

THE Bookkeepers SUMMIT 2011



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OF CERTIFIED
BOOKKEEPERS**

membership
qualifications
training
payroll quality partnership
government representation
events

Institute of Certified Bookkeepers

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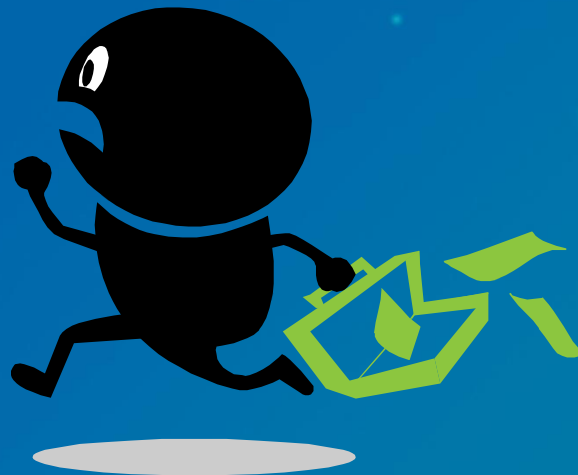
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INDEX

- Improving the operation of Pay As You Earn (PAYE): Real Time Information
- Modern Workplaces
- Integrating the operation of Income Tax and National Insurance Contributions

Real Time Information (RTI)



Picture provided by Keerati

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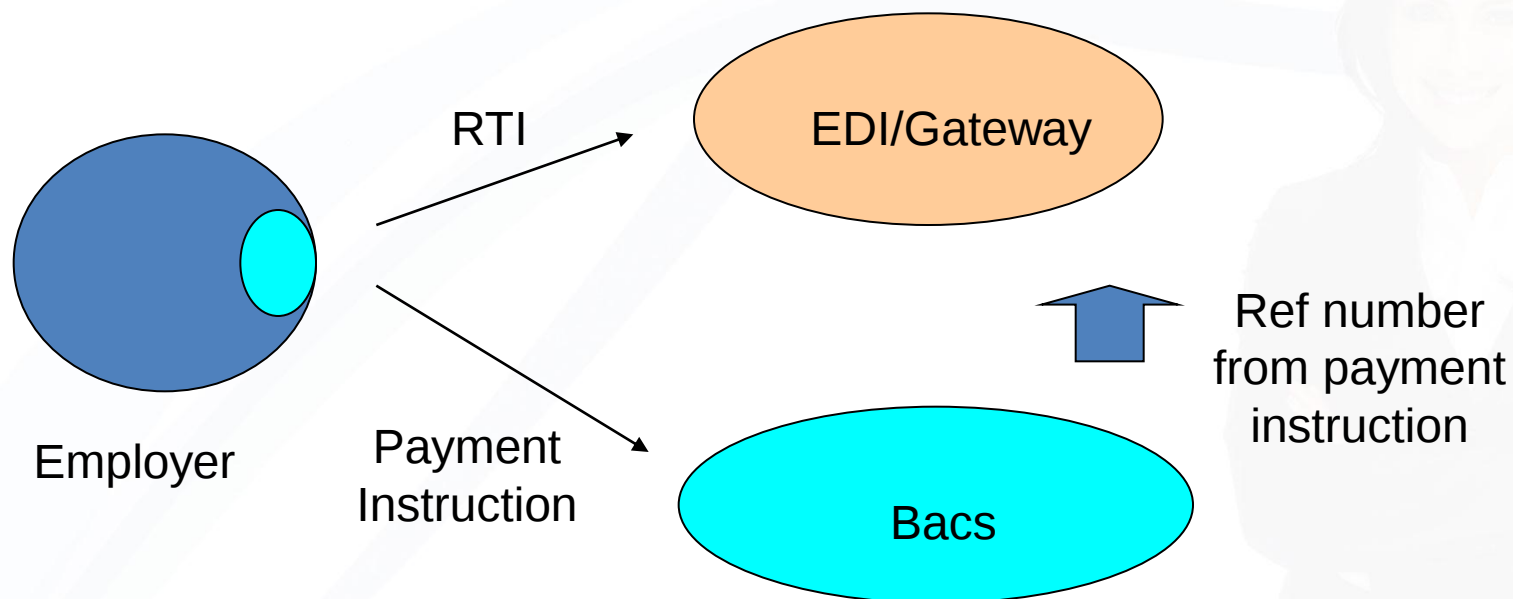
Real Time Information

- Key facts to cover
 - Universal Credits
 - Full implementation October 2013
 - Interim solution
 - Strategic solution
 - Customer journey scenarios
 - Employer considerations



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Interim Solution



Information from HMRC Customer Journey

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Strategic Solution

- All processed via the Bacs payment process
- Internet will be available
- EDI until at least 2014
- No known confirmation date

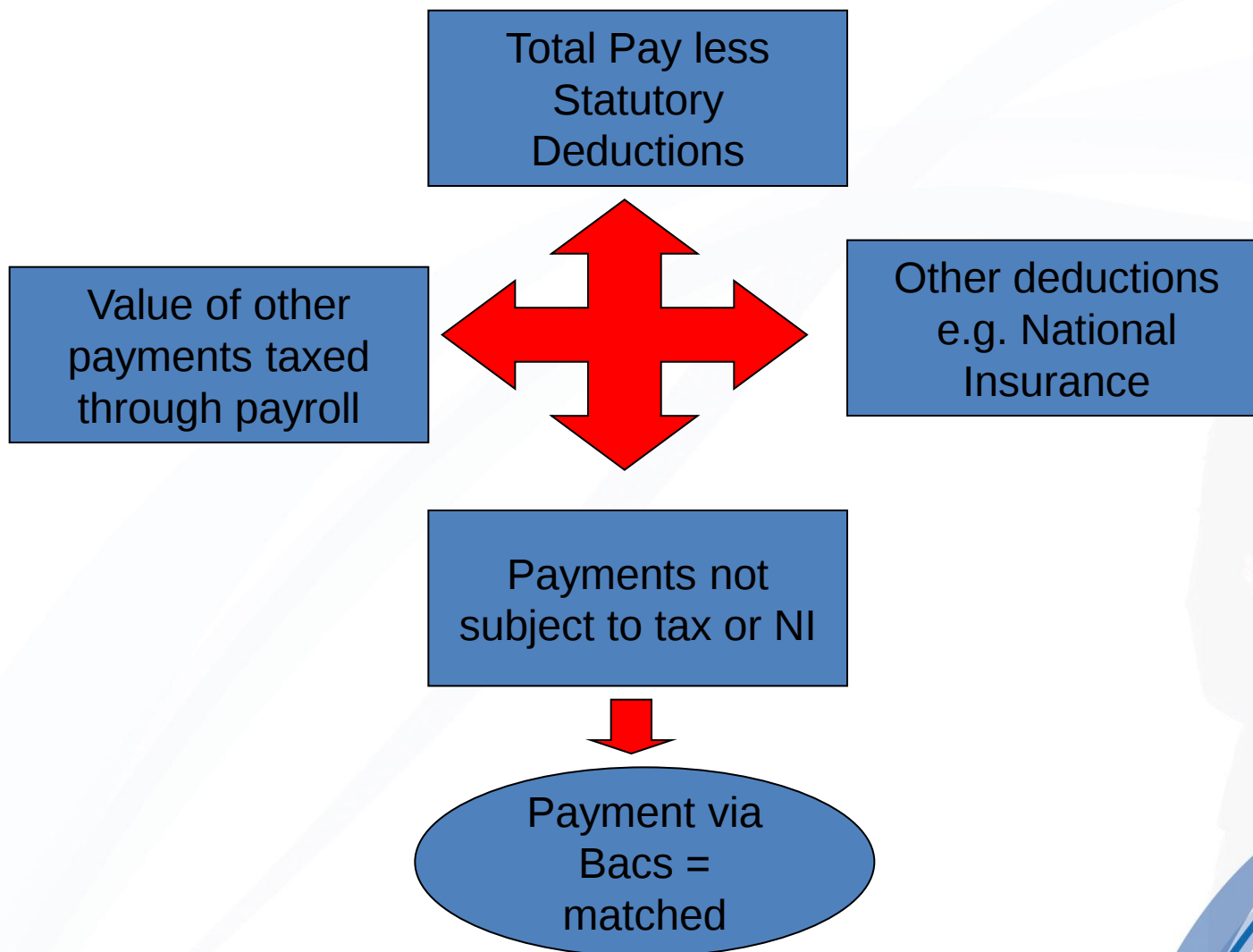
Customer Journeys

- FAQs available
 - Reversal & adjustments
 - Under/overpayments
 - Different tax and NICs elements
 - Aggregation of 2 employments
 - Works number change



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HMRC Matching Process



RTI Submission Made – No payment

RTI submitted but
no payment
actually made



Advise HMRC by
adjusting “Year to
Date figures in next
submission

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Employer Considerations

- 91% of CIPP Members aware but are YOU?
 - Business Ownership
 - Data Matching
 - Pilot Programme
 - Timetable for business preparation
 - Payroll system/bureau considerations
 - Method of submission

Modern Workplaces



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Modern Workplace Proposals

- Flexible Parental Leave
- Working Time Regulations
- Flexible Working
- Equal Pay



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Flexible Parental Leave



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Flexible Parental Leave

- Current Entitlements:
 - Employed mothers entitled to 52 weeks statutory maternity leave – 39 weeks paid
 - Employed fathers entitled to 2 weeks OSPP, and if qualify, up to 26 weeks APL if mother has returned to work – paid if taken during mother's unclaimed paid weeks
 - Further 13 weeks unpaid leave per parent per child under 12 months old

Flexible Parental Leave

- Proposals:
 - 18 weeks maternity leave reserved for mothers
 - 2 weeks paid paternity leave reserved for fathers
 - Further 4 weeks of the paid period of flexible parental leave reserved for each parent
 - 17 weeks paid and 13 weeks unpaid parental leave to be taken by either parent

Flexible Parental Leave

- Proposals:
 - Parents could both take leave at the same time
 - Leave could be taken on a part-time basis or broken up into two or more periods
 - No absolute right to flexibility
 - Default position in case of disagreement is one continuous leave period
 - Self - certification

Flexible Parental Leave

- Proposals:
 - 18 weeks additional unpaid parental leave per parent per child
 - Same eligibility criteria whether during first year of child's life or not
 - Available for parents of children over five years old
 - Provision for fathers to attend some ante-natal appointments

Flexible Parental Leave

- CIPP Member Survey responses
 - 18 weeks maternity leave is about right
 - 64% agreed that parental leave should be available to mothers and fathers on an equal basis
 - BUT...concerns over administration if leave is shared between parents
 - 28% did not agree that the parents should decide when leave is taken

Working Time Regulations



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Working Time Regulations

- Proposals:
 - Reschedule leave not taken due to sick leave
 - Limit carry forward of untaken leave to 4 weeks
 - Annual leave continues to accrue during sick leave
 - Allow carry over of leave not taken due to adoption/ maternity/paternity or parental leave

Working Time Regulations

- Further consultations will arise and likely to include
 - Limiting the carry-over period to 18 months (KHS AG v Winfried Schulte)

Flexible Working



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Flexible Working

- Proposals:
 - Extend the right to request to all employees
 - Replace current statutory process
 - Employers to consider requests “reasonably”
 - Statutory code of practice outlining “reasonable” process
 - No requirement for employers to prioritise competing requests

Equal Pay



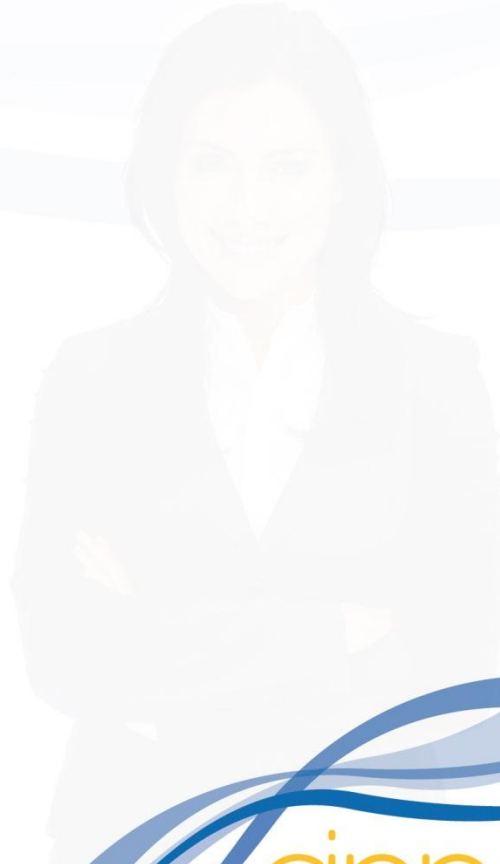
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Equal Pay

- Proposals:
 - Gender discrimination
 - Pay audit
 - No burden for good practice
 - Improve transparency in pay
 - Code of Practices



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Integrating the operation of Income Tax and National Insurance Contributions



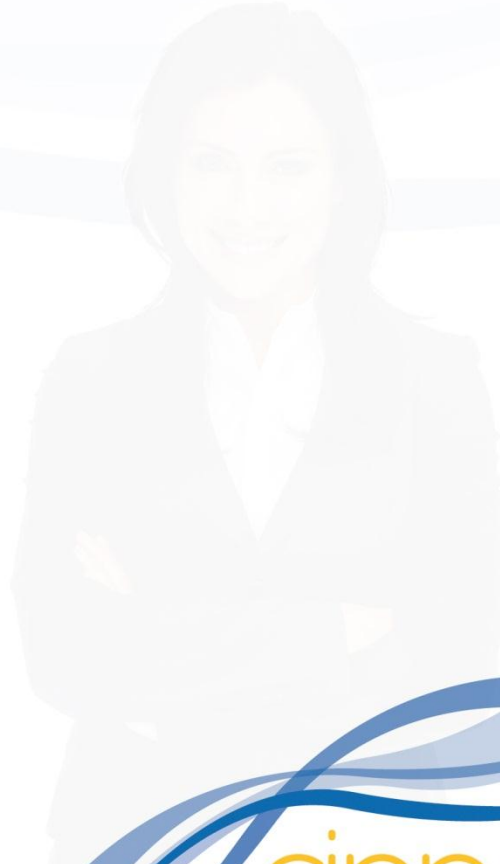
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Integration of Tax & NICs

- Call for evidence
 - Complexities?
 - Burdens of operating two systems?
 - Improve fairness for earners?
 - Stable and simple UK tax system



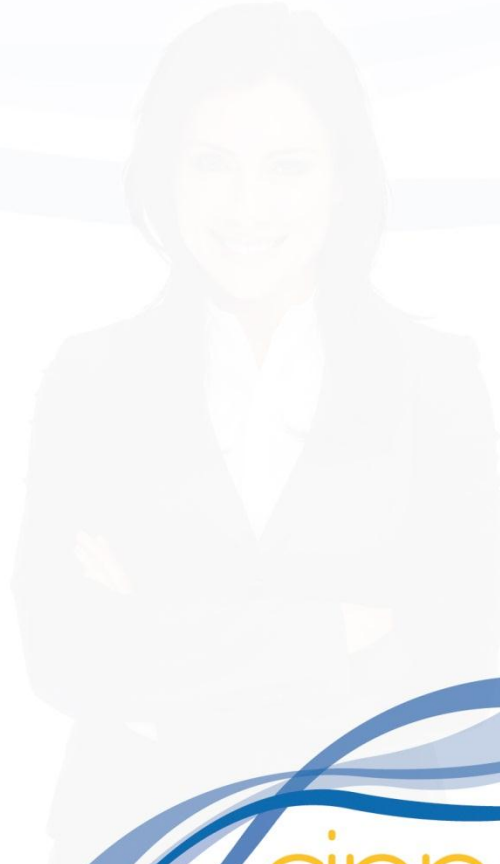
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Integration of Tax & NICs

- CIPP Member Survey
 - Full support for further consultation
 - NICs versus PAYE
 - Director's NICs
 - Benefits in kind
 - Payrolling



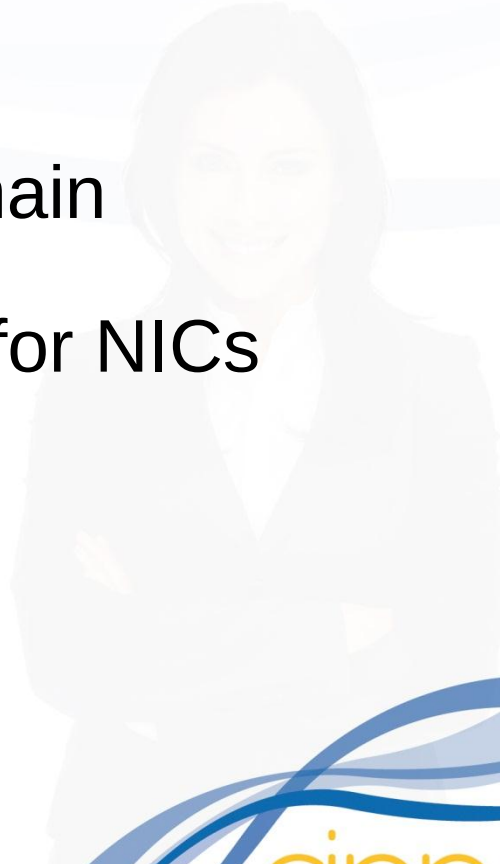
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Integration of Tax & NICs

- Not a merger
- NICs contributory system to remain
- Pension payments not affected for NICs
- Further consultation in 2012



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Questions?



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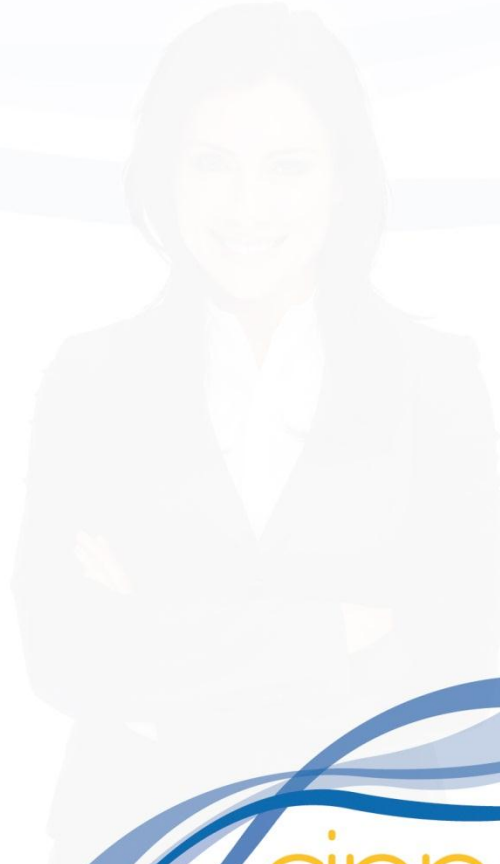
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