Copson Grandfield
CHARTERED ACCOUNTANTS
NEWSLETTER
December 2012 – Volume 10, Issue 4

30-31 St James Place
Mangotsfield
Bristol BS16 9JB

Tel 1: 0117 9561067
Tel 2: 0117 9560350

Fax 1: 0117 9701809
Fax 2: 0117 9702855

admin@copsongrandfield.co.uk
www.copsongrandfield.co.uk

Copson Grandfield is now on Facebook & Twitter!

Please follow the link from our website, don't forget to hit the 'Like' button!

You can also find us on the 'Kingswood People' website

Inside:

Welcome to the Copson Grandfield Newsletter.

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

Child Benefit Changes – Are You Affected?

From 7 January 2013 a new tax charge will be brought in when a taxpayer or their partner receive child benefit and **either** of them has income over £50,000 in a tax year.

If you or your partner fall into this category you will have to pay a tax charge on some or all of the benefit you receive. Therefore you must:

- Stop receiving any benefit from January 2013, to avoid the charge, or
- Receive child benefit and declare the payments for tax purposes.

If your income changes, this can affect whether you continue to be liable, or how much tax charge you will have to pay. If your income drops to £50,000 or less in a tax year you will not have to pay a charge.

If your income is over £50,000 but not more than £60,000 in a tax year, you will still be entitled to some Child Benefit, and the tax charge will be less than the amount of benefit you receive.

If your income rises to more than £60,000 then the tax charge will be equal to the full amount of Child Benefit, in which case it could be beneficial to leave the tax credits system.

There is an online calculator which can be used to determine how much the tax charge might be and the difference between the charge and your current Child Benefit payments, this can be found at the following address: https://www.gov.uk/child-benefit-tax-calculator

The charge will need to be paid through Self-Assessment, which means you will need to register if you currently do not submit a tax return. Please contact us if you would like any further information or advice.

A Change for Gift Aid?

Charitable organisations have called on the Government to modernise Gift Aid after new figures revealed that donations fell by 20% in the last year.

According to data from the Office for National Statistics, the total given to charity by members of the public in the UK declined from £11bn to £9.3bn in 2011/12, this equates to a fall of £2.3bn when adjusted for inflation.

Following the findings, the Charities Aid Foundation (CAF) and National Council for Voluntary Organisations (NCVO) have launched the Back Britain's Charities campaign, which aims to encourage individuals and businesses to donate what they can to good causes.

In addition, they claim the Gift Aid scheme should be revamped and urged the Government not to cut funding for charities when seeking budget savings.

Commenting, CAF chief executive John Low, said: 'If donations continue to fall, many charities will face difficulties carrying on their work and the people and communities they serve will suffer.' He added: 'Britain remains one of the world's most generous nations. But cash is tight for everyone and people are finding it harder to give to charity.'

Meanwhile, a Government spokesperson said: 'We are introducing a new Gift Aid Small Donations Scheme, which will deliver an extra £100m a year for charities, and we will shortly bring forward proposals for the reform of payroll giving to encourage more people to give out of their salaries'.

Quick Tax Tip:

Don't forget that you can obtain tax relief by making pension contributions. If you're a higher rate taxpayer this can reduce your overall tax liability.

Therefore please include details of any contributions on your tax return questionnaire(s) and supply us with all relevant paperwork. This will enable us to accurately complete your Tax Return, as well as give you the Tax Relief that you are entitled to.

Staff News

Congratulations to Lindsay Griffiths in our Accounts Department, who recently became a mother. The photos have been floating around the office… We'll make sure he gets a calculator for Christmas….

RTI – Pilot Scheme on Target

Up to 250,000 employers are set to join the Real Time Information (RTI) pilot scheme between now and 31 March 2013.

In April 2013, employers will start to send PAYE data electronically to HM Revenue & Customs (HMRC) each time they pay their employees, rather than sending a separate return at the end of the year.

These weekly/ monthly returns will include details of all employees' pay, tax and deductions.

David Gauke, Exchequer Secretary to the Treasury, has said: "Real Time Information will improve the operation of PAYE and reduce administrative burdens on employers. It will also provide us with up to date information about wages and tax for the forthcoming Universal Credit, so eligible employees and pensioners will get the right amount of benefits they are entitled to."

Ruth Owen, HMRC's Director General Personal Tax, added: "The pilot continues to go very well and remains on track. We started with just 10 employers in April and now have over 1,800 PAYE schemes successfully submitting PAYE returns in real time. The employers involved are giving us some excellent feedback and this latest expansion builds on growing external confidence

"The main thing now is that those employers not in the pilot do not delay but start to prepare for April 2013 now, for example, by checking that their software will be updated and employee data is accurate and up to date. We have a communication campaign planned for the next few months to make sure every employer knows what to do to be ready for RTI in April next year."

If we currently run your payroll then we will be dealing with the transition to RTI; however it is also vital that all employers are up to date with the latest rules and requirements.

If you have any queries regarding RTI or need any advice then please do not hesitate to contact our PAYE Department.

"Our books are balanced. 50% of our numbers are real and 50% are made up"

The Self-Assessment Deadline is fast approaching...

It's that time of year again… if you haven't already provided us with your tax return information for the year to 5th April 2012 then time is running out!

Therefore please provide us with your completed tax return questionnaire(s), together with any personal information or accounts records as a matter of urgency. The sooner we have this information the sooner we can advise you of any payments due by 31 January 2013.

HMRC's new penalty regime which came into effect last year remains in force, this means that a £100 penalty will be issued if your return is late, even if you have no tax to pay!

Where the return is three months late you will be subject to daily penalties of £10 per day, after 90 days/ 31 July 2013 if the return is still outstanding you will be charged a further £300, or 5% of the tax due (whichever is greater), it is therefore vital that you meet this deadline.

Please also note that if you are submitting your own tax return then the deadline for paper tax returns has now passed (31 October), all remaining 2011/12 returns will now need to be submitted online. If you send a paper tax return after the deadline, you will also be subject to a penalty.

The deadline is only later than 31 January if HMRC send you a 'Notice to File a Tax Return', after 31 October 2012. In this case you'll have three months from the date of the letter.

Business Records Checks – The Relaunch...

HM Revenue & Customs have relaunched its Business Records Checks (BRC) programme, with the promise that it will adopt a more business-friendly approach.

In April 2011, HMRC began checking the quality of business records for small & medium-sized firms. However, this was suspended in February 2012 following criticism from industry groups.

The programme has now been redesigned, with a greater emphasis being placed on education and support, according to HMRC.

Under the new approach, HMRC will initially send letters to businesses that it believes may to be at high risk of keeping inadequate records, and will follow these up with a telephone call, during which customers will be asked a series of questions regarding their record keeping.

Where it is deemed necessary, HMRC will then either refer the firm to its Business Education and Support Team, or arrange a face-to-face BRC visit.

Under the scheme, the standard penalty for a first offence is £500, or £250 for a business in the first year of trading. The maximum fine of £3,000 will only apply where records have been destroyed.

A spokesperson for HMRC commented, 'Penalties will only be charged where customers are found to have deliberately destroyed records, or where they have failed to improve their record keeping to an adequate standard'.

We strongly urge you to contact us immediately if you receive a letter from HMRC, enabling us to offer you the correct advice prior to any telephone calls with the revenue.

We can also help with all of your record-keeping requirements. Please contact us if you need advice or any further information.

New Parental Leave Plans

Business groups have welcomed new plans that will extend flexible working rights to all employees, allowing new parents to share up to a year's leave to look after their newborn baby.

Deputy Prime Minister Nick Clegg confirmed that while women will have to take an initial two weeks of leave following the birth (four weeks for manual workers), from that point onwards parents can opt to share the remaining leave as flexible parental leave.

Under the new system, from 2015 parents will be able to take leave in turns, or at the same time, as long as the total amount of leave taken does not exceed 52 weeks. The right to request flexible working will also be extended to all employees by 2014, with the aim of supporting modern families.

The statutory procedure for considering requests for flexible working will be replaced with a duty to consider all requests in a 'reasonable manner'.

Commenting on the reforms, Jo Swinson, Minister for Employment Relations, said, 'These proposals bring good news for business – not least a more motivated and productive workforce. Employers will be able to recruit and retain staff from a wider pool of talent, in turn helping to diversify our economy and drive growth'.

The Confederation of British Industry (CBI) also welcomed the reforms, but warned that firms must retain the right to make decisions on a case by case basis.

The CBI's Katja Hall said, 'Flexible parental leave is a good way to support working families and businesses realise that this is good for retaining talent. We must ensure the new system is simple to administer, and does not give rise to legal action from fathers seeking parental rights that mirror those available to mothers'.

The Trades Union Congress also welcomed the news, with General Secretary Brendan Barber commenting, 'These reforms will make life easier for millions of working parents. Businesses will also benefit from a more engaged workforce and a larger pool of people to recruit from'.

Other News

We now offer Gift Vouchers as an incentive/ thank you for introducing us to new clients.

If you know someone who requires accounting advice or services then please forward our details to them, and ask them to mention who the recommendation came from!

We would also like to bring to your attention that we have a ground floor consultation room for clients with mobility issues. If you have an appointment and would prefer to be seen downstairs then please mention this when booking.

Christmas Hours

Our offices will be closed from 1.00pm on Monday 24th December 2012.

We will reopen at 8.30am on Wednesday 2nd January 2013.

We wish you all a Happy Christmas & New Year!

Christmas Gifts for Clients

Do you present your clients with gifts at Christmas?

Remember that you cannot claim a deduction for the cost of such gifts if they are food, drink, tobacco or gift tokens.

To be allowable as a business expense, the gift must also carry a "prominent" advertisement for your business, and there is a limit on the cost of £50 per client.

So forget the turkeys and cigars – stick to things like diaries, calendars and mouse mats if you want a tax deduction.

Accountants are a Joke!

1. What happens when you lock a hyena in a room with an accountant? The hyena stops laughing.

2. Did you hear about the cannibal who became an accountant? She charged an arm and a leg.

3. What's the biggest overhead in Santa's accounts? Private ELF Care.