



# What is an ERN number (employer PAYE reference number)?

by Sam Bromley

# About Simply Business

We're one of the UK's largest business insurance providers. Since we started life in 2005, we've helped three million small businesses and self-employed people find the protection that's right for them, from builders to bakers and personal trainers (we cover landlords, too).

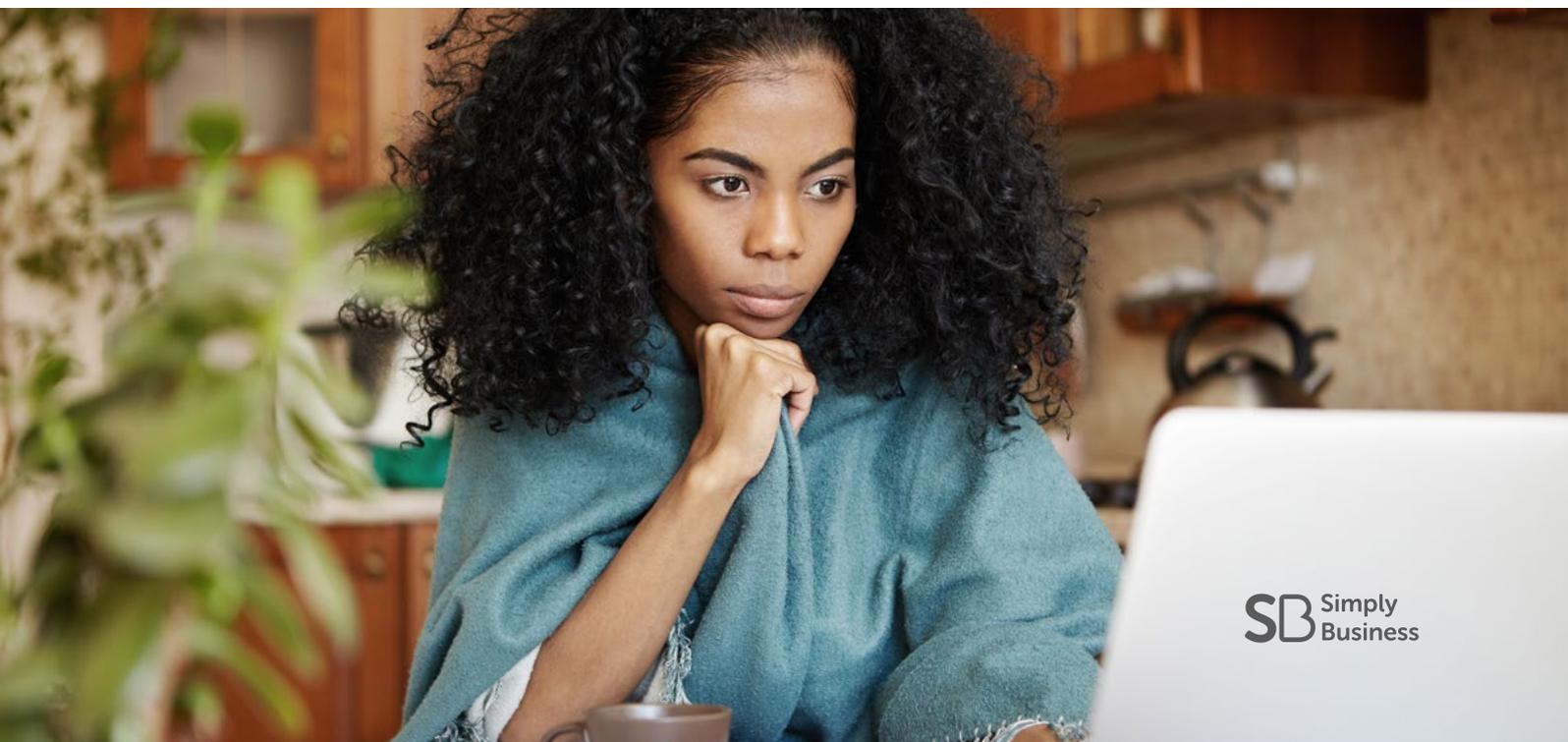
## How does it work?

Answer a few questions about your business and we'll show you quotes from a range of insurers. After you buy, our Northampton-based team will be with you through every step of your cover, whether you have questions about your policy or you need to make a claim.

# A simple guide to ERN

An ERN is an employer reference number, also known as an employer PAYE reference number. It's an important piece of information that you should hold on to after hiring your first employee.

Employers registered with HMRC will end up with lots of reference numbers, which can get confusing, but it's important to keep track of them. And when it comes to [buying employers' liability insurance](#), your employer PAYE reference number is especially important.



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# What is an ERN number?

The ERN number is given to every business that registers with HMRC as an employer. It's a unique set of letters and numbers used by HMRC and others to identify your firm.

This reference is made up of two parts: a three-digit HMRC office number, and a reference number unique to your business. It'll usually look something like **123/A45678** or **123/AB45678** (though there can be exceptions).

## How do I find my employer reference number?

You'll find it in the welcome pack you received when you first registered as an employer with HMRC. Plus, you'll find it on some of your correspondence from them and you should also find it on payslips, P45s, P60s, or P11Ds issued to past or present employees.

## What is a PAYE reference?

It doesn't help that an employer reference number can be called lots of different names. HMRC calls it an **employer PAYE reference number** on their 'Register as an employer' page.

It's usually shortened to **ERN** and is also known simply as an **employer PAYE reference**, but don't be put off by all the different names – **they refer to the same number**.

# When do I need an ERN?

HMRC needs your ERN in a number of different circumstances, including when you complete your end-of-year PAYE return. An invalid or missing ERN is one of the most common reasons end-of-year returns are rejected – you need this number to meet your statutory reporting obligations.

It's also likely that you'll be asked for your ERN by an employee at some point. Employees often need their employer's PAYE reference number when applying for tax credits (or [Universal Credit](#)), applying for student loans, and a few other applications. You may also be required to include it on payslips.

Finally, you need to have your ERN to hand when you buy [employers' liability insurance](#). This is so you can identify the firms an employee has worked at if there's a claim a long time after the event – for example, in the case of mesothelioma claims relating to exposure to asbestos.

# What if I've lost my ERN number?

It's important to keep hold of your employer PAYE reference number, as you'll need it regularly throughout the tax year. If you lose it, you'll be able to find it in letters or emails about PAYE from HMRC. It'll also appear on any P45s or P60s for previous or current employees.

If you don't have any record of your ERN, it may be that you're not registered as an employer. If this is the case, but you're employing or intend to employ someone, you should register as soon as possible. [Read our employment status guide](#) to work out what applies to you.

# Why do I need to give my ERN to my insurer?

The Employers' Liability Tracing Office (ELTO) has set up a database to help employees identify their past employers' insurers, making it easier for them to make an employers' liability claim. You'll therefore need your ERN when you buy [employers' liability insurance](#).

The ERN helps you identify which firms an employee has worked for in case they make a claim against you. Say they develop mesothelioma after exposure to asbestos and claim you're responsible. Using ERNs, it's easy to see where else that employee has worked (and, for the sake of this example, find out they were only exposed to asbestos in their previous job).

## Exceptions to PAYE

You won't have an employer PAYE reference number if you don't have to register under PAYE. You don't have to register for PAYE if:

- your employees are paid as self-employed or paid via an agency
- no employee earns more than the lower earnings limit (£120 a week in 2021-22)
- your employees are unpaid volunteers
- your business is based in the Channel Islands or the Isle of Man

**If you have a Simply Business policy with us, please [submit your employer PAYE reference number \(ERN\)](#) if you haven't already.**

## Related articles

[How to register as self-employed with HMRC](#)

[Going self-employed in the UK: a self-employment guide to get started](#)

[Self Assessment tax returns: a guide for the self-employed](#)

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**Article last updated:** August 2021

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