



NEWSLETTER

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Welcome to the Copson Grandfield Newsletter.

Inside you will find topical comments,
& more useful tax tips.

HMRC targets offshore account holders



The Chancellor of the Exchequer George Osborne has launched a new campaign targeting taxpayers with money hidden in offshore accounts.

Any taxpayer who has declared all of their income has nothing to fear, however those who fail to do so will have to pay the tax due, as well as penalties of up to 200% of the liability, serious offenders could even face imprisonment. This new HMRC campaign has been running in national newspapers and weekly magazines since Monday 24 February 2014.

This comes as G20 ministers welcome a new global standard to exchange tax information. So far 42 countries and jurisdictions have joined this initiative which will lead to the rapid removal of hiding places for tax evaders.

George Osborne has said: "The UK government is on the side of the hardworking majority who pay what they owe. Global action will close the net on those who think they can avoid playing by the rules. This is a victory for Britain's international agenda & the fight against wrong doing".

Jennie Granger, HMRC's Director General for Enforcement & Compliance, added: "Most people with offshore assets do the right thing and tell us about them, but for those who don't, we are getting more and more information to help us to target offshore tax cheats. If you have assets offshore you need to get in touch with us urgently, because we will catch up with you.

The days of hiding money in another country to cheat the UK are coming to an end".

Quick Tax Tip – Child Benefit

Do you have income between £50-60K? Worried about losing some or all of your Child Benefit?

Did you know that making a Pension Contribution not only provides Tax Relief by extending your Basic Rate Band, any contribution is also treated as a deduction from your income for Child Benefit purposes – therefore minimising, or in some cases eliminating the High Income Child Benefit Charge!

So by making a Pension Contribution you could end up paying less tax on your income, retain your Child Benefit, whilst also adding to your pension fund! Talk about a Tax Tip 'Hat Trick'!

Similar relief is also available as a result of Charitable Donations/Gift Aid, and even VCT or EIS payments.

If you would like more information on the above please do not hesitate to contact our Personal Tax Team.

IRIS Openspace

We've now been using IRIS Openspace for a few months and have received a lot of positive feedback.

For those of you that have not yet used it, Openspace is a secure cloud based document system. We upload your accounts, tax returns etc. and you can review and approve those documents on-line without having to print or post.

This saves us both printing and postage costs and saves time, documents can be uploaded and approved in minutes, rather than relying on the post or on you having to make an extra journey in to approve the accounts. Of course if you have any queries on the accounts, please phone us or arrange to come in and discuss them.

The documents will remain on-line in your secure area until removed, we plan to leave 2 years accounts and one year's tax returns up there at all times, this means that if you ever need access to your information (for example when seeing the bank manager or arranging finance) you can go on-line and view the documents there and then.

You can also save a copy of the documents locally as a PDF file or print off a hard copy if you wish.

If you need help setting up and accessing Openspace for the first time, please let us know. Once set up you can access the site from any PC, smartphone or tablet at any time, with your own secure login and password.

If you prefer to continue to receive paper copies of everything, then that's fine, but we feel that you should give Openspace a go, the benefits are plain to see!

CIS

We now have a dedicated member of staff looking after our CIS clients.

Lindsay Griffiths works within our payroll department and is responsible for ensuring that we tie up the PDSs for the tax suffered, so that you pay the right amount of tax and that any reclaim is obtained as soon as possible.

We've invested in this extra resource in response to HMRC tightening up on how and when they will issue the refunds that are due to you. In order to help us with this, it is essential that you let us have all PDSs as soon as possible; if we do not have the document HMRC will withhold the refund.

HMRC issues tax rebate scam warning

Taxpayers have been urged by HM Revenue & Customs (HMRC) to be aware of emails promising tax refunds, following January's self-assessment deadline.

Over 91,000 fake emails were reported by customers in 2013. In the three months before the deadline, reports of such scams were up 47% compared with the same period in the previous year.



In 2013 the department closed down 1,476 websites which falsely claimed to represent HMRC and offered tax rebates. In emails from such websites, customers are asked for sensitive information – including their name, bank account details, national insurance number and various passwords.

Gareth Lloyd, head of digital security at HMRC, said: 'HMRC never contacts customers who are due a tax refund via email – we always send a letter through the post'.

Concerned customers who contacted HMRC enabled 178 fraudulent websites to be closed last month alone. Anyone wishing to report a suspicious email should forward it to: phising@hmrc.gsi.gov.uk.

Employment Allowance: up to £2,000 off Class 1 NIC's!

From 6th April 2014 a new National Insurance Contributions 'Employment Allowance' of £2,000 will be available to many UK businesses.

The allowance will work by reducing the amount of **Employer's National Insurance** paid to HMRC on staff wages, and will be delivered through standard payroll software and HMRC's online RTI system. Up to 1.25 million employers are expected to benefit from the allowance, around 450,000 of which will not have to pay any Class 1 NICs at all in 2014-15.

Please note that unused allowances cannot be carried forward to next year, and you will still have to deduct Employee's NI and PAYE from your staff's wages and pay those over to HMRC.

The Employment Allowance will apply per employer, regardless of how many PAYE schemes an employer has in operation, so each employer can only claim for one allowance.

Please also note that whilst most employer's paying Class 1 NICs on their employee's or director's earnings will be eligible, there are some exclusions:

Employers of domestic workers, such as nannies, gardeners and au pairs are excluded, as are businesses that work more than 50 per cent in the public sector. However, security guards and cleaners working in government buildings, and businesses working on IT contracts for government, are not covered by this exclusion, making it important to read the small print before claiming the allowance.

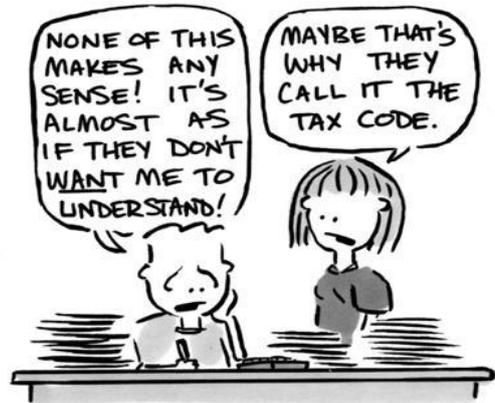
It is also important to note that there is also a payback clause; If you become ineligible for the employment allowance part way through the tax year, for example you start to carry out more than 50 per cent of your work in the public sector, then not only do you have to notify HMRC that you're no longer eligible to claim the allowance, but you will also have to pay back what you've claimed so far that year.

If you need any advice or further information on the above, please contact a member of our payroll department.

Staff News

Well done to Steve Copson who recently completed the Bath Half Marathon, setting a personal best of 1:44:21 whilst raising over £800.00 for 'Mercy in Action' which aims to help disadvantaged children in the Philippines.

Steve would like to thank you all for your kind donations, which can still be made via the following link: www.justgiving.com/Steve-Copson



AIA rises to £500,000

The Government has doubled the Annual Investment Allowance (AIA) to £500,000 as part of the recent Budget.

Chancellor George Osborne announced that the uplift in AIA will take place from April 2014 and run until 31 December 2015.

The AIA, which allows businesses to invest in new plant and machinery, was initially cut from £100,000 to £25,000 by the coalition. However, in an effort to provide more tax aid to businesses, Mr Osborne has improved on his temporary increase of £250,000 (back in 2012) by doubling it!



The AIA is a kind of capital allowance, which offers tax relief at 100 per cent on qualifying expenditure in the year of purchase. The maximum businesses can deduct from taxable profits is now set to be £500,000.

This pro-rates for short or long periods, and also for periods that span the operative dates and rates of allowance, it is therefore important to contact us before making any purchase decisions, since timing can still be a key factor when trying to fully utilise allowances.

The temporary limit of £250,000 would have ended in December. Without an increase, it was anticipated that businesses would rush to maximise their AIA by planning the timing of capital expenditure across the rest of this year.

The cost to implement the policy is set to be £2 billion, and is thought to reflect the government's desire to back businesses looking to invest.

National Minimum Wage

The national minimum wage will increase by 19p an hour to £6.50, the government has announced. The new rates will be implemented in October and will benefit a million workers.

Business Secretary Vince Cable accepted a recommendation from the Low Pay Commission (LPC) to increase the minimum wage by 3%.

It is the first time in six years that the rise will be higher than inflation, which makes this increase the first 'real-term' rise for six years. The consumer prices index (CPI) rate of inflation is currently 1.9%.

The rate for 18-20 year-olds will also go up by 10p to £5.13 an hour, a 2% increase. The rate for those aged 16-17 will rise by 7p to £3.79, also a 2% rise, whilst apprentices will earn an extra 5p an hour, taking their wages to at least £2.73.

Personal Allowance Increase

The Personal Allowance (the amount you can earn each year before you pay Income Tax) will increase from £9,440 to £10,000, as from 6th April 2014.

If you operate your own PAYE scheme you should consider increasing your director's salaries in order to utilise the new allowances. If Copson Grandfield currently runs your payroll please be aware that we will be increasing the director's salary to £10,000 for the 2014/15 year.

Job Vacancy

We are currently looking for an **Experienced VAT Administrator** to join our busy team.

Applicant must have good understanding of VAT, Sage and Excel.

This position is for 3 days per week (Wed, Thurs, Fri)

If you or someone you know meets the above criteria, please email a CV to:

lorraine.banks@copsongrandfield.co.uk

Statutory Sick Pay News

A fairly unknown change was announced over a year ago which could have a huge impact on small businesses. From 6th April 2014 the government plans to abolish the 'Percentage Threshold Scheme' (PTS), which will prevent employers reclaiming Statutory Sick Pay (SSP).

Experts warn that this could have a huge impact on smaller business and could even lead to the closure of some.

At present small firms pay an absent employee £86.70 a week sick pay and can recover the SSP once the outlay exceeds 13% of the total NI bill. The provision has been described as a "disaster relief" for small firms when too many workers are off sick.

An initial independent review said that the current scheme was costly and offered no incentive for the employer to get the employee back into the workplace. The Government added that the 'PTS' was outdated and did nothing to promote active management of sickness absences by either the employer or the employee, whilst costing the Exchequer £50 million a year.

Next year SSP will be £87.55 a week and without relief could build up to huge amounts, making some businesses uneconomic. After concerns were raised the Department of Work & Pensions (DWP) made the following comments:

"In the current economic climate, the Government has a responsibility to use resources where they will be most effective... abolition of the PTS will enable us to recycle the funds of around £50m a year into the development of a new assessment and advice service, ensuring funds can be used in a more effective and targeted, helping employers reduce sickness absence".

"There was a general consensus that there was a need to reform the PTS, even from some employers, who told us they find the scheme cumbersome and complex to administer. We are currently in the early development stages of the new health and work assessment and advisory service which will be launched in 2014. It will offer free occupational health expertise to those employees and employers who need it most".

Accountants are a Joke!

1. What do you call an accountant or who can't account? An ant.
2. What's another name for long term investment? A failed short term investment.
3. How does an accountant stay out of debt? He learns to act his wage.

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