



NEWSLETTER

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Welcome to the Copson Grandfield Newsletter.

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

Taxman to check Mortgage Applications!



In an attempt to combat mortgage fraud the Taxman has launched a 'Mortgage Verification Scheme' (MVS) – but is there an ulterior motive?

On September 1 the Taxman joined forces with the banks and other lenders in agreeing to check mortgage applications against information held in HMRC's system.

Lenders will be required to provide HMRC with details shown on borrowers applications. This could spell trouble for the taxpayer...

There could be many reasons for differences between information shown on a tax return and the figures on a mortgage application, which has led to a great deal of concern that any discrepancy could trigger an unwarranted investigation.

Our advice is to check the information included on past returns before submitting a mortgage application. If there are any discrepancies it would be wise to explain to the lender the reasons why.

According to the council of Mortgage Lenders, the MVS will only be instigated where a lender suspects serious problems with the information on the application, so explaining the differences beforehand may prevent the need to consult the Taxman.

UK families 'failing to plan for later life'

According to a new survey carried out by HSBC the majority of UK parents have not made a Will or carried out any form of inheritance tax planning.

81% of parents said they wanted to pass on wealth to their children when they die, yet two-thirds do not have a Will and just 27% have considered how they will pass on their inheritance.

Meanwhile, some 48% of couples with children in the UK admitted that they do not have any form of life insurance.

Commenting on the findings, Christine Foyster, head of wealth development at HSBC, said: 'The fact that such large numbers of households are not planning ahead is leaving families greatly exposed to unforeseen events.

'Protecting the household's financial assets during parents' working lives will not only ensure that families can cope if there is a change in circumstances, but should also be seen as an important part of preparing for retirement'.

We can help with your estate and inheritance tax planning – please **contact us** for assistance.

We will be running a seminar on IHT & Elder Care. This will take place on 7th February 2012 at Cleve Rugby Club, more details to follow...



Staff News

We welcome both Laura Benson & Louise Keast who have recently joined our admin department.

Also congratulations to Chris Prowse who recently got married. He can now transfer assets to his wife at 'no gain, no loss', unfortunately after paying for the wedding he has no assets to transfer...

Staff News

Congratulations to Jade James, Rory Andres & Stuart Andrews for their success in recent exams.

Rory is now AAT qualified – next step ACCA!

Stuart is now ACCA qualified – he's delighted to have his weekends back!

Withdrawal of the default retirement age

The Government has confirmed that the Default Retirement Age (DRA) has been abolished from 1 October 2011. The Employment Equality Regulations 2011 started phasing out the default retirement age from the start of April 2011.

The new legislation prevents employers from compulsorily retiring workers once they reach the age of 65.

If employers still want to enforce retirement, their decisions will have to be objectively justified, but workers can no longer be forced to retire on the grounds of age alone. Age UK have said that instead of focusing on making space in firms for younger employees, businesses should instead look at the benefits that experienced older workers could bring.

Age UK's director of charity, Michelle Mitchell, added that the end of the DRA was a victory for older workers "who for too long have been consigned to the scrapheap for no reason other than prejudice".

"We hope that by taking away the arbitrary 'best before' date for employers, attitudes towards older workers will quickly evolve to look at their skills and experience, not their date of birth."



New Junior ISA Launched

The new junior ISA was launched on 1 November 2011 offering tax-free savings to young people.

These accounts have similar terms and conditions to an adult ISA, with investments available in cash or stocks and shares, up to an annual contribution limit of £3,600.

The junior ISA will be available to any child born on or after 3rd January 2011 and any child under 18 years of age born before September 2002.

Once your child has reached 18 years of age they are able to withdraw their cash, although they will be able to manage the funds once they reach 16 years of age.

Junior ISA's are seen as a replacement for Child Trust Funds (CTF's) and are only available to children under the age of 18 who do not have a CTF.

Unlike the CTF, there will be no Government contributions into Junior ISA's.



'Millions of taxpayers' set for refund

As many as six million taxpayers will be entitled to a tax rebate in the coming months, with an average value of £400, HM Revenue & Customs (HMRC) has confirmed.

Meanwhile, a further one million people will be told that they owe tax to HMRC, with each underpayment averaging around £500-£600.

The revelation follows the identification of further discrepancies in tax and national insurance, which were highlighted by HMRC's new computer system.

In 2010, over four million taxpayers were identified as being eligible for a refund, with payments averaging more than £1,400, while over one million people were told that they had underpaid their tax.

HMRC has confirmed that letters will be sent out to affected taxpayers in the coming months. The overpayments, which relate to the 2007/08 tax year or earlier, and include interest, will be settled by December 2012.

Taxpayers who owe money to HMRC will be able to spread their payments by means of an adjustment to their tax code.



Don't forget...

The deadline for submitting your 2011 Income Tax Return is **31 January 2012!**

If you have received your completed Tax Return from us but have not yet returned the signed copy, please could you do so as soon as possible.

Additionally if you still need to provide us with your books and records please send us the information as a matter of urgency.

Remember – HMRC have introduced a new penalty regime, you will now receive a penalty for late submission even if you have no tax to pay!!!

New incentives for apprenticeships

The Government has announced new measures to encourage businesses to offer apprenticeships to young people. Businesses with up to 50 employees will be offered an incentive payment of up to £1,500 to take on a young apprentice aged between 16 and 24.

Additionally, there will be a renewed focus on ensuring the quality of apprenticeships, and reducing red tape.

Business Secretary Vince Cable commented, 'Skills are central to the UK economy and our long-term competitiveness. Despite some good progress our system needs more flexibility and we are treading water by international standards'.

Construction Industry News

HMRC are again looking carefully at this area and a new recent case has highlighted the importance of having a valid up to date contract for each of your sub contractors.

If you're still using an old contract, or even worse, have no contract in place, it is vital that you contact us as soon as possible to get up to date.

Accountax, who helped us with our recent CIS seminar are specialists in this field, and have a new product called 'CIS Force'.

If you require bespoke contracts for your sub contractors And feel you would benefit from direct contact with them, including attending their seminars, then let us know and we can send you more information on pricing and what the package will give you.



VAT News

HM Revenue & Customs are proposing that from April 2012 All VAT registered businesses will have to compulsory file their VAT returns online and make electronic payment of any VAT due.

Currently, existing businesses with a turnover of less than £100,000p.a. can continue to send in paper returns.

Businesses that are affected by this change will nor suffer any penalties in the first year.



Christmas Hours

Our offices will be closed from 1.00pm on Friday 23rd December 2011.

We will reopen at 8.30am on Tuesday 3rd January 2012.

We wish you all a Happy Christmas & New Year!



Competition Time!

For a chance to win six bottles of wine please answer the following questions:

1. What is the annual contribution limit for the new Junior ISA?
2. What did the government abolish on 1 October 2011?
3. How much could a small business receive for taking on an apprentice aged between 16 and 24?

All answers can be found within this Newsletter. To enter please either telephone Lorraine Banks with your answers on 0117 9561067 or email her at: lorraine.banks@copsongrandfield.co.uk

Accountants are a Joke!

1. How many accountants does it take to change a light bulb? Hmm...I'll just do a few numbers and get back to you.
2. What's the definition of an accountant? Someone who solves a problem you didn't know you had in a way you don't understand.
3. What does an accountant use for birth control? His personality.

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