60
VAT Paid to HMRC		£4291.60	
Holiday Pay Accrued			£2589.99
Holiday Employment Costs			£0.00
Salary Sacrifice			£0.00
statutory payments			£0.00
Statutory Holiday pay			£0.00
Net Pay		£19,586.30	
App Levy			£0.00
ER's			£2,930.71
EE's			£105.52
PAYE			£0.00
Pension ER			£459.87
Pension EE			£766.20
AEO			£0.00
Student Loan + PG Loan			£0.00
CIS Deductions			£0.00
Other Deductions			£0.00
Margin			£0.00
<b>Totals</b>		<b>£29,140.00</b>	<b>£28,339.59</b>

**Ensuring that tax liabilities have been calculated and reported accurately**



View Payslips													
Candidate No.	Candidate Name	Week No.	Month No.	Net Pay	ER's	EE's	PAYE	Pension ER	Pension EE	AEO	Student Loan + PG Loan	CIS Deductions	Det
577994	A Morris	37		£1295.12	£194.70	£66.54	£0.00	£25.40	£42.34	£0.00	£0.00	£0.00	
577995	B Ryan	37		£1277.28	£193.50	£66.38	£0.00	£25.40	£42.34	£0.00	£0.00	£0.00	
577996	C Brown	37		£1267.48	£192.00	£66.18	£0.00	£25.40	£42.34	£0.00	£0.00	£0.00	
577997	D Adams	37		£1255.72	£190.20	£65.94	£0.00	£25.40	£42.34	£0.00	£0.00	£0.00	
577998	E Richards	37		£1242.00	£188.10	£65.66	£0.00	£25.40	£42.34	£0.00	£0.00	£0.00	
577999	F Morris	37		£1226.32	£185.70	£65.34	£0.00	£25.40	£42.34	£0.00	£0.00	£0.00	
578000	G Ryan	37		£1208.68	£183.00	£64.98	£0.00	£25.40	£42.34	£0.00	£0.00	£0.00	
578001	H Brown	37		£1189.08	£180.00	£64.58	£0.00	£25.40	£42.34	£0.00	£0.00	£0.00	

Lighthouse enables detailed verification that tax liabilities have been:

- Calculated accurately
- Reported correctly
- Submitted successfully

Users can drill down from summary reports to individual payslips, providing clear audit trails where required.

# SUBMISSION CONFIRMATION & EVIDENCE

Real-time updates when FPS submissions are made to HMRC

- Downloadable submission receipts
- Data pulled directly from RTI / FPS history logs

Monthly liability summaries available via dropdown view

Upload of the two most recent HMRC liability and banking transaction images for verification

Totals		
Detail	Debit	Credit
Net Payment From Agency		£2,498.00
VAT Received		£4,598.80
VAT Paid to HMRC	£4,298.80	
Holiday Pay Accrued		£2,589.99
Holiday Employment Costs		£0.00
Salary Sacrifice		£0.00
Statutory Payments		£0.00
Statutory Holiday Pay		£0.00
Net Pay	£16,595.30	
App Levy		£0.00
EEs		£2,030.71
EEs		£0.0532
PAYE		£0.00
Pension DR		£4,648.41
Pension IE		£798.20
AEO		£0.00
Student Loan + PG Loan		£0.00
CIS Deductions		£0.00
Other Deductions		£0.00
Margin		£0.00
<b>Totals</b>	<b>£21,340.00</b>	<b>£28,338.89</b>

Holiday Pay Paid	Holiday Pay Accrued	Status
£0.00	£2,589.99	Submitted to HMRC

[Download HMRC Receipt](#)

[Download HMRC Receipt\(PDF\)](#)

[Show FPS Submitted Data](#)

[Show Payslips](#)



**Month 'x' Liabilities**

PAYE: £100,000  
Employer NI: £50,000  
Employee NI: £10,000

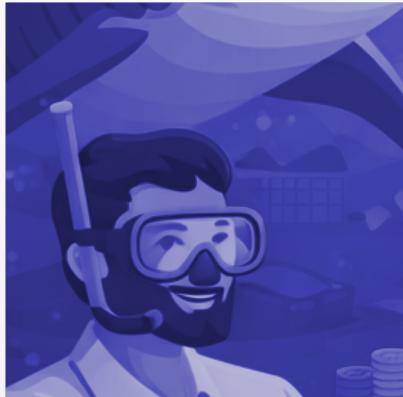
**Latest Submission**

Employee	Comments (From Tax Office Submission) + PAYE Reference
Employee	PFS - Period No 'x'
Submission Type	
Date Sent	20/11/2023, 16:18:01
Date Acknowledged	20/11/2023, 16:18:36
Date Accepted	20/11/2023, 16:18:32
IR Mark	4DX7H0QUCVWMPASLJ46LZEHMBQ

**HMRC Payments**

Payment Completed

Thank you for #12345



HMRC API connectivity will be activated when released.

After industry consultation with the HMRC to champion greater transparency via API, the HMRC have confirmed plans to Umbrella payroll softwares that they will make APIs available in due course.

Upload Bank Transaction

SELECT TAX MONTH

SELECT CLIENT

UPLOAD IMAGE

Upload HMRC Liabilities

SELECT TAX MONTH

SELECT CLIENT

UPLOAD IMAGE

P32 Report

TBC

Tax Period	Income Tax Collected	Student Loan Collected	Employer NI Contrib.	Employee NI Contrib.	Apprenticeship Levy	NI Comprsn. on SMP	SMP YTD	SMP Recovered	NI Comprsn. on SPP	SPP YTD	SPP Recovered	ASPP Recovered	NI Comprsn. on ASPP	SAP Recovered
Month 1	£127.00	£0.00	£235.12	£43.72	£13.80	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00
Week 1	£485.85	£0.13	£158.00	£200.95	£61.59	£11.00	£0.85	£0.54	£23.14	£0.45	£0.89	£0.93	£5.74	£0.00
Week 1-2	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00
Week 1-4	£0.00	£0.00	£31.06	£0.00	£4.72	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00
Week 2	£2,774.02	£0.00	£194.00	£2,296.82	£822.07	£94.69	£172.21	£187.18	£172.21	£0.00	£0.00	£0.00	£0.00	£0.00
Week 3	£8,798.80	£215.00	£20,977.03	£7,305.33	£788.13	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00
Week 3-4	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00
Week 4	£19,948.80	£215.00	£20,609.84	£7,209.78	£770.51	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00
Month Totals	£57,428.75	£782.00	£335,107.08	£93,567.49	£12,513.05	£8,716.44	£8,039.07	£8,039.07	£8,039.07	£0.00	£0.00	£0.00	£0.00	£0.00





**LIGHTHOUSE**  
POWERED BY OCTOPAYE

# LIGHTHOUSE.



Built on Octopaye's proven cloud payroll infrastructure. Designed to deliver clarity, compliance, and confidence.

Arrange a Lighthouse walk through to see compliance visibility in real time.:

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Find Rob on linkedin

