



NEWSLETTER

October 2017 – Volume 15, Issue 3

Welcome to the Copson Grandfield Newsletter.

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

30-31 St James Place
Mangotsfield
Bristol BS16 9JB

Tel 1: 0117 9561067

Fax 1: 0117 9701809

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

Don't forget, Copson Grandfield are on [Facebook](#) & [Twitter!](#)



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

Inside:

Autumn Budget 2017 - Possible Pension Changes?	1
Preparing for 'MTD'	2
Staff News	2
'Staircase Tax' Controversial rates abolished?	2
HMRC & Tax Agents Difficulties obtaining information	3
New 'Simple Assessments'	3
Auto Enrolment Changes New rules from 01/10/17	4
Other Staff News	4
Photocopier for Sale	4
Accountants Are A Joke!	4

Autumn Budget 2017: Pension Changes on the Horizon?



The Autumn Budget will be delivered on Wednesday, 22 November 2017.

As we have already had a Spring Budget this year, it is unlikely that there will be too many major changes, however, there are rumours that Chancellor Philip Hammond is plotting a raid on older workers and pensions in order to fund tax breaks for younger people.

One such rumour is that Pension Tax Relief could come under fire. Under the current system, relief is linked to the income tax rate of a saver. This means that higher rate tax payers currently get relief at 40 per cent, while those on the basic rate are given relief at 20 per cent.

It is thought that the Government may move to a flat rate of around 33 per cent, a change that would hit middle earners harder.

Meanwhile, it is thought that the Annual Allowance (a limit on the amount that can be contributed to pensions each year, while still receiving tax relief) could also be reduced from the current £40,000 to £30,000.

The government is also expected to lower the 'tapered annual allowance', from £150,000 to £120,000. This is applied to high earners, and means that for every £2 of income, above £150,000 per annum £1 of the Annual Allowance will be lost.

Continued on Page 2...

...Continued from Page 1

The maximum reduction is currently £30,000, bringing the annual Allowance down to £10,000.

High income individuals caught by the restriction may therefore have to reduce the contributions paid by them and/or their employers or suffer an annual allowance charge.

Any changes to pensions would come despite secretary of state for work and pensions minister David Gauke previously saying that he did not foresee any "fundamental changes in the near future" to tax relief.

Yet, new strains in public finances arising from June's general election, and the consequent dropping of some Conservative manifesto promises, could see the Treasury shift its focus to alternative areas for cuts.

Aegon pensions director Steven Cameron said that if the Treasury did go ahead with changing the tax relief system, that it would be hard to implement, whilst adding that it was no surprise to hear rumours that pension tax relief (particularly for higher rate taxpayers) is again under threat.

An HM Treasury spokesperson declined to comment if changes to the allowances will be part of next budget.

We cannot be certain that the current tax reliefs will be available indefinitely; therefore those considering making contributions this tax year may wish to do so prior to the Budget on 22 November 2017, in order to take advantage of the current rules/ available reliefs.

If you would like further advice or help in this area, please do not hesitate to contact us.

Other News - Preparing for 'Making Tax Digital' (MTD)

The prospect of 'Making Tax Digital' is drawing ever closer; yet many of us are still in the dark in terms of the software on the market, and how to remain compliant.

In an attempt to take pressure off our clients; Copson Grandfield are currently looking at various software options for both MTD & VAT reporting/submissions.

We understand that all businesses are different; consequently, we cannot take a 'one size fits all' approach in terms of the best software for you.

We therefore aim to explore various options, so that we can advise you on the most suitable product to meet your Bookkeeping, VAT and MTD needs.

Staff News

Well done to Luke Green on his recent exam success, one more to go before Luke is AAT Qualified!

We would also like to welcome Emily Long who has joined our Accounts Department, along Jessica Burton and Linda Mackenzie, who have joined our Admin Team.

Anna Baradad has also joined our Personal Tax Team; filling the void left by Laura Benson, who is currently on Maternity Leave.

Chancellor suggests 'Staircase Tax' could be abolished

Chancellor Philip Hammond has suggested that the so-called 'staircase tax' could be abolished by the end of this year.



Termed the 'staircase tax', businesses with offices on multiple floors of a commercial property have been receiving separate business rates bills for each floor they occupy, provided the areas separating the offices are communal. Some firms in England and Wales have seen their business rates rise as a result.

During a Treasury Select Committee hearing, the Chancellor admitted that the tax has been putting additional stress on businesses. He told the Committee that he is 'certainly looking at' the legislative steps that can be taken to abolish the tax.

The Federation of Small Businesses (FSB) had previously called for the staircase tax to be axed. The business group welcomed the Chancellor's remarks:

Mike Cherry, National Chairman of the FSB, said: 'The staircase tax has heaped misery on thousands of small businesses that happen to occupy split workspaces.

'The Chancellor's words will come as welcome relief to the desperate firms who had absolutely no idea that bill hikes were coming down the line.'

HMRC making things difficult for Agents

Two recent changes to how HMRC deals with requests for information have been making things difficult for both Agents and Taxpayers.

Those in Self-Assessment who are also employed will need to enter their PAYE income on the form; however P60's have a tendency to become 'lost', especially if it's the last week of January.

In the past (providing we had the necessary authority in place) we could simply call HMRC in order to obtain these figures, either via the post (sent directly to us as agent), or over the phone.

However, due to concerns about rogue agents calling HMRC and impersonating the taxpayer, as well as the sheer number of calls it receives, this practice has now ceased.

HMRC has clarified that it will no longer provide this information. Instead it will instruct the Taxpayer to acquire the information from their personal tax account or from their employer. Only where you cannot do so will HMRC provide the information, but directly to you, and by letter instead.

It is hoped that a new digital 'Agent Services Account' will be available by the end of 2017, allowing us access to your PAYE record(s), but currently we have no way of obtaining this information on your behalf. We therefore stress the importance of ensuring you keep your P60/P45's in a safe place, especially if you have not yet filed your 2016/17 Tax Return.

In addition to the above, HMRC have confirmed that paper SA302 calculations (traditionally required for mortgage applications) will no longer be provided.

HMRC says that this is because it has made all the changes necessary for Taxpayers & Agents to print copies themselves.

Most major lenders have agreed to accept copies printed from the HMRC online services gateway, or third party accounting software, providing they are supplied together with a supporting Tax Year Overview.

The names of lenders who will accept such forms are available to view online. Therefore if you speak to someone who insists on an HMRC copy, refer them to this list. If they don't appear on the list, it is unclear what HMRC will provide, though it is possible that it may send a copy to the client directly as a last resort.



"Of course you have a purpose in life. You pay taxes, don't you?"

Taxpayers begin to receive 'Simple Assessment' requests

Do you remember how Personal Tax worked before Self-Assessment?

HMRC would raise an estimated tax assessment, the taxpayer would appeal, a tax return would then be submitted and eventually the figures would be agreed and the tax would be paid.

HMRC appears to have turned the clock back to pre-SA days with a new power to raise 'Simple Assessments' for 2016/17.

Taxpayers across the UK have started receiving these 'Simple Assessments' (form PA302) from HM Revenue & Customs, asking for payment of tax that cannot be coded out under PAYE.

The aim of this form/ assessment is to take taxpayers out of the Self-Assessment regime where they have a small amount of income or gains which are not taxed at source/ under PAYE. HMRC has up to four years from the end of the tax year to issue a simple assessment.

Those affected began receiving Simple Assessments from mid-August 2017.

If a taxpayer receives a simple assessment (PA302 form) they have up to 60 days to appeal or raise a query.

It is vitally important that anyone who receives an assessment contacts us within this period if they have concerns, as after this date assessments become binding and the tax liability becomes payable.

The Simple Assessment is not a "determination" which can be replaced by submitting a tax return.

Normal tax payment dates will still apply, but if the Simple Assessment is issued after 31 October following the tax year, the tax will be payable three months after the date of the assessment.



“My Short-term financial goal is to keep some of my wages until Tuesday. My Long-term financial goal is to keep some until Friday”.

Auto-Enrolment – Changes from October 2017

Under the Pensions Act 2008, every employer in the UK must put certain staff into a pension scheme and contribute towards it. This is called 'automatic enrolment'. If you employ at least one person you are an employer and you have certain legal duties.



Photocopier for Sale

Konica Minolta C220

Colour Printer, Copier,
Scanner & Fax

Low Print Count & Fully
Maintained

£499+VAT

**We will also include a
selection of Genuine
New Toners worth
over £300!**

First come, first served;
Grab yourself a Bargain!

Please contact our office
for more details:
0117 956 1067



Those of you already running a payroll should be familiar with 'staging dates' for automatic enrolment.

Prior to the end of September 2017, those running a payroll had a brief window before their duties came into effect, this being the 'staging date'.

A new employer from between July – Sept 2017, for example; would have until 1 February 2018 before they need to begin enrolling their staff.

However, for those who hire staff for the first time on or after **1st October 2017** (even if it is just one person) your auto enrolment duties will commence on the day that your first employee starts work. This is known as the **Duties Start Date**.

On your 'duties start date' you must assess your staff in order to see if they meet the age and earnings criteria to be put into a pension scheme under automatic enrolment.

Any staff aged between 22 up to State Pension Age **and** earn over £10,000 per year (£833 per month/ £192 per week) **must** be put into a pension scheme and you must both pay into it.

If we run a PAYE scheme on your behalf, we will take care of these dates/ duties for you. However, if you run your own payroll and need further advice, or if you are unsure of what you need to do next, please contact a member of our PAYE department, who will be able to point you in the right direction.

Other Staff News

Congratulations to Stuart Andrews who recently became a father for the first time; any excuse to buy a new Scalextric set...

We anticipate a few sleepless nights for Stuart over the coming months, but at least this year it will be for a reason other than the looming Self-Assessment deadline!

Accountants Are A Joke!

1. What's the difference between a fine, and tax? A fine is a tax for doing wrong. A tax is a fine for doing well.
2. A man, about to enter hospital, see's two white coated doctors searching through the flower beds. "Excuse me," he said, "have you lost something?" "No," replied one of the doctors. "We're doing a heart transplant for an income-tax inspector and we're trying to find a suitable stone."

Disclaimer: Every care in preparing material contained within this publication is taken to ensure that the content is accurate and up to date. However due to continuing amendments and changes in legislation no responsibility for loss occasioned to any person acting or refraining from acting as a result of the material can be accepted by Copson Grandfield.