



**THE INSTITUTE
OF CERTIFIED
BOOKKEEPERS**

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ICB Conference Legislative Update

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Conference 2009
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Attachment of Earnings

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Attachment of Earnings

Scottish Earnings Arrestment Orders

- Expected implementation date April 2010
- Stakeholders consulted September 2009
- Legislation expected to be presented to Ministers October 2009
- IPP submitted a survey response from members who did not oppose the proposals.....

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Attachment of Earnings

Weekly Earning Arrestment Orders

<i>Net Earnings</i>	<i>Deduction</i>
Not Exceeding £95.77	Nil
Exceeding £95.77 but not exceeding £346.15	£19% of earnings exceeding £95.77 or £4 whichever is greater
Exceeding £346.15 but not exceeding £576.92	£47.57 plus 23% of earnings exceeding £346.15
Exceeding £576.92	£100.65 plus 50% of earnings exceeding £576.92

Attachment of Earnings

Monthly Earning Arrestment Orders

<i>Net Earnings</i>	<i>Deduction</i>
Not Exceeding £415	Nil
Exceeding £415 but not exceeding £1,500	19% of monthly earnings exceeding £415 or £15 whichever is greater
Exceeding £1,500 but not exceeding £2,500	£206.15 plus 23% of earnings exceeding £1,500
Exceeding £2,500	£436.15 plus 50% of earnings exceeding £2,500

Attachment of Earnings

Daily Earning Arrestment Orders

<i>Net Earnings</i>	<i>Deduction</i>
Not Exceeding £13.64	Nil
Exceeding £13.64 but not exceeding £49.32	19% of earnings exceeding £13.64 or £0.50 whichever is greater
Exceeding £49.32 but not exceeding £82.19	£6.78 plus 23% of earnings exceeding £49.32
Exceeding £82.19	£14.34 plus 50% of earnings exceeding £82.19

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Attachment of Earnings

CSA

New Developments:

- Web base provider for remittance information
- BACs and single transactions

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Employment Law News

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Employment Law

Age Discrimination

- Heyday Challenge
 - High court ruled UK not breaching Age Discrimination legislation
 - Compulsory retirement age review brought forward to 2010

Employment Law

NMW

- Effective 01 October 2009
 - 22+ £5.80
 - 18 to 21 £4.83
 - 16 to 17 £3.57
 - Accommodation offset rate (Weekly Maximum) £31.57
 - Accommodation offset rate (Daily) £4.51
- The government has accepted a Low Pay Commission recommendation that the main rate should be extended to 21-year-olds. This will be implemented from October 2010.

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Employment Law

NMW

- 1 October 2009
 - Employers will no longer be permitted to include tips as part of the calculation for National Minimum Wage

Employment Law

Agency Workers

- EU Directive for equal treatment
- Temporary staff will have equal rights after 12 weeks
- UK will have max 3 years to transpose the Directive
- Prime Minister announces legislation in coming months
- Government confirmation regulations go live October 2011

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Employment Law

Business Link Tools

- Online tools now available for:
 - Written statement of employment
 - Redundancy calculation
 - Employment check-list

Employment Law

Holiday Pay

- House of Lords rules holiday pay can be accrued while on sick leave
 - Workers who are denied holiday pay while on sick leave can claim to an unemployment tribunal for unauthorised deduction from wages under the Employment Rights Act 1996
 - Employers will be required to top up PHI payments to ensure employees are on full pay while on holiday

Employment Law

Holiday Pay

- ECJ rules on Pereda v Madrid Movilidad SA case
 - Workers can re-claim holiday if sick during their annual leave
 - Self certification rules accepted

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Employment Law

Redundancy Rates

- 1 October £380 per week
 - held until February 2011

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Expenses and Benefits

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Expenses and Benefits

Subsistence Scale rates

- Scale Rates introduced 6th April 2009
 - Breakfast - £5.00 (before 6am)
 - One meal rate - £5.00 (5 hrs)
 - Two meal rate - £10.00 (10 hrs)
 - Late evening meal rate - £15.00 (after 8pm)

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Expenses & Benefits

Payrolling

- HMRC still consulting with stakeholders
- Payrolling trial to take place Jan 2010
- IPP working in partnership with PAS Ltd
- Those already payrolling will be required to submit a return and possibly 2 P11Ds

Expenses & Benefits

Salary Sacrifice

- Government announces the end of tax and NICs relief on childcare vouchers
- Providers join forces to lobby on childcare relief

Expenses & Benefits

Salary Sacrifice

- Cycle to work scheme
 - HMRC confirms no exemption where legislation prevents employees from joining scheme – therefore not deemed available to all

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Membership

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Forms

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Forms

P9

Tax Credits:

- Overpayments of TCs to be coded
- Trial April 2009
 - 5000 individuals volunteered to TC code out
- Under Powers, Deterrents and Safeguards
 - Condoc Repayments and Debt: The Next Stage
 - Proposal suggests recovery of small debt via PAYE

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Forms

SSP1

- SSP1 Exclusion codes
 - E14 09/10
 - New section on what to do if SSP1 does not include the reason for non payment of SSP

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Forms

SSP1

- Hard copy of SSP1 forms available from:

iON Contact Centre
2nd Floor
One City West
Gelderd Road
Leeds
LS12 6NJ

Tel: 0845 850 0475
Fax: 0845 850 0479

Forms

SMP1

- Revised SMP1 Version 09/10
 - HMRC encourage employers to use electronic version
 - E-form ensures correct version

Forms

FMed 3

- Public consultation published May 2009
- Revised form hoped to be introduced in Autumn 2009
- Form is expected to include GP expectation of return to work date
- Once the form has been introduced it is expected that there will be further enhancements to the process

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Online Considerations

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Online Considerations

Carter II

- From 6 April 2009: employers with 50 or more employees must send employee starter and leaver information (forms P45(1), P45(3), P46 and similar pension information) online
- From 6 April 2011: all employers are expected to have to send this information online
- Quality standard checks applied to both paper and online forms
- No plans for mandatory online filing of P11Ds

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Online Considerations

PAYE Desktop Viewer

- New service available 5 October 2009
- Download from HMRC website
- Improved search and record keeping facilities

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PAYE

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PAYE

Employer CD Rom

- You can send HMRC 2009-10 Employer Annual Return online direct from the CD-ROM if:
 - You have registered to use HMRC online services
 - You use the P11 Calculator on the CD-ROM to calculate pay and tax for all your employees.
 - You are using the P11 Calculator for 9 employees or less at 5 April 2010.
 - You transfer your 2009-10 P11 details onto your new 2010 CD-ROM which you will receive in February 2010

PAYE

Tax Changes Budget 2009

- April 2010
 - Three bands 20%, 40% and 50%
 - Personal Allowances Nil over £100K
 - Pensions Tax Relief reduced

PAYE

Student Taxation

- Abolish P38(S)
- Students will have a front loaded tax code
- Consultation to commence shortly
- IPP members will be consulted
- Expected 2011

PAYE Penalties



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PAYE

Penalties

- Late Filing of returns or payment staged approach from April 2010
 - Finance Bill 2009
 - Penalty for employers who make late payments
 - No penalty if employer has made an agreement to pay late
 - Modifications for PAYE and CIS follow

PAYE

Interest Harmonisation

- April 2010 - Tax payers who do not pay liabilities on time:
 - Income tax, corporation tax (CT), VAT, sums due under Pay as you Earn (PAYE), Class 4 National Insurance Contributions (NICs) and the Construction Industry Scheme (CIS)
 - Environmental taxes (aggregates levy, climate change levy and landfill tax)
 - Excise duties (alcohol, fuel, tobacco, oils) gambling and air passenger duty)
 - Stamp duties (stamp duty land tax and stamp duty reserve tax)
 - Inheritance tax, insurance premium tax, pension schemes, and petroleum revenue tax (PRT)

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PAYE

E82 Letters

- No PAYE scheme in operation?
- What to do if this affects you?
 - Contact HMRC to re-open the scheme

PAYE

Date of Leaving – P45

- Does HMRC use this date?
 - Pension Commutations
 - Employment Law considerations

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Pensions

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Pension Reforms

State Pension Age

- Equalisation of State Pension Age
 - 1995 Pensions Act
 - Impacts women from April 2010
 - Letters issued to those women affected
 - National Insurance implications

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Pensions Reforms

State Pension Age

- National Insurance contributions
 - Currently women cease paying NI at age 60yrs
 - From 2010 and beyond will cease when women reach their “new” State Pension Age
 - All cease at age 65yrs until further reforms to increase to age 68yrs

Pensions Reform

Automatic Enrolment

- Pension Facility for employees
 - All employees must have the opportunity to join a workplace pension scheme
- Qualifying schemes
 - Details of proposals in Pensions Act 2008

Pensions Reform

Automatic Enrolment

- Three documents published Sept 2009
 - Employer responsibilities consultation due by 5 November 2009
 - Default investment options consultation due by 17 December 2009
 - DWP's response to automatic enrolment consultation document

Pensions Reform

Personal Accounts

- Employers will:
 - Automatic enrol eligible workers
 - Phased in approach likely to be large employers first
 - Minimum employer contribution of 3% likely to be phased in starting with 1%
 - Total minimum contribution for workers should equal 8% of the set band of earnings

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Pensions Reform

Personal Accounts

- The scheme:
 - Contribution limit £3,600 at 2005 levels
 - 8% for average earner (£23,700) would be £1,900pa so within limit
 - Current regulations ban transfers in and out of the scheme except for special circumstances
 - Expected to be delivered electronically
- Procurement process commenced for provider
- IPP to respond to latest condoc

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Pensions Reform

Personal Accounts

- Indicative dates:
- Autumn 09
 - Regulations consultation (Pack 2); detailed employer duties

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Statutory Payments/Deductions

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Statutory Payments/Deductions

Additional Statutory Paternity Pay

- Consultation document published – closure 20 November 2009
 - Applies to babies due on or after 3 April 2011
 - No extension to SMP to 52 weeks at this time
 - Partners/fathers taking 26 weeks will have 13 weeks paid and 13 weeks unpaid
 - Adoption – matched for adoption on or after 3 April 2011

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Statutory Payments/Deductions Guidance

- Introduction of a new statutory payments booklet in April 2009
E19 -Employer Helpbook for Statutory Paternity Pay

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Miscellaneous

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Miscellaneous

HMRC Business Support Service

- For business experiencing difficulty in meeting liabilities
- HMRC will discuss temporary options
- Information:
 - www.hmrc.gov.uk/pbr2008/business-payment.htm
 - Tel: 0845 302 1435

Miscellaneous

Criminal Records Bureau

- The fee for a standard disclosure will drop from £31 to £26 from 1 October 2009
- CRB check to extend option for immigration check

Miscellaneous

EU Priorities

- Barroso for another 5 years as President of the European Commission
- Proposals:
 - To make further attempts to revise the Working Time Directive
 - Draw up a 'woman's charter' to tackle the gender pay gap
 - The creation of “an employment agenda for a changing workplace”

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Legislative Update Thank You

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