

Employer Liability Reference (ERN) – Information for Policyholders

Why are we asking for additional information?

Insurance companies are subject to regulation by the Financial Conduct Authority (FCA). New rules have been introduced by the FCA which require insurers and brokers to collect additional information from their clients who are insured for Employers' Liability (EL), including their Employer Reference Number (ERN).

The information will be included in a register managed by the Employers' Liability Tracing Office (ELTO), which is an independent industry body recognised by the FCA, comprising members who are EL insurers.

This information will be used by employees to help trace their former employer's EL insurer should they need to make a claim for illness or injury at work.

What is an ERN?

Every organisation operating a PAYE Scheme is allocated an ERN. This is the reference number provided by HM Revenue and Customs (HMRC) under which the employees' income tax and NI contributions are recorded. The number is unique to the business. The ERN is also commonly referred to as 'Employer PAYE Reference'.

Why are we collecting policyholders' ERN?

An employer's ERN is unique to it and this is why it has been adopted by ELTO as the most effective identifier available. The ERN will be used as a unique reference which will enable claimants and their representatives to search more effectively for the EL insurer concerned.

This will ensure that more claimants can find their insurer, particularly where their previous employer has ceased trading and there is no other point of reference.

When is an employer ERN exempt?

In all cases where PAYE is operated, an ERN is allocated to the employer and the ERN applies to all UK businesses employing one or more people. A minority of employers do not have an ERN, including those that:

- Pay all employees below the Lower Earnings Limit, none of the employees has another job, and none of the employees is in receipt of a state or occupational pension or other employee benefits, or;
- Are registered in the Isle of Man, or the Channel Islands (these have no tax presence in the UK).

Where can you find an employers' ERN?

The ERN can be obtained from mandatory HMRC documentation, including P45, P60, P11/D and most payslips. A potential claimant might not always have this information so from April 2012, HMRC will include ERN when responding to employee requests for their employment history schedule.

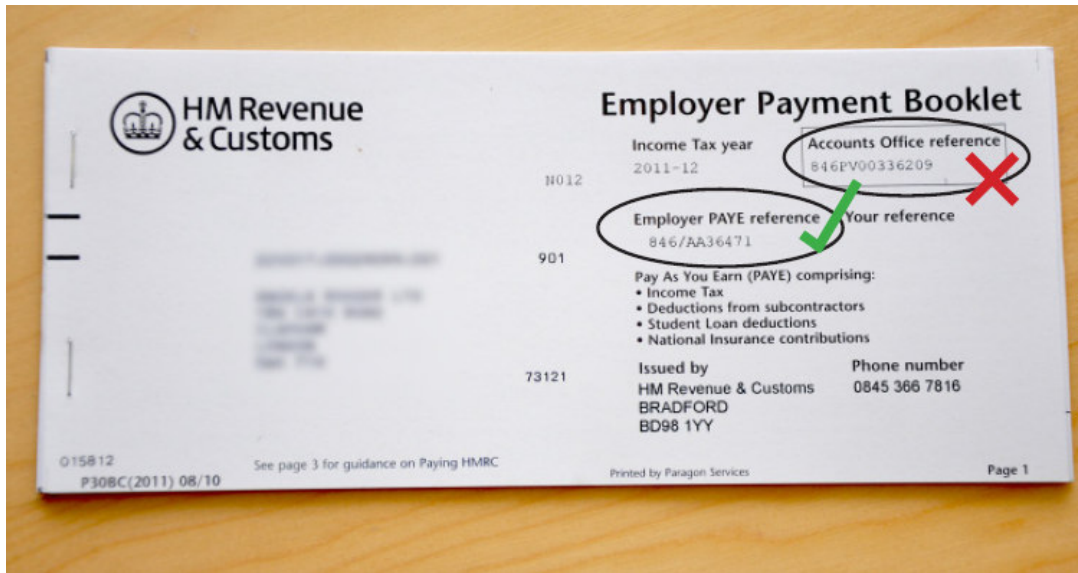
What does the ERN look like?

Numbers allocated since 2001 will mostly have a format of NNN/Aznnnnn – (NNN is the 3 digit number for the Tax Office catchment area / Aznnnnn is the ERN, Az being alpha, nnnnn being numeric). In the majority of cases, numbers issued prior to 2001 will have a format of NNN/Annnnn.

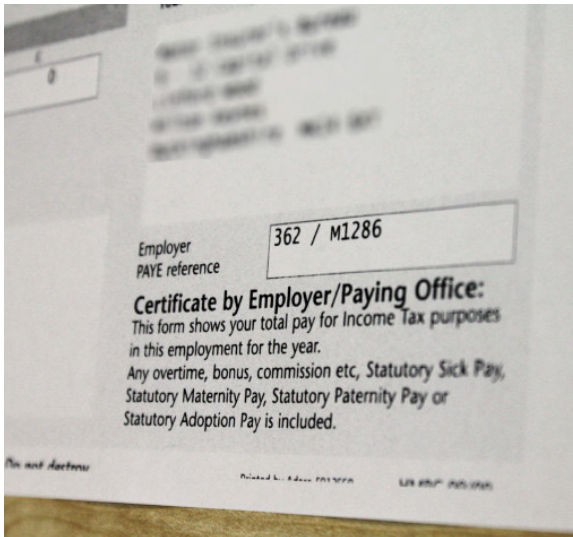
(It is however important to remember that there are exceptions to the above formats.)

Please see the ERN examples below.

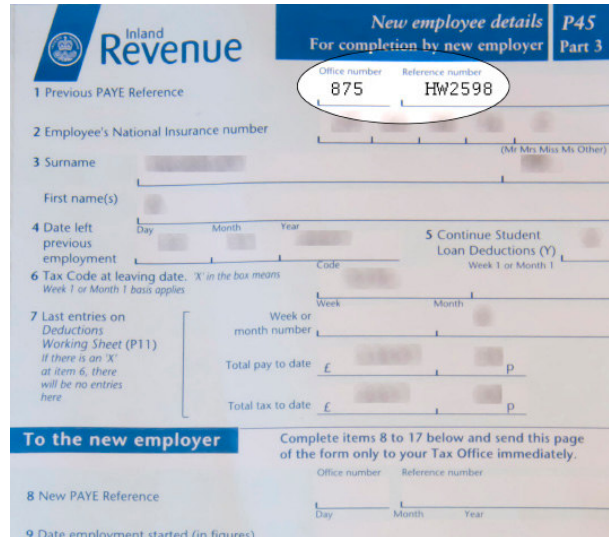
Examples of where to find an ERN



An ERN on an Employer Payment Booklet.
 (The ERN is not to be confused with the employers Accounts Office reference number, which is issued to them by HMRC at the same time.)



An example of ERN format on a P60 form



An example of ERN format on a P45 form