

AI CERTIFICATES FACTSHEET

WHAT ARE AIs AND WHY ARE THEY REQUIRED

The UK left the EU on 31 January 2020 and agreed a Withdrawal Agreement (WA) with the EU to continue to apply EU regulations in specific circumstances.

From 1 January 2021 the UK agreed the Trade and Cooperation Agreement (TCA) with the EU which continues the principal that applicants only pay Social Security in the UK or one EU country at a time. AI Certificates issued under the TCA apply only to EU countries. For Ireland, applicants can be included on an AI if the working pattern is in two or more other EU countries (this includes the UK). If the working pattern is only the UK and Ireland, or only Ireland, then the document that may be issued is a Reciprocal Agreement (RA) Certificate of Coverage (COC).

If the TCA rules apply, then for Iceland, Liechtenstein, Norway, and Switzerland, RA COC AIs may be considered under (RA COC).

With an AI/EI01/RA COC, employees or those registered as self-employed in the UK for National Insurance Contributions (NICs) purposes, can prove that they are covered under UK social insurance legislation. All European Union (EU) and EEA countries, alongside Switzerland use AI/EI01/RA COC.

An AI/EI01/RA COC exempts a self-employed or employed person from having any NIC liabilities in any other EU/EEA Member State, or Switzerland and the holder of the AI/EI01/COC remains liable to the UK scheme for all income generated from self-employed or employed undertakings. This means that NICs will not be deducted at source in another EU/EEA Member State or Switzerland.

In all cases, each case will be assessed on its own merits.

An AI certificate exempts a self-employed or employed person from having any NIC liabilities in any other EU/EEA Member State, or Switzerland and the holder of the AI remains liable to the UK scheme for all income generated from self-employed or employed undertakings. This means that NICs will not be deducted at source in another EU/EEA Member State, or Switzerland.

All musicians are required to have an AI when working in the EU, EEA or Switzerland **as well as management travelling with the orchestra during a tour**. Once issued by HMRC, AI certificates are valid for 2 years and can be used by the musician for work with multiple orchestras.

HOW TO APPLY FOR AN AI

To apply for an AI covering the EU/EEA Member State, or Switzerland you must make an application on form CA8421. This form enables HM Revenue and Customs (HMRC) to determine which member state's social security legislation will apply.

AIs can be applied for either by post (by completing form CA8421) or online. If you make an online application you will be required to register on the gov.uk website and the form can be found [here](#).

When making an application, please assess which application form to use.

HMRC application forms are as follows:

CA8421 – Working in two or more EU/EEA member states and/or Switzerland

This applies to either employed, self-employed or people who are both simultaneously employed and self-employed. Usually, an applicant will only apply for an AI/EI01 for continuing to undertake either their self-employment business or in continuation of their employment with their UK employer.

CA3822 – Employed person working in an ad hoc single EU/EEA country for a one-off period of time.

CA3837 – Self-Employed person working in an ad hoc single EU/EEA country for a one-off period of time.

Members are encouraged to use form CA8421 which will be issued for two years and therefore mean the musician and management staff are covered for any further touring engagements that may occur during that time period.

Confidentially, we have been advised by our key contact at HMRC that, at his discretion, he can extend existing AI certificates that were issued before 31 Dec 2020, to include Iceland, Norway, Switzerland, Liechtenstein, and Ireland under the WA. It is important to extend the new AI from the next day's date from when the previous one expired. i.e., if expiry is 31 May 2021, then apply from 1 June 2021. In this case form CA8421 should be used and it is vital that the ABO are informed as soon as the application has gone through, and reference numbers issued. This is so we can alert HMRC straight away, so our key contact acquires the application before a colleague who would apply TCA rules.

HMRC do not recommend that orchestras apply for AI certificates online as they are not received as a batch of applications once submitted. However, members may find it useful to use the online application process for any last-minute applications they need to make or if your orchestra decides to ask musicians to apply for their own AI certificates.

For any musicians who are applying individually, then either the online or postal process can be used - there is the facility for the covering letter and list of countries required in support of applications to be added as an attachment to the online form.

ADDITIONAL INFORMATION

BEING REGISTERED AS SELF-EMPLOYED FOR NATIONAL INSURANCE PURPOSES

Occasionally HMRC will not be able to immediately issue an AI certificate if an individual is not registered as self-employed for Class 2 National Insurance purposes. This is separate to being registered as self-employed for tax. If this happens the musician will need to call HMRC on **0300 200 3500** to provide some additional personal information including their NI number. Please note that it is not possible for someone else to call on the musician's behalf.

PROCESSING TIMES

HMRC cannot guarantee a minimum processing time for applications, and it is advisable to send in applications as soon as personnel for a tour are confirmed. Several orchestras have now decided to apply for AI certificates for all their members and regular extras who are likely to tour with them, so they already hold certificates in advance.

QUERIES FROM HMRC

If you include contact details in your covering letter, HMRC will contact you if they have any queries on applications submitted and will also contact individuals who apply. **Please respond to HMRC as soon as possible as they will automatically close your application if they do not hear from you within a few days.** Please also remind any musicians that if they are applying for their own certificate, it is important to provide HMRC with any additional information they require as soon as possible. If HMRC do not hear from them, then it is likely a new application will need to be submitted.

CHANGES TO THE APPLICATION PROCESS

As members will be aware, as of June 2021, there was a change made to form CA8421

The recent change relates to the **Type of Employment** section of the form. In answer to the question "Have you ever lived or worked in another country outside of the UK", you should answer/click "Yes" then answer "Contracted performances in multiple member states." When it asks about **Working**

Patterns, “Which country did you work in” then answer, “Various different countries, see covering letter.” It is this letter which now needs to include some additional information to accompany the application forms.

A template letter can be found in the Advice & Factsheet section in the Members Area of the ABO website. **PLEASE REMEMBER TO INCLUDE THE COVERING LETTER AS WITHOUT THIS YOUR APPLICATION WILL BE DECLINED.**

LIST OF COUNTRIES BEING VISITED OVER THE NEXT 2 YEARS

We have also been advised that in the covering letter (for TCA only rules) you should list all the following countries: Austria, Belgium, Bulgaria, Croatia, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Gibraltar, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain and Sweden.

(NB - Ireland is included as it includes two or more other EU countries)

If extending an existing AI as explained above then the list of countries should include Ireland, Norway, Iceland, Switzerland, and Liechtenstein, if the following conditions apply.

When an AI can be issued under the WA?

As long as an applicant was already covered by an AI/EI01 overlapping the dates 31.12.20 / 1.1.21 and there is no gap (more than 30 days) in the previous AI/EI01 end date and the renewal start date, a further AI/EI01 will be issued for all EU/EEA.

Example 1: previous AI/EI01 valid 1.6.19 - 31.5.21 – and the new AI/EI01 starts 1.6.21 – or even 1.7.21 (no more than 30 says)

A new application to start pre-31.12.20

Example 2: 1.12.2020 – 31.7.2024

In the above scenario an AI/EI01 can be issued.

If an applicant does not meet the above condition, they will not be covered under the Withdrawal Agreement (WA) they would be considered under the Trade Cooperation Agreement (TCA) for which an AI/EI01 would be issued under the relevant regulation under TCA as there are no nationality provisions under the TCA.

It is therefore important that there is no gap from the end date of the current/previous certificate and the start date of the new certificate.

Under the RA COC applications for AIs for Ireland, Norway, Iceland, Switzerland, and Liechtenstein, only one country can be included for each application, but see the notes above.

CONTACTING HMRC

Postal applications should be submitted to:

Mark Simons
Key Account Manager
Orchestras and Choirs
International Caseworker Insurability Team – Room BPI 102
PT Operations North East England
HM Revenue & Customs
BX9 1AN

When contacting HMRC by email, members should email the International Caseworker Insurability team inbox at euarticle8832004.icw@hmrc.gov.uk with details of applications they have submitted and any queries they have and members should be aware that access to this email address will be given to our Key Contact at HMRC as well as other colleagues in this team.

HMRC have stated that including a date that you need to receive the applications back by **(and they suggest 2 weeks before the first date of a tour)** helps them with the processing so please do ensure you include this in the letter.

They have also suggested that members let the ABO know when they have submitted applications and we can then let HMRC know to look out for your applications. Information required by ABO is full name, reference number of application and National Insurance number (typed with no gaps eg AB123456C).

Online applications must arrive with HMRC through the inbox address above. Mark Simons is happy to be added but only as Bcc – they must not go directly to Mark bypassing the email address above.

Once you have received your applications back, please do not forget to let the ABO know so we can update our database with these details.

July 2022 The information included in this note is for general information and guidance purposes only and is not a substitute for professional advice for which you should contact HMRC.