

# Notes for Production Accountants

## **National Insurance**

Whoever is employing the crew will be liable to pay Class 1 National Insurance Contributions in either the UK for employees from the UK, or the Isle of Man for Manx based employees.

The Isle of Man and UK have a reciprocal agreement over National Insurance. Contribution rates are at present the same in the two countries for the employer only. For employees in the Isle of Man the rate is 10% if they are paying standard A-rate contributions. A-rate contributions are the most common rate of National Insurance to be deducted. However if you are in any doubt as to which rate to use when deducting contributions please contact the Department of Health and Social Security, Contributions Section for advice. A contact name and number is supplied below.

The contributions deducted from an employee's wages will appear on the individual's National Insurance account no matter where they are paid, and will count towards benefit and pension claims they make either in the UK or IOM. Companies engaging IOM workers should deduct National Insurance locally from the beginning of the employment. If a company intends to employ UK workers on the Island for more than 6 months they will be required to register as an employer with the IOM Treasury. For periods of employment shorter than 6 months there is no requirement to register as an employer in the IOM.

The contributions deducted in respect of local workers should be paid to the Department of Health and Social Security by arrangement with a member of Contributions Section staff. For further information please contact Paula Dowson at the DHSS on 01624 685058.

## **Income Tax**

Visiting crew and actors will still pay UK income tax unless the duration of their stay exceeds 120 days. Please call the Income Tax Division General Enquiries line on 01624 685400 or refer to [www.gov.im/treasury/incometax/enquiries](http://www.gov.im/treasury/incometax/enquiries) with any further questions.

## **Local spend**

Typically, an amount equal to 20% of the total budget minus costs identified as above the line expenditure must be spent on local suppliers and services.

Any costs associated with any of the suppliers listed in the "Local Services Directory" can contribute towards local spend. If the Isle of Man company is a registered arm of a UK based company please ensure that all transactions carried out in the Isle of Man are run through the books of the Isle of Man branch of the company.

If there is any uncertainty whether a service provider has a registered Isle of Man company, please contact the Isle of Man Film office on 01624 687173.

Per Diems can be included as local spend for the time spent shooting on the Isle of Man. Recces and prep work on the Isle of Man can also be included if supported by the relevant documentation.

100% of transport costs to and from the Island can also be counted as local spend on the basis that this travel is generating economic activity on the Isle of Man.

## **Local spend audit**

In order to confirm that 20% of the below the line budget has been spent on local service providers on the Isle of Man, an independent audit report should be sent to Isle of Man Film within four weeks of the completion of post production on the film / television project . The report should consist of a covering letter, confirming that the local spend in the Isle of Man equates to 20% of the below the line budget, as well as a detailed list of money spent on the Isle of Man broken down by name of company.