



# NEWSLETTER

June 2013 – Volume 11, Issue 2

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## Welcome to the Copson Grandfield Newsletter.

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

### Sold a second property? HMRC target CGT



A new HMRC campaign is to target those selling homes in the UK or abroad, where Capital Gains Tax (CGT) should be paid on any profits made. This includes properties people have sold that were given to them, and the sale of holiday homes.

The sale of a person's main home is usually exempt from capital gains tax, though this may not apply if it has not been their only home or main residence throughout, or they have used it for business purposes, including letting the property, or they have sold part of the garden.

Those concerned have until **9 August** to tell HMRC about any unpaid tax on property sales, and until **6 September** to pay the tax owed.

After **6 September**, HMRC will use the information it holds to target those who should have made a disclosure, those who failed to come forward, will face higher penalties if HMRC comes to them first.

Marian Wilson, head of HMRC campaigns, said: "Some people will not understand that selling a second home, a holiday home or a property disposed of as a gift could attract capital gains tax.

"It is better to come to us before we come to you. After the opportunity closes on **6 September**, HMRC will use information it holds about property sales, in the UK and abroad, to identify people who have not paid what they owe. Penalties or even criminal prosecution could follow."

For more details or if you require any support in relation to this campaign, please contact our offices **as soon as possible**.

## One million use new PAYE system

Over one million PAYE schemes have started to report PAYE in real time since it was launched back in April 2013.

The new PAYE reporting system, known as Real Time Information (RTI), requires employers to report PAYE each time they pay their employees, rather than yearly.

Ruth Owen, HMRC's Director General Personal Tax, said:

"RTI is bringing PAYE into the 21st century, and it is amazing that we have reached the one million mark so quickly. This is at the top end of our expectations. However, we're not complacent and are carefully monitoring submissions, but so far things are going well.

We have had lots of feedback from many employers saying that RTI is easy to use. We know it will take time before all employers adapt to RTI, but any who haven't started reporting in real time should do so quickly. All the help they need is on HMRC's website".

Guidance on reporting in real time is constantly updated on the HMRC website and includes hints and tips for employers. It can be found at [www.hmrc.gov.uk/rti](http://www.hmrc.gov.uk/rti)

The RTI pilot was launched in April 2012 with just 10 employers. By the end of the pilot, on 5 April 2013, over 6 million individual records were being reported in real time.

## Staff news

Well done to **Steve Copson** who recently completed this year's **London Marathon**.



After an injury during training it was 'touch and go' whether Steve would be able to compete, not only did he finish the marathon he also set a rather impressive time of 4 hours, 4mins, and 9 seconds, raising nearly £3000.00 for 'Variety – The Children's Charity'.

Steve would like to thank everyone for their support and to all of those who donated to this very worthy cause.

## IRIS Open Space

We have invested in a new cloud based service called **IRIS Open Space**.

This allows us to put your key documents on a secure server for you to review, approve, print and download.

We intend to start using this for your accounts and tax returns.

The advantages of this as we see it are:

- Immediate access (no waiting for the post)
- More secure and confidential than post or e-mail
- You can access the information from wherever you are
- No postage or printing costs
- On-line approval means no deadline delays
- You can download a PDF copy to store on your own device

Next time we finalise your accounts/ tax return, your portfolio manager will contact you to discuss the above and request a confidential e-mail address to which we can send a link.

The link allows you to access your files and set up your own password, only you and Copson Grandfield can access these documents. Once we've uploaded your accounts or tax return on-line, we will send you a notification advising that you have documents awaiting approval.

You can review on-line, discuss with us by phone, e-mail or in a meeting if you have queries and then when happy click on the approval button for instant approval. No more trips to the post office!

Please note that should you wish to have a meeting to discuss the accounts or if you prefer to have paper copies sent out, as in the past, then this option is still available. We appreciate that the Open Space will not appeal to everyone, but we feel that it is a positive step for many of you.

As ever any feedback would be appreciated, if you have any suggestions or comments please contact us via the following e-mail address: [openspace@copsongrandfield.co.uk](mailto:openspace@copsongrandfield.co.uk)

## Tax breaks for married couples will be 'in force by 2015'

A tax allowance for married couples is likely to be introduced within the next two years, according to David Gauke (Exchequer Secretary to the Treasury).



The proposed tax break will allow married couples and civil partners to transfer part of their tax-free personal allowance to each other, and therefore make use of any unused allowances.

The plans will enable low earning or 'stay at home' partners to transfer around £750 of their annual tax-free allowance, equating to a tax reduction of around £150 a year for basic rate taxpayers.

In a letter to Conservative MPs, Mr Gauke wrote: 'The Prime Minister and Chancellor have consistently made clear that we remain committed to recognising marriage in the tax system'.

Commentators say the move is designed to relieve growing unease among Conservative MPs over the 'lack of support' being offered to traditional families.

### Quick tax tip

Capital Gains Tax (CGT) can be expensive with gains taxed at 18% for basic rate and 28% for higher rate taxpayers. However, exposure to this tax can be reduced by carefully planning and timing the disposal of assets.

The first £10,900 of gains are free from CGT for 2013/14. It is therefore a good idea to make use of the annual exemption if you can, particularly since it will be lost otherwise. Spouses have a separate annual exemption, which means you can make a gain of £21,800 on a jointly held asset before you generate a CGT liability.

Any decisions will depend on personal circumstances and on the status of the asset. Please contact us if you are considering selling an asset that could give rise to capital gains tax.

## OAP's income continues to rise despite recession

UK pensioners are continuing to see their incomes rise, despite the ongoing financial crisis, a leading think-tank has claimed.

According to a new study from the Institute for Fiscal Studies (IFS), the incomes of those in their 60s and 70s have almost doubled over the last 30 years, a trend which has continued during the recession.

The over 60s are the only age group to have become better off since the start of the recession, with median incomes thought to have grown by 2-3% between 2007/08 and 2011/12.



Conversely, individuals in their twenties saw their incomes decline by 12% during this period – the largest fall of any age group.

'The face of poverty has become much younger during recent decades,' said IFS economist David Phillips. 'These figures confirm that it is young people who have suffered most as a result of the recent recession and who are now at risk of falling further behind'.

In the sixties and seventies pensioners were seven or eight times more likely to live in poverty when compared to working age adults, although this gap has now shrunk significantly.

However, Michelle Mitchell, Age UK's charity director general, said:

'While it is true that some older people have seen their incomes rise in recent years, there are still huge inequalities prevalent within the older generation as well as the general population as a whole'.



## Copson Grandfield in the community

We've been looking around for a community project to get involved in and we've been offered the chance to spruce up the changing rooms at Warmley Park School.

The school caters for children with special needs and the changing rooms are attached to the swimming pool which provides a great outlet for many of the children.



**YOUR  
ACCOUNTANT  
NEEDS**

**YOU**

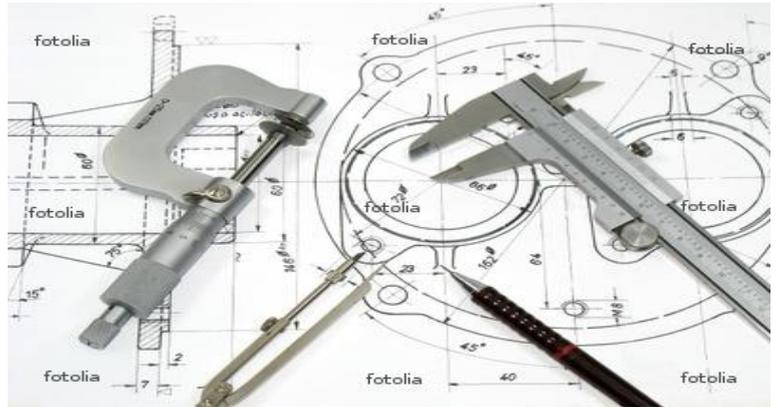
We can cope with the basic decorating but were wondering if any clients would be interested in giving up a little time to help us with the more specialist areas, particularly some carpentry work, a little plastering, a locksmith and minor plumbing.

We're looking to do the work in the school holidays – ideally end July/early August. If anyone could spare an hour or two and would like to find out more, then please contact Lorraine at the office.

## Business leaders call for action on UK skills gap

A shortage of skills in key industries is threatening to stifle the economic recovery, according to a recent survey conducted by the Confederation of British Industry (CBI).

Nearly half of employers surveyed said they lack confidence in hiring skilled workers, with many harbouring concerns for sectors such as manufacturing, construction and engineering.



Of the 300 businesses surveyed 39% of respondents claimed they were struggling to recruit workers with skills in science, technology, engineering and maths.

Meanwhile, 55% say school leavers lack the right work experience and key attributes that set them up for success, including self-management (54%); problem solving (41%); and attitude to work (35%).

Dissatisfaction with the current skills shortage has fuelled calls for employers to be given more control over training and qualification content and structure.

The CBI said it wants the existing training and apprenticeships programme to be 'fine-tuned' to different sizes of employer, with an emphasis on building 'local training clusters' to enable employers of all sizes to take a leadership role.

'We're facing a critical lack of skills in some key industries, just as the economy starts to pick up,' warned the CBI's director general, John Cridland.

He continued: 'We need to boost our skills base urgently before the UK loses more ground. It's time to stop looking on enviously at Germany and build a system that works'.

## Accountants are a Joke!

1. How did the blonde Accountant die? She electrocuted herself using Powerpoint.
2. What's black & brown and looks good on an Accountant? A Doberman.
3. How was copper wire invented? Two accountants were fighting over a penny.

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