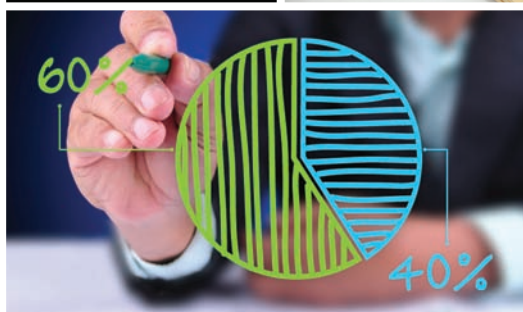
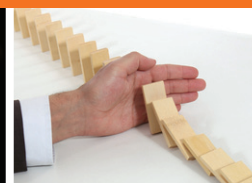




The Chartered Institute of Payroll Professionals

Bi-Monthly Newsletter

August 2013



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the chartered institute
of payroll professionals

leading the profession

Welcome



Welcome to the August edition of the bi-monthly newsletter from the CIPP's Policy & Research Team. Our aim is to give you a round-up of some of the news and views impacting the payroll sector in recent weeks.

No matter how long we work in the payroll industry or how experienced we become, there is never a point where we can say, hand on heart, we know it all!

The one constant in fact is change and the knowledge that things, if they haven't already, will be changing soon. With most things we are informed in plenty of time and from a variety of sources, but in other cases it seems that we find out about them all too late in the day!

The increase in technology and our ever growing reliance upon digital solutions in itself has done nothing to increase the quality or reliability of information and guidance, it simply provides us with a greater number of options for accessing, or not, that data and at a greater speed. Our tablets and smart phones bely the vast size of the amount of guidance that we can now access in seconds and at our fingers tips, making our need to be up to date and able to discern what is good quality information and what is not, ever more important.

This edition, as is rapidly becoming the norm, would not be complete without the on-going news items associated with the go-live of RTI, and as you would expect the on-going staging of automatic enrolment also gets more than its fair share of mentions, and quite rightly so.

Another common theme for those of us in the payroll industry is a common start date for most if not all new legislative measures, RTI is processing a staged roll out over 5 months but essentially it still has as a single go live date (setting aside certain exemptions and relaxations for one moment), this is long in payroll terms, but short when compared to the staging period of automatic enrolment.

This lengthy roll-out has been essential to enable the maximum opportunity for success for employers and also to allow for the enormous change facing the pensions industry, the software industry and the payroll industry who are all working furiously hard to ensure that automatic enrolment is a sterling success for both employer and employee (whatever their size).

If you service a SME and have yet to fully embrace all of the challenges that automatic enrolment is set to present you and your team (and by team we include, kettle, computer and stress ball!) then be prepared for some light summer time reading in the form of The Pensions Regulator (TPR) guidance, in all its formats, webinars, quick guides, on line tools and detailed guides.

But not before you've taken the opportunity to peruse our latest offering for August which takes a look at the vast array of different changes heading our way at this time.

On a final note and as the weather is for once being extremely seasonal enjoy the summer and don't forget to wear sunscreen!

Samantha Mann MAAT, MCIPPDip
Senior Policy & Research Officer, CIPP

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Better Regulation

Major Projects Data

28 May 2013

As part of the government's transparency policy for publication of major projects data, the Major Projects Authority (MPA) has published its first annual report on the government's major projects portfolio (GMPP).

Each government department has also published [detailed information](#) about their specific projects. The data includes:

- the MPA RAG (Red, Amber, Green) rating
- key project data including financial information (whole life cost, annual budget and forecast spend)
- project timetable

This data is 6 months in arrears and will be updated every 12 months.

The Office of Tax Simplification

OTS looks at employee benefits and expenses

21 May 2013

Have you ever thought that the administration of Expenses & Benefits could be improved or simplified? If so, and we can't imagine that an odd thought or two won't have strayed across your mind; the Office of Tax Simplification (OTS) would like to hear from you.

CIPP members will hopefully have noticed that the OTS has started a project looking at employee benefits and expenses (EBE for short). Details of the review, including the formal terms of reference for the project can be found at [this link](#).

As with previous OTS projects, their aim is to look for the things that cause problems in practice – technical or administrative issues, matters that take too much time or cause uncertainty, or where the rules as they apply do not seem fair or reflect current working practices. They will go on to develop recommendations that they can put to the Chancellor that would simplify the system for users.

In framing recommendations, they have to bear in mind their brief to be broadly revenue neutral and they cannot promise that all points will be taken up. But if they can show that there will be a real simplification dividend from any change then that will maximise the chance of getting improvements; hence the importance of the first phase of work – which is evidence gathering.

The OTS would welcome any comments and contributions from CIPP members, ideally setting out area(s) of difficulty and why there are problems. Actual examples of difficulty, excessive time taken etc. are very valuable.

The target is to produce an initial report at the start of August on the problem areas identified. The OTS will then proceed with studies of specific areas and will be looking for the best ways to improve matters, so will be asking CIPP members for further input in due course.

Please send any contributions, however brief, to OTS-Employee.Benefits@ots.gsi.gov.uk

Employee Benefits and Expenses Committee Minutes – 17 June 2013

2 July 2013

HM Treasury and the Office of Tax Simplification has published the minutes from the [Employee Benefits and Expenses committee](#) meeting held 17 June 2013.

The minutes were taken at the meeting of the Employee Benefits and Expenses Committee 17 June 2013 and include a very long list of subjects that have been mentioned as possible areas needing review, improvement or simplification, the minutes report that the OTS team plan to publish a first draft of the interim report, during the week starting 5 August.

The OTS expects to agree with the Chancellor over the summer which areas to focus on for the second stage of the review.

Child Maintenance Reform

Initial government consultation response

22 May 2013

In July 2012 the government published a consultation document on draft child support fees and the transition to new calculation rules. The government has now issued [a statement](#) in response to that consultation, summarising the changes the government intends to make. A full response will be published later this year.



Citizen News

UK Border Agency

Minor changes to the Immigration Rules come into force on 1 July 2013

13 June 2013

The UK Border Agency has published a number of minor changes to the Immigration Rules which will come into force on 1 July 2013. They include:

- changes to the documents required for approved English language tests;
- clarification that 'regulated financial institutions' means those regulated to provide personal savings accounts or student loans;
- more legal courses are now exempt from the time limit on study for Tier 4 student visas; and
- a resident labour market test is not needed for applications for a religious worker (Tier 5) extension.



Other changes include:

- some minor updates and clarifications to the family Immigration Rules;
- changes to the list of financial institutions in Bangladesh and Ghana from which documents can be verified.

Full details of all changes are given in the Statement of Changes to the Immigration Rules (HC244) available on the [UKBA website](http://ukba.gov.uk).

Construction Industry

HMRC updates leaflet on CIS repayments

5 June 2013

HMRC has updated the leaflet that sets out how subcontractors that are limited companies should reclaim any deductions they have had taken from their payments under the Construction Industry Scheme (CIS).

HMRC will send a copy of the [leaflet](#) to the limited company subcontractors they contact about claims for repayment of deductions through the P35 process.



Employment Law & Guidance

Government consultation on Equal Pay Audits

23 May 2013

Following on from the Modern Workplaces Equal Pay Audits consultation back in 2011, the government has now published a [second consultation](#) which is available from the government Equalities Office website.

The CIPP Policy team will be studying the document carefully and will publish a survey seeking CIPP member views over the next few weeks.

Disclosure and Barring Service to be updated

24 May 2013

The Disclosure & Barring Service (DBS) has announced that they will be launching a new service, called the Update Service.

The Update Service aims to put individuals in greater control of their own information. Allowing DBS certificates to be reused when applying for similar jobs it is looking to reduce bureaucracy.

Individuals will be able to subscribe to the Update Service for an annual fee of £13 which will keep their DBS certificate up-to-date so that they can take it with them from role to role within the same workforce. As a result employees and volunteers will no longer have to apply for a new criminal record check each time they apply for a job/volunteering position.

If an individual has subscribed to the Update Service their employer will be able to go online, with the individual's consent, and carry out a free, instant check to find out if the information released on the DBS certificate is current and up to date.

Further information in the format of [Employers Guide](#), [Employer Preview](#) and [Employer Presentation](#) can be found at GOV.UK.

National pay system for colleges

10 June 2013

National pay bargaining for college sector staff is to be underpinned by the Post 16 Education (Scotland) Bill later this month.

Ahead of his speech to the EIS AGM conference on Saturday and as reported on www.scotland.gov.uk Education Secretary Michael Russell [highlighted](#) the disparity in pay across the sector and said that measures to support a coherent, national pay structure for college staff should be put in place as soon as possible.

An amendment to the Bill in its final hearing would support the mechanism allowing this to happen. The Stage 3 debate will be held in the Scottish Parliament before the end of the month.

Mr Russell said:

"College staff perform a vital role in helping young people into employment through their inspiration, support and guidance. As such, they play a key role in our economic development, helping young people into jobs, and ensuring our employers get the skills they need."

"I have long made clear my commitment to national pay bargaining in our colleges, and I have put in place a team to help with the necessary work. Chair of Edinburgh College, Ian McKay, is leading this effort, liaising with regional college leads. The EIS, at whose conference I am speaking this weekend is a central partner in those discussions, which also involve other unions, the Scottish Funding Council and Colleges Scotland."

"Stage 3 of the Post 16 Education Bill takes place later this month. This is the right vehicle to put in place mechanisms to underpin that process. While we are still at an early stage, and further discussions lie ahead, I hope this move will receive widespread support among unions and college staff themselves."

Revised code of practice on settlement agreements published

13 June 2013

ACAS has published its response to the consultation on its settlement agreements code of practice, which contains the final version of the Code of Settlement Agreements.

ACAS launched its public consultation on the draft settlement agreements Code of Practice on 12 February 2013. The consultation was seeking the public's views on a new draft Code designed to support new legal provisions on the admissibility of settlement agreement discussions in unfair dismissal cases. It also sought answers to fifteen specific questions relating to the sort of issues the Code should cover.

The ACAS Council has now had a chance to reflect on comments received and has produced a revised final version of the draft Code of Practice on Settlement Agreements which was sent to the Minister on 8 May 2013.

You can read the full document on the [ACAS website](#).

Zero-hour contracts to be reviewed

17 June 2013

The government is to review the use of controversial "zero-hours" contracts under which employees are put on standby and not guaranteed a minimum amount of work.

Vince Cable, the Business Secretary, is worried that some companies are abusing the contracts and has asked his officials to review the growth of the contracts in both the private and public sectors. Although he is unlikely to ban them, they could be restricted or workers on them given more protection.

Business Secretary, Vince Cable, said:

"There has been anecdotal evidence of abuse by certain employers, including in the public sector, of some vulnerable workers at the margins of the labour market."

He denied that BIS was planning to ban the contracts, but said:

"Whilst it's important our workforce remains flexible, it is equally important that it is treated fairly."

"This is why I have asked my officials to undertake some work to better understand how this type of contract is working in practice today."

Zero hours contracts have been criticised by some because they allow employers to put workers on standby without a guaranteed minimum number of hours or pay.

Welcoming the news that the government is reviewing the use of zero-hours contracts, TUC General Secretary, Frances O'Grady, said:

"Employers know they can get away with advertising zero hours jobs because there are so many jobseekers hunting too few vacancies."

"With the tough times set to continue, now is the perfect time for the government to be reviewing - and hopefully regulating - the increasing use of these exploitative contracts."

Committee calls on government to tackle workplace inequality

21 June 2013

A report published by the Business Innovation and Skills (BIS) Committee has called on the government to take action on workplace inequality. The report also calls on the government to do more to tackle female under-representation in certain sectors of the economy.

As well as addressing the worrying lack of comprehensive careers advice, the report recommends that the government sets targets for encouraging women into apprenticeship sectors where they are currently under-represented.

The report also proposes that workers should be entitled to ask for flexible working from when they first start working for an employer, rather

than being required to have been in the job for six months beforehand.

As well as these recommendations, the report suggests the government should establish a voluntary Code of Practice to highlight best practice in the provision of quality part-time and flexible working, and must dispel the myth that any type of flexible working is problematic and cannot work.

Adrian Bailey MP, chair of the BIS committee, said: *"Four decades since the Equal Pay Act, we still do not have full workplace equality. We cannot wait another 40 years."*

Sarah Jackson, Chief Executive of the work/life balance organisation Working Families said: *"We are pleased to see their recommendations that all employees should have a right to request flexible working from the outset, and that we need reliable, consistent data on the extent of flexible working. There are strong messages here for government to take action to become an exemplar in flexible working and for employers to ensure that they are maximising the benefits that flexible work can bring."*

Read the full [report](#).

Executive pay regulations

8 July 2013

Major changes relating to executive pay are being introduced from 1 October 2013.

Under the new [legislation](#), UK incorporated companies must seek binding shareholder approval for their executive pay policy and will only be able to make payments to directors in accordance with that policy once it is approved.

Additionally, companies must publish a remuneration report which sets out the executive pay policy and discloses the amount each director has been paid.

Landmark judgement dramatically changes process for cross-site redundancies

5 July 2013

The Employment Appeal Tribunal (EAT) has issued its [decision](#) in *USDAW v Woolworths*. This decision will dramatically change how employers carry out cross-site redundancies, confirming that—subject to any appeal or new legislation—employers must collectively consult when 20 or more employees are proposed to be dismissed by reason of redundancy within a period of 90 days or less, regardless of where the employees are located.

In the UK, employers have a general duty to consult with employees individually before deciding to terminate their employment on the grounds of redundancy. In addition, employers have the duty to collectively consult with either trade union representatives or elected employee representatives if the employer wishes to dismiss a certain number of employees. This is set out in section 188 of the Trade Union and Labour Relations (Consolidation) Act 1992 (TULRCA), which states that the obligation to collectively consult is triggered by an employer proposing to dismiss as redundant 20 or more employees *at one establishment within a period of 90 days or less*.

The duty to collectively consult comes from a European directive. The directive in question—Council Directive 98/59/EC (the Directive)—sets out that the duty to collectively consult is triggered when the number of redundancies is "over a period of 90 days, at least 20 [dismissals on the grounds of redundancy] . . . in the establishments in question."

Crucially, there is a difference between the Directive and TULRCA, as the Directive refers to 20 dismissals in the "establishments in question", whereas TULRCA refers to 20 dismissals "at one establishment".

When Woolworths went into administration in November 2008 and ceased to trade in January 2009, employees were dismissed by the administrators without consultation. The Union of Shop, Distributive and Allied Workers (USDAW) brought claims on behalf of the employees, stating that they were entitled to the protective award.

The Employment Tribunal ordered that the majority of employees should receive 60 days' pay by way of protective award but found that 3,233 employees were not due the award. The reason for this was that some employees were employed in stores that had fewer than 20 employees, and, according to commonly accepted practice, the tribunal held that each store was a separate establishment and as such, the duty to collectively consult was not triggered at these stores.

USDAW appealed the decision to the EAT on the basis that the “one establishment” test adopted by the Employment Tribunal was inconsistent with the Directive.

The EAT held that there should be some interpretation of TULRCA to yield the outcome that the obligation to collectively consult arises when 20 or more employees are to be dismissed—irrespective of their location.

Subject to any appeal or new legislation, the requirement for collective redundancy consultation will be triggered in the future when an employer proposes to make redundant 20 or more employees within a 90-day period, even if they are employed across multiple establishments. It will not be open to the employer to avoid collective consultation by ensuring that fewer than 20 employees are made redundant at a number of different locations.

View the decision [here](#).

Latest employment law reform announcements

15 July 2013

The Parliamentary Under-Secretary of State for Employment Relations and Consumer Affairs, Jo Swinson, has issued a ministerial statement announcing the following employment law reforms:-

- changing the cap on the unfair dismissal award to the lower of £74,200 or one year's pay with effect from 29 July 2013;
- publication of the government's response to consultation over how Acas Early Conciliation will work; and
- a call for evidence on the framework of whistleblowing laws. This is separate from the whistleblowing reforms which came in on 25th June.



Employment Tribunals

Striking out tribunal claims

20 June 2013

Can a discrimination claim be struck out for a wilful failure on the part of a claimant to comply with tribunal orders? This was the case of [Ahmed v Bedford Borough Council](#), brought before the Employment Appeal Tribunal (EAT) which concluded that not unless consideration has been given to whether the failure has rendered a fair trial impossible.

The Claimant brought claims of race, religious belief and disability discrimination, but unreasonably failed to comply with the tribunal's order that he be examined by a medical expert for the purposes of a PHR on the issue of disability. The tribunal struck his claim out in its entirety as a result.

The EAT held that the issues in such a situation were:

- whether the conduct in question was scandalous, unreasonable or vexatious;
- whether a fair trial was still possible; and
- whether the sanction of strike out was proportionate.

In this case there was insufficient consideration of the latter two conditions (for example whether a lesser sanction was appropriate), and the matter was remitted back to a different employment Judge.

Redundancy and Parental Leave

21 June 2013

The Court of Justice of the European Union (CJEU) has been considering whether when selecting for redundancy, can an employer assess workers who have been off work on parental leave on different criteria to those who have not been on leave?

No, says the CJEU in a preliminary ruling in the case of [Riezniece v Zemkop bas Ministrija](#).

According to the CJEU, where it is the case that a much higher number of women than men take parental leave, EU law precludes:

1) the assessment of workers in their absence, for the purpose of abolishing posts, on the basis of criteria less favourable than that applied to workers who did not take parental leave. Any such assessment must encompass all workers liable to be concerned by the abolition of the post and must be based on criteria which are absolutely identical to those applying to workers in active service. The implementation of those criteria should not involve the physical presence of workers; and

2) the dismissal of a female worker who has been transferred to another post at the end of her parental leave following that assessment, where it was not impossible for the employer to allow her to return to her former post or where the work assigned to her was not equivalent or similar and consistent with her post because, at the time of the transfer, the employer knew that the new post was due to be abolished.



The Supreme Court rules on the meaning of 'in the same employment'

28 June 2013

The requirement that comparators be in the same employment in Equal Pay cases has been considered and ruled upon recently by the Supreme Court.

The judgment of the Supreme Court in [North & Ors v Dumfries and Galloway](#) overturns the earlier decision, that equal pay law which allows a woman to compare herself with a man "in the same employment" does apply, even though the women worked at different 'establishments'.

[Unison](#) had appealed after the Court of Session said the 251 classroom assistants, support for learning assistants and nursery nurses in

Dumfries were not able to compare themselves with groundsmen, refuse collectors and drivers and leisure attendants who received bonuses, but were based at depots, not in the women's schools.

This ruling will impact on nearly two thousand women members of UNISON as this ruling provides a conclusive win for them following the long-running defence by Scottish councils of paying men discriminatory bonuses that are denied to women.

The UNISON members can expect to share in an estimated £12 million in lost pay after the Supreme Court today handed down judgment in their favour in the seven-year case of *North & Others v Dumfries and Galloway Council*.

Having conceded that council bonuses were discriminatory, more than 20 Scottish councils joined Dumfries in arguing that women should only get equal pay compensation if they worked at the same location as their male comparators.

UNISON General Secretary, Dave Prentis said:

"I am delighted that the Supreme Court has ruled in favour of our women members. It is a shame, though, that they have had to go through this process and endure a seven-year wait, just to get equal pay. Dumfries and Galloway Council should take immediate steps to correct their pay and I urge other councils to follow suit. We have more than 2,000 other cases on hold, waiting for this judgement."

Dumfries classroom assistant Karen Korus, one of the 251 appellants, said:

"This has been a very long fight but we knew all along that we should be able to compare our work with the men, who sometimes did work in schools, but were not based there like us."

Expenses and Benefits

Submitting paper P11Ds and S336 claims

12 June 2013

HM Revenue & Customs has produced an update to provide contact details of the centralised process that is now in operation for paper forms P11D and P11D(b).

The processing of [paper forms P11D and P11D\(b\)](#) has now been centralised and will be dealt with throughout the year by the National Insurance Contributions and Employer Office (NIC&EO) in Longbenton.

NIC&EO will process paper forms P11D and P11D(b) for the 2012-13 and earlier tax years, as well as amendments to forms P11D and P11D(b) for all tax years. Employers and agents should post them to:

HM Revenue & Customs (NIC&EO)
Room BP2101
Lindisfarne House
Benton Park View
Longbenton
Newcastle upon Tyne
NE98 1ZZ

S336 claims

The submission of a S336 claim is normally the responsibility of the individual but where a S336 claim is submitted by an employer (on behalf of an employee) and attached to an original paper P11D, the S336 claim and the P11D form should be submitted to the NIC&EO office (as detailed above). On receipt, HM Revenue & Customs (HMRC) will keep the S336 claim attached to the P11D to make sure the two are processed at the same time.

Where a S336 claim is being submitted separately on a form P87, form P810 or in letter format (not attached to an original P11D), irrespective of when the claim is submitted it should be sent, with the envelope marked clearly 'S336 claim' to the following address:

HM Revenue & Customs
Pay As You Earn
PO Box 1970
Liverpool
L75 1WX

Consultation on the implementation of a tax exemption for employer expenditure on health-related interventions

21 June 2013

On 20 March 2013 the Chancellor of the Exchequer announced that employers that help their employees to return to work after periods of sickness will get new support through the tax system. The recommendation is that expenditure by employers on medical treatment and vocational rehabilitation targeted at keeping sick employees in work, or speeding their return to work, should attract tax relief.

The government feels that a general tax relief for medical expenditure would be too broad and intends to introduce a new targeted tax exemption to apply where the new service recommends health-related interventions to help an employee return to work. Where an employer funds such interventions, the expenditure, up to a cap of £500, will be exempt from income tax and National Insurance Contributions (NICs).

The £500 cap will apply per employee over a complete tax year. It will be valid for more than one health-related intervention recommended by the new service, subject to the overall annual limit.

Any expenditure over the £500 cap will, as now, be classed as payment of earnings or a benefit-in-kind, depending on the type of expenditure, and will be subject to the appropriate deduction of income tax or reporting on form P11D, and either Class 1 or Class 1A NICs.

The government has now published a [consultation](#) document seeking views on the implementation of this exemption.

The CIPP Policy Team has been seeking clarification about how this exemption would be applied since it was announced back in March. We welcome, therefore the publication of this [consultation](#) document which we will study before publishing a survey to collect member views in the very near future.

Online Service

Expenses and Benefits online service

24 June 2013

HMRC has now [unveiled the complete set of online forms](#) available for employers and agents to use to submit end of year expenses and benefits information for 2012-13 onwards.

The online service began its release back in April with the release of two forms:

- 'No Return of Class 1A National Insurance contributions' - used to report that no P11Ds or P11D(b) are due and
- 'Notification of payrolled benefits' - used to notify HMRC in advance that they will be sending P11Ds online that include all expenses and benefits provided to employees that have been fully payrolled

From June 2013 the online forms available have been extended to make available:

- P11D and P9D - used to report expenses and benefits paid to employees
- P11D(b) - used to report to HMRC the amount of Class 1A National Insurance contributions due on these expenses and benefits
- Creation of amended forms P11D, P9D and P11D(b)
- Creation of forms P11D and P11D(b) for those expenses and benefits that have been part payrolled.

For amendments to P11D, P9D and P11D(b) and for expenses and benefits that are part payrolled, the forms for 2012-13 will have to be printed and posted to HMRC. HMRC does plan to enable electronic submission of these forms from 2013-14.

Please note that to use the new [suite of forms](#), you must have a government gateway user ID and a password.

Expenses and Benefits online service unavailability

1 July 2013

At the moment and much to the frustration of affected members the Expenses & Benefits Online service is reported as being unavailable and has been experiencing issues which HMRC are working to resolve.

It has been reported that the service should be available again from 1 July but also be aware that [important information](#) has been made available by HMRC for employers who are still hoping to use this service.

Penalties arising from the delayed launch of the Expenses and Benefits online service

8 July 2013

In recent weeks we have published several messages about HMRC's new Expenses and Benefits Online service, the most recent being the [unavailability of the service](#).

There has been widespread concern about the difficulty some employers will have meeting the filing deadlines for P11D, P9D and P11D(b) due to the delayed launch and subsequent unavailability of these online tools.

HMRC has now announced that whilst they have no power to extend filing deadlines, they accept that the delay in issuing the i-forms on this occasion is a reasonable excuse for employers who:

- would have filed using the i-form on time but were prevented from doing so; and
- file by 4th August 2013.

Employers who have been held up by the i-form problems should submit their forms by 4th August. If they do this but are issued with a penalty they should write to the address below and explain that they would have filed on time but were prevented from doing so by the problems with the i-form.

Provided HMRC are satisfied, the penalties will then be cancelled. HMRC do not recommend that employers contact them before they have successfully filed their forms, and HMRC will not be able to cancel the penalties over the phone.

Customer Operations Employer Office
BP4009
Chillingham House
Benton Park View
Newcastle Upon Tyne
NE98 1ZZ

HMRC update for RTI pilot employers about P11D(b) reminders

1 July 2013

HMRC would normally look to send an email notification to employers who previously filed their form P11D(b) online to remind them to file their current form. However for employers who were part of the RTI Pilot this is not possible.

This year, instead of sending an email reminder HMRC will be sending affected employers paper P11D(b)s as a reminder, together with their P30B(CL1A Inter) payslip. HMRC has issued a [reminder](#) which can be read at the HMRC website.

Tax relief for employer expenditure on health-related interventions

15 July 2013

On 20 March 2013 the Chancellor of the Exchequer announced that employers helping their employees to return to work after periods of sickness will get new support through the tax system.

In 2014 the government will be introducing a Health and Work Assessment and Advisory Service that will conduct a health assessment when an individual has been on sick leave for four weeks, and provide advice on how they can return to work.

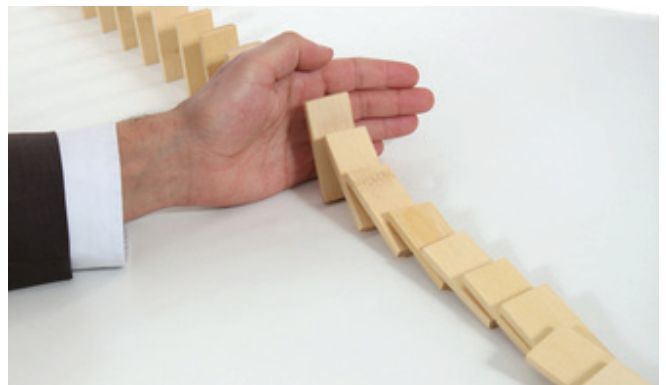
The proposal is that employer expenditure on medical treatment and vocational rehabilitation targeted at keeping sick employees in work, or speeding their return to work, should attract tax relief. The government says that this will be brought about by a new targeted tax exemption to apply where the new service recommends health-related interventions to help an employee return to work. When an employer funds such interventions, the expenditure, up to a cap of £500, will be exempt from income tax and National Insurance contributions (NICs).

The government wants to make the exemption simple to administer, to encourage employers to engage with the well-being of their employees and fund treatment to help them return to work after a period of ill-health.

Under current rules, an employer who arranges and pays directly for health-care for an employee is providing a benefit in kind on which the employee will be liable to income tax and the employer will pay Class 1A NICs. Alternatively, if an employer either reimburses an employee's expenditure or pays a bill incurred by an employee, this is treated as a payment of earnings on which the employee is liable to income tax and employee Class 1 NICs, and the employer will pay Class 1 employer NICs.

~~Under the new relief, there will be no need to report any employer expenditure up to a cap of £500 per employee per year on a health-related intervention recommended by the new Health and Work Assessment and Advisory Service. Any amount over the cap will, as now, be either a benefit in kind or payment of earnings and subject to income tax and NICs as appropriate.~~

HM Treasury has issued a [consultation](#) to understand the impact this will have on employers.



HMRC General

HMRC consultation on Community Amateur Sports Club (CASC)

5 June 2013

Following a review of the qualifying CASC conditions HMRC has published a public consultation on the detailed rules that the government proposes putting into secondary legislation.

The [Consultation](#) will run for 10 weeks, closing on 12 August 2013.

Annex A - A.9 of the consultation document confirms that whilst *"it has been suggested that HMRC should expand the Simplified PAYE Deduction Scheme to cover not-for-profit community-run member organisations where their employees' taxable earnings do not exceed £160 a week or £700 a month. There is no scope for extension here as HMRC is winding down the use of the simplified PAYE deduction scheme. CASCs will however benefit from the new £2,000 NICs employment allowance announced at Budget 2013."*

HMRC to hold CASC consultation meetings

19 June 2013

Following the launch of the consultation document Community Amateur Sports Clubs, HMRC are proposing to hold face to face meetings for interested stakeholders to express their views.

Two [consultation meetings](#) are provisionally scheduled for 16 July and 5 August and places will be allocated on a first come first serve basis. If you have a view on proposals detailed within the [consultation document](#) which aims to amend the qualifying conditions for Community Amateur Sports Clubs (CASC's), email your name, your telephone number and the date of meeting you wish to attend to the Charity Policy Team via the [relevant link](#).

HMRC secure £200 million of government investment to enable taxpayers to take control

1 July 2013

HM Revenue & Customs has published news about how, by April 2015, up to two million people will be able to take control of their tax affairs through their own online accounts.

Exchequer Secretary David Gauke said:

"We want to give people the power to manage their tax affairs online as easily as they manage their bank accounts and this investment of over £200 million will allow HMRC to deliver a digital tax service fit for the twenty-first century."

"For individuals, this will mean a better understanding of what they are paying and where it is being spent. For business people, it will give the control over their tax affairs and flexibility to manage them that allows them to focus on growing the business."

HMRC Chief Executive Lin Homer said:

"This is a huge vote of confidence in HMRC. I am delighted that we have secured this investment, which will enable us to transform our increasingly popular digital services and build a groundbreaking digital tax service. We are committed to doing business with our customers in the way they want to do it."

The [press release](#) goes on to report that by the end of 2015-16 SMEs (small and medium enterprises) and their agents will be able to:

- access nearly everything they need through a single personalised homepage
- get direct access to all the online transactions relevant to them
- view a personalised tax calendar with digital alerts
- complete more transactions online (for example, telling HMRC that they've ceased trading)
- get answers to their questions through tailored online tools, thereby reducing post and phone volumes
- get relevant cross-government information where appropriate and interact with HMRC digitally (in most cases)

The [press release](#) can be read in full at GOV.UK.

Signing up for email support from HMRC

2 July 2013

HMRC has launched a new email service that business can sign up to in order to receive a series of tax related emails that aim to update them at specific times, the obvious example being when payments are due.

In an aim to help business establish good 'tax habits' from the start **HMRC** believe that it is worth spending a bit of time at the outset understanding what you need to do, when, and putting the right processes in place - it saves a lot of time and effort later on.

By using HMRC's online tax registration service to inform them that you are registering for a business tax, you will be prompted to see if you would like to receive these emails.

Publication of HMRC's Annual Report and Accounts 2012-13

4 July 2013

HMRC has published its Annual Report and Accounts for 2012-13 as well as the first Annual Report by the Tax Assurance Commissioner on how tax disputes were resolved during the same period.

Both reports explain in detail how HMRC has performed in key areas. **The Annual Report and Accounts** contains both high-level and detailed performance figures in what has been a strong year for HMRC in terms of additional revenues collected and progress on customer service standards.

Edward Troup, HMRC's Tax Assurance Commissioner, has also produced the first detailed **report** outlining HMRC's performance in resolving disputes with taxpayers between August 2012 and March 2013.



How to improve HMRC's collection of debt: coding out

11 July 2013

HM Revenue & Customs has published a consultation document which is seeking views from interested parties on its proposal to extend the current limits for 'coding out' of debts.

Encouragingly the paper includes the proposal to extend the 50 per cent regulatory limit to cover all tax codes and not simply K codes.

The CIPP Policy team will be issuing a survey to members in due course however in the meantime the consultation document can be found at [How to improve HMRC's collection of debt: coding out](#).

The consultation will close on 5 September 2013.

HMRC update presentation for SMEs

11 July 2013

HM Revenue & Customs has recently updated their presentation focusing on small and medium enterprises and the registration process for using HMRC taxes online.

Agents can request an HMRC speaker to present this for their event or meeting via the AAM team (Agent Account Managers).

Partnerships: Disguised employment

17 July 2013

Following on from the publication of the Draft National Insurance Contributions Bill, Tax Information and Impact Note has now been published which describes the impact of the draft legislation which disapplies a part of the Limited Liability Partnership Act 2000.

This Tax Information and Impact Note describes the impact of the draft legislation as it relates to [disguised employments within Limited Liability Partnerships](#).

If you have any comments about the draft Bill or the associated documents you can contact:

- Raj Nayyar at raj.nayyar@hmrc.gsi.gov.uk or telephone 0207 147 2521 or
- Atvie Edebiri at ativie.edebiri@hmrc.gsi.gov.uk or telephone 0207 147 0235

Disclosure of Tax Avoidance Schemes: draft regulations published

19 July 2013

HMRC has published a technical note, including draft regulations to amend the Disclosure of Tax Avoidance Schemes (DOTAS) confidentiality hallmark and introduce a new employment hallmark.

HMRC believes that tax avoidance represents a significant part of the UK tax gap, using the tax law to obtain a tax advantage that Parliament never intended. They say it frequently involves contrived, artificial transactions that serve no purpose other than to reduce tax liability. And it enables some taxpayers to gain an unfair advantage, undermining confidence in the tax system.

HMRC's anti avoidance strategy has three core elements:

- Preventing avoidance at the outset where possible;
- Detecting it early where it persists;
- Countering it effectively by challenge by HMRC.

The DOTAS regime is a key component of the detection element of the strategy. It enables HMRC to:

- Get early information about avoidance schemes and how they work - informing anti-avoidance legislation;
- Get information about who has used the scheme - informing our operational response;
- Reduce the supply of avoidance schemes and deter promoters and users from getting into avoidance.

You can find out more about the disclosure regime on the [Tax Avoidance](#) pages of the HMRC website.

In the "Lifting the Lid on Tax Avoidance Schemes" consultation in 2012, amendments to the confidentiality hallmark and a new employment income hallmark were proposed. Following that consultation and further informal discussion with interested parties HMRC has now issued [draft regulations](#) for consultation. The CIPP Policy Team will be studying these regulations and will issue a survey to members if appropriate.

Tax Agents and Advisers

CH995 – authorising a tax adviser for high income child benefit matters

29 May 2013

HM Revenue & Customs has produced a form to be completed by an individual to authorise a tax adviser to act on their behalf in matter relating to the High Income Child Benefit charge.

The [CH995](#) can be completed online however must be printed off and signed before sending to the:

Child Benefit Office
PO Box 1
Newcastle Upon Tyne
NE88 1AA



If an individual wants a tax adviser or accountant to act on their behalf for specific matters relating to the High Income Child Benefit charge, they will need to first formally authorise them using this form.

HMRC Agent update number 36

26 June 2013

HMRC has published the latest edition of [Agent Update](#). It includes a round up of the latest developments in tax, HMRC service and consultations for accountants and tax professionals and a section on the latest news and issues from the Working Together network.

Modern Workplaces Consultation

Additional paternity leave taken up by less than 1 per cent

19 June 2013

To encourage more dads to take time off in the first year of their child's life, the TUC is calling on the government to increase the statutory rate of pay to 90 per cent of average earnings, and up initial paternity leave from two to six weeks.

According to a new analysis published by the TUC, only 1 in 172 fathers are taking advantage of additional paternity leave (APL) and say that it is due to the statutory rate of pay for APL only being £136.78 a week which is rarely topped up by employers.

[Follow this link to read more from the TUC](#)

Shared Parental Leave – can you help?

25 June 2013

As we have previously [reported](#) several times over the last few months, the government will be abolishing Additional Paternity Leave from April 2015 and instead introducing the much publicised Shared Parental Leave.

The Department for Business Innovation and Skills (BIS) are currently looking at how this will be administered by employers and are keen to ensure they have a good insight into what exactly will be entailed.

To this end, BIS have asked if it would be possible for them to spend some time with some of our members, so they can understand the processes you must follow to administer statutory payments? This is about understanding exactly what payroll staff need to do, not just about software, but all the issues to be considered such as planning, interaction with HR and line managers etc.

The CIPP welcomes this positive step by BIS and would encourage members to take this opportunity to let government know exactly the impact Shared Parental Leave will have. If you have experience of administering the different types of statutory leave and would like to volunteer, please email policy@cipp.org.uk with your name, company size and location.



National Insurance

National Insurance and self-employed entertainers consultation

29 May 2013

HMRC are seeking views on simplifying the future National Insurance Contributions (NICs) for self-employed entertainers.

The consultation document [National Insurance and Self-employed Entertainers](#) sets out the issues that HMRC is seeking to address together with the available options that would, if implemented, resolve these issues to various extents. HMRC are inviting views on these options until the consultation closes on 6 August 2013.

Draft National Insurance Contributions Bill

17 July 2013

Along with the publication of the draft [National Insurance Contributions Bill](#) was the confirmation that the National Insurance Contributions Bill will be introduced into Parliament in the Autumn.

Draft legislation for the following three main measures is now available:

- Applying the General Anti-Abuse Rule for NICs
- Creates a NICs liability for Offshore Employment Intermediaries
- Enables the reclassification of certain Limited Liability Partnerships (LLPs) members as employed earners for NICs purposes

Legislation for the new Employment Allowance will also be included in the Bill when it is introduced into Parliament.

Other Bill measures published recently include:

- the retrospective disregard of Armed Forces early departure payments (EDP) from liability to NICs
- the repeal of two redundant Class 4 NICs reliefs
- amending the definition of "employed earner" in the Social Security Contributions and Benefits Act 1992 (SSCBA), the Social Security Contributions & Benefits (Northern Ireland) Act 1992 (SSCB(NI)A) and related Acts
- correcting minor omissions in the SSCB(NI)A

National Minimum Wage (NMW)

Not paying the National Minimum Wage does not pay

31 May 2013

HMRC has published news of their compliance action in 2012-13 against employers who were investigated for alleged breaches of the minimum wage rules.

In 2012-13, HMRC investigated 1,693 complaints against employers for allegedly breaching minimum wage rules. This resulted in 708 employers receiving automatic penalty charges of up to £5,000, with 51 of those employers being penalised to the maximum of £5,000.

26,519 employees received an average of approximately £150 in back pay, topping up wages that had previously been below the legal minimum rate.



Employment Minister Jo Swinson said:

"Paying less than the minimum wage is totally unacceptable. Whenever we find examples of businesses breaking the law we will crack down on them."

"Supporting fairness in the workplace is one of our key priorities and the National Minimum Wage is one way of making sure this happens. It supports as many workers as possible without damaging their employment prospects, which is why effectively enforcing the minimum wage is critically important in making sure it stays a success."

"The figures from last year show that HMRC can really help people who have been underpaid to claim back the money they are owed."

Cases where HMRC has taken action against employers in the past year:

- A major fashion chain was ordered to pay its 90 unpaid interns almost £60,000.
- A multi-outlet retailer, which required employees to purchase specific items of clothing from its range, was ordered to repay almost £170,000 for more than 6,000 workers.
- A national retailer, which required its employees to attend work before and after opening hours without pay, was ordered to pay arrears of wages of more than £193,000 for nearly 3,500 workers.
- A recruitment agency, requiring its workers to attend training at a client's business without pay, was ordered to pay £28,000 for 300 workers.

Michelle Wyer, Assistant Director of HMRC's National Minimum Wage team, said:

"Paying the National Minimum Wage is not a choice – it's the law. HMRC enforces the rules, protecting workers from rogue employers, ensuring they get at least the wage to which they are legally entitled."

"Where an employer ignores these rules, we will take steps to ensure arrears are paid out in full and the employer fined. In the most serious cases, criminal prosecution can follow."

In 2012-13, 17,775 people called the Pay and Work Rights Helpline, which provides advice in more than 100 languages, for information or to report an illegal wage which led to HMRC opening 1,408 enquiries into employers.

Follow this link to read the HMRC [Press Release](#) in full.

Information about current and future [NMW rates](#) can be found at the GOV.UK website.

Pay As You Earn

Employee Share Schemes

Consultation: Office of Tax Simplification – review of unapproved share schemes

28 May 2013

HMRC has launched a consultation on the five recommendations that were made by the Office of Tax Simplification (OTS) in its review of non-tax advantaged (or 'unapproved') employee share schemes.

The consultation [OTS: Review of Unapproved Share Schemes](#) was launched on the 24 May and is hoping to hear from employers and employees who provide or receive employment-related securities (such as shares), their advisers and representatives, and payroll and share scheme administrators and will run until the 16 August 2013.

Further views and evidence are being sought on potential impacts of the OTS's recommendations in relation to:

- share for share exchanges and rollovers;
- the availability of corporation tax relief following takeover of a company;
- the taxation of ERS awarded to internationally mobile employees;
- section 222 of the Income Tax (Earnings and Pensions) Act 2003 (ITEPA), and the rules concerning the 'making good' of amounts paid by an employer in respect of tax on ERS; and
- the valuation rules for listed company shares.

Employee Ownership

Government to provide two new tax reliefs to encourage employee ownership

4 July 2013

The government has launched a [consultation on providing two new tax reliefs](#) to encourage and support the creation and growth of employee-owned companies.

First is a capital gains tax relief which would apply when the controlling share of a business is sold into an indirect employee ownership structure. This would encourage individuals wishing to sell their business to consider an indirect employee ownership structure, leading to the creation of new indirect employee ownership structures.

The second tax relief being considered is an income tax and National Insurance contributions (NICs) exemption. This would allow indirectly employee owned companies to pay their employees a certain amount per annum, free of income tax and NICs. There would also be an employer NICs exemption for the company.

Launched on Employee Ownership Day, this consultation is focused on indirect employee ownership forms; this is where shares are held collectively on behalf of the employees – for instance in an employee benefit trust.

The government is seeking views on from people both inside and outside of the employee ownership sector. The CIPP Policy Team will review this consultation and issue a survey to collect member views if appropriate.

BIS produces guidance on employee owned companies

9 July 2013

To further demonstrate the government commitment to employee owned business the Department for Business, Innovation & Skills (BIS) has recently published model documentation and guidance for businesses on the subject of moving to employee ownership.

The model documentation and guidance on moving to employee ownership model documentation can be found at GOV.UK website.

A [guide for employees](#) has also been published and aims to provide good practice guide on [employee ownership](#), the benefits it offers and how employees can request it. It doesn't provide legal advice or attempt to provide all the answers but it indicates the key questions and stages. It also provides further sources of information.

Expat News

Pilot version of the Tax Residence Indicator published

31 May 2013

HMRC has published the pilot or 'beta' version of the [Statutory Residence Test](#) tool - the Tax Residence Indicator.

The pilot or 'beta' version of the Statutory Residence Test tool, the Tax Residence Indicator, has now been published.

As it is a pilot version there is a limit on the number of people who can access the tool at the same time so, depending upon demand, you may need to exercise some patience and if you get a "system error" message please try again later.

HMRC will review actual levels of usage and will use the data to reassess access limits before the updated version is released later in the year.

If, having used the Tax Residence Indicator, you would like to provide HMRC with feedback on your experiences please send your comments by email and ideally before the end of June, to Hilary Pogson at hilary.pogson@hmrc.gsi.gov.uk.

HMRC consultation to improve international tax compliance

26 June 2013

HM Revenue & Customs has published a [discussion document](#) on the implementation of the model Agreement to be entered into between the UK and Crown Dependencies/Overseas Territories to improve international tax compliance.

The closing date for comments on the discussion document is the 6 September. The proposals will be reviewed in light of the responses, with the view to introducing regulations and guidance in Autumn 2013.

How is your software dealing with Appendix 5?

10 July 2013

The question of how payroll software deals with adjustment to real time submissions for Foreign Tax Credit Relief (FTCR) came up at a recent meeting of the Ex Pat Forum. In response to stakeholder requests HMRC has provided a script for employers in the event that they receive a call from Debt Management & Banking (DMB) personnel querying an apparent underpayment, which the employer knows to be as a result of an offset for Foreign Tax Credit Relief.

"The discrepancy is due to the fact we are an Appendix 5 employer and our software will not allow us to report the correct tax position for some employees. HMRC are aware of this issue".

Stakeholders have been assured that DMB personnel have been briefed about this issue.

If any members who have to deal with the requirement to adjust returns to account for foreign tax credit relief and who can achieve this successfully through their software, the CIPP Policy & Research Team would very much appreciate you letting us know what software you use and how you achieve success. Please email samantha.mann@cipp.org.uk letting her know of your experiences with your software, RTI and Foreign Tax Credit Relief. Indeed Sam would value hearing from any member willing to share their experiences so far of real time in an expat world.

IR35

HMRC - IR35 minutes published

10 June 2013

Minutes of the IR35 Forum meeting held on 29 April 2013 have been published and can be accessed at the website of HMRC.

PAYE General

HMRC stakeholder update number 20

31 May 2013

HMRC has circulated their twentieth informal weekly update for 2013 to stakeholders, which looks to provide informal highlights as a result of listening to employer feedback and working in partnership with stakeholders.

Real Time Information

The RTI [Supplementary Pilot Employer Update for May](#) is now live. It's an update to the April 2013 Pilot Employer Update and tells pilot employers about the Basic PAYE Tools functionality to make an Earlier Year Update (EYU), and reminds them of the position regarding 2012-13 forms P11D(b) and payslips.

Harvest casuels and casual beaters

Information for employers who make payments to people working outdoors as harvest casuels or beaters for a shoot. These long standing agreements and the way in which tax and NICs are applied to these payments are unchanged. However, the introduction of real time reporting means that there is a change to the way in which the payments now need to be reported.

Penalties for 2011-12 PAYE Employer Annual Returns (P35 and P14s) that have still not been received

The 2011-12 Employer Annual Returns (P35 and P14s) were due by 19 May 2012. These returns are now over 12 months late and HMRC has started to send penalty notices where our records indicate that the return is still outstanding. The penalty is based on £100 per 50 employees for each month your return is outstanding, from 20 January 2013 to 19 May 2013. So, an employer with 50 or less employees will receive a £400 penalty. This penalty is in addition to those penalties already issued in September 2012 and January 2013.

If you have a return to make and have not sent it yet, please send it without delay.

If you did not have to maintain any forms P11 (Deduction Working Sheets) during the tax year so didn't need to complete an Employer Annual Return then you still need to tell us.

Appealing against a penalty

If you wish to appeal against the penalty notice, you must write to the office shown on the notice within 30 days stating why you think the penalty notice is wrong.

Class 1A NIC Payments

Please remember to check the correct payment reference is used for Class 1A NIC payments to avoid misallocated payments and unnecessary contact from HMRC. The [Class 1A NIC Payments for 2012-13](#) guidance's Use the right payment reference goes into more detail and provides an example.

Advisory Fuel Rates

[Advisory Fuel Rates updated](#)

HM Revenue & Customs has published advisory fuel rates to operate from 1 June 2013.

High Income Child Benefit charges

[Authorising a tax adviser for High Income Child Benefit charge matters](#)

If you want a tax adviser or accountant to act on your behalf for specific matters relating to the High Income Child Benefit charge, you'll need to formally authorise them using this form.

Latest HMRC monthly update for employers on the RTI pilot

31 May 2013

HMRC has published the latest [monthly update](#) for employers who took part in the RTI pilot during 2012-13.

It includes details of how to submit an Earlier Year Update for 2012-13 using the latest version of Basic Paye Tools as well as a reminder that forms P11D(b) will not be sent out to RTI pilot employers until 2 July.

As these forms need to be returned to HMRC by 19 July, you may prefer to download a form from [HMRC's website](#) rather than relying on the one coming through the post.

Joint initiative on HMRC service delivery - May 2013 update

5 June 2013

HMRC has published an update on their progress as a result of the Joint Initiative on HMRC Service Delivery.

The [May 2013 update](#) reports on progress on the Joint Initiative on HMRC Service Delivery, which is monitored by the Joint Initiative Steering Group and chaired by Lin Homer, HMRC Chief Executive, who said

"I'm really pleased with the improvements we're putting in train through working in partnership with representatives from professional bodies and charitable organisations on this joint initiative. We've collectively resolved some important practical issues and both agents and HMRC staff have benefited from hearing, first hand, about each other's experiences during visits and workshops."

The [report](#) can be read in full at the HMRC website, however some of the reported progress to date includes:

- Improvements to the P35 end-of-year return process for 2011-12 and 2012-13, with the aim of increasing the number of returns filed on time and reducing the number (and size) of penalties issued. The improvements include, an extra reminder, a significant reduction in the time to issue letters to employers to tell them that their returns were late and potentially subject to penalties along with better on-screen messages when using HMRC's online services.
- Publication of HMRC Contact Centre performance statistics (figures for two complete quarters have now been published).
- An additional £34 million investment in Contact Centres, which (combined with an increase in more flexible deployment of staff to meet customer demand) has significantly improved performance. HMRC has also agreed to move to 03XX telephone numbers by the end of September 2013, which will mean cheaper calls for most of our customers (although HMRC advises people to check this with their telephone service providers).
- An email pilot to test the appetite and scope for wider email and electronic communication with HMRC.
- Agreed improvements to debt management processes (to be implemented from late summer/early autumn 2013). The planned improvements include, a dedicated 'hotline' specifically for agents to use only when there's a Field Force Collector at a client's premises and new technology for HMRC's field force so that officers on debt collection calls have up to date information.

Reassuringly attention is also turning to getting things right first time and to the quality of HMRC's responses to customers' queries.

HMRC stakeholder update number 21

10 June 2013

HMRC has circulated their twenty first informal weekly update for 2013 to stakeholders, which looks to provide informal highlights as a result of listening to employer feedback and working in partnership with stakeholders.

PAYE for employers: Basic PAYE Tools - Real Time Information

Basic PAYE Tools - RTI has been updated. Version: 13.1.13122.102 was released on 30 May 2013. This introduces functionality to complete and submit an Earlier Year Update (EYU) and to produce and print certain forms, including P45.

Employer PAYE - P35 Interim Penalty letters

Employers who have not sent their Employer Annual Return before the 19th May deadline or told us that they have no return to make are being sent letters saying that they may already have incurred a penalty. The purpose of this letter is to give employers the opportunity to file their return before 19 June to stop the penalty increasing. A corresponding letter will be sent to their agents.

P35 interim penalty letters

12 June 2013

HMRC has reported that they are aware of an issue affecting some employers who have recently received an interim penalty letter as a result of HMRC not receiving a P35.

The report confirms that HMRC are aware that a small proportion of employers - using products from one software provider - have been sent [penalty warning notices](#) from HMRC because they have not submitted their P35 Employer Annual Return by 19 May 2013 for the year 2012-13.

This issue impacts employers who:

- use the product of one particular software provider
- were not in the RTI pilot

- completed their 2012-13 end-of-year returns after 6 April 2013
- used 2012-13 PAYE Real Time Information software to complete their end-of-year returns (forms P14 and P35)
- sent an Employer Payment Summary to HMRC instead of a P35 end-of-year return

A penalty warning notice has been issued because HMRC has not received a P35 from those employers.

This issue does not affect employers who took part in the RTI pilot.

The software provider will email customers affected by this issue over the next few days with specific guidance on how to file their P14/P35 for 2012-13.

HMRC are working with the software provider to identify all the employers who are affected by this issue.

Employers who receive a penalty notice and meet the specific criteria above should follow the guidance provided by their software provider and should submit their P35 return within the next 14 days (by 25 June 2013).

HMRC will cancel the penalty warning letter in this specific scenario where the employer submits their P35 by 25 June 2013.

Penalties will still apply to any employer in these circumstances who does not submit a P35 by this date.

If you are affected by this specific issue HMRC has confirmed that you do not need to contact them either via phone or in writing.

HMRC seeking to extend the temporary relaxation of new reporting rules

12 June 2013

HMRC has announced that they are seeking to extend the temporary relaxation of the new reporting rules for businesses with fewer than 50 employees from October 2013 until April 2014. They have confirmed however that this relaxation will come to an end at this point. The [extension](#) means that businesses will not be required to change their approach halfway through the tax year.

The relaxation has meant that these [businesses](#) are still required to report through the new system, but are able to do so once a month, rather than each time they pay their employees. This gives small businesses that pay weekly (or more frequently), but who only run their payroll at the end of the month, some extra time to adjust to the new requirements.

From April 2014, all employers need to plan to be reporting in real time, but HMRC is continuing to work with businesses over the coming months to identify whether there are any specific circumstances with on-or-before reporting that it needs to cater for in the longer term.

PAYE information reported in real time is already being used by the Department for Work and Pensions (DWP) to calculate Universal Credit amounts paid to people in its pathfinder pilot in the north west of England, ensuring the amount of benefit accurately reflects their level of income.

Exchequer Secretary to the Treasury David Gauke said:

"This is the biggest reform of PAYE since its introduction nearly 70 years ago and we are bringing the system into the 21st century. The transition is going well, and the vast majority of employers are now reporting their PAYE information in real time, meaning that HMRC's records are becoming more accurate and up-to-date. DWP is already using the new system to underpin its Universal Credit pilot, helping it to be more responsive to changes in claimants' income levels. This is all good news, but we will continue to listen to and work with businesses to ensure that all employers are reporting in real time by April 2014."

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

"The roll-out continues to exceed our expectations. I am delighted that 83 per cent of SMEs and 77 per cent of the smallest businesses are already on board. We will now write to the minority of employers who are not, to establish how we can help them meet the requirements of reporting in real time."

HMRC stakeholder update number 22

14 June 2013

HMRC has circulated their twenty second informal weekly update for 2013 to stakeholders, which looks to provide informal highlights as a result of listening to employer feedback and working in partnership with stakeholders.

PAYE Electronic Payments for June

[Pay your PAYE/Class 1 NIC by 22 June](#)

As 22 June is a Saturday, depending on the electronic payment method used, you may need to have cleared funds into HMRC's bank account by 21 June.

Final 2012-13 Employer Annual Returns – incorrect submissions

[PAYE: final 2012-13 returns incorrectly submitted](#)

Some employers, using products from one software provider, have sent us their end of year information on the wrong type of submission.

Reporting and paying PAYE to HMRC in real time

With the next deadline for paying PAYE to HMRC approaching, you may find our [Reporting and paying HMRC in real time: getting it right](#) leaflet useful.

Real Time Information: record numbers of employers report in real time

[Press Release 12/06/13](#) more than 1.4 million employer PAYE schemes are now reporting to HM Revenue and Customs (HMRC) in real time since the launch of new tax reporting requirements in April.

After listening to stakeholders, HMRC announced that it will be seeking to extend the temporary relaxation of the new reporting rules for businesses with fewer than 50 employees from October 2013 until April 2014, and that this relaxation will come to an end at this point. The extension means that businesses will not be required to change their approach halfway through the tax year.

National Insurance numbers without suffixes

[PAYE for Employers: National Insurance numbers \(NINOs\) without suffixes](#)

Last month we temporarily suspended the issue of NINOs while we investigated why some were being sent out without the final letter (A, B, C or D) of the NINO. This issue has been resolved and we are sending out NINOs again.

New Online End of Year Expenses and Benefits forms

This year, HMRC started to launch an additional method for submitting end of year expenses and benefits forms, called the 'Online End of Year Expenses and Benefits Service'. Two new forms have been available since 6 April and the remainder of the service is scheduled for delivery on 19 June.

This new service is an additional online filing option to help you or your agent accurately enter the correct expenses and benefits information and submit securely via an HMRC electronic channel. Further details about the new online forms can be found by checking this regularly updated page: <http://www.hmrc.gov.uk/payerti/exb/onlineforms.htm>

And remember the filing deadline is 6 July! Further information about filing deadlines can be found at: [HM Revenue & Customs: Completing forms P9D, P11D and P11D\(b\)](#)

New employer pensions information required by 6 July 2013

Employers are reminded that where they sponsor an occupational pension scheme they are required to provide certain information about their employees, to the scheme administrator of the pension scheme by 6 July 2013, in respect of pension input periods ending in the tax years 2011-12 and 2012-13. This is to enable the scheme administrator to calculate whether or not the employee has exceeded the annual allowance for those years.

The legislation doesn't provide an exact list of the information that needs to be given to the scheme administrator, but the scheme administrator must be given such information that will enable them to work out whether the employee has exceeded the annual allowance for pensions savings. It may therefore include details of an employees' pay for pension purposes and/or the numbers of hours worked by the employee.

This information is then used by the scheme administrator to provide the employee with a pension savings statement where they have exceeded the annual allowance. If you think you are affected by this, you may wish to check with your pension scheme administrator precisely what information they require.

Further information can be found at <http://www.hmrc.gov.uk/manuals/rpsmmanual/RPSM06107530.htm>.

New Helpline telephone numbers

[New telephone numbers for VAT, National Insurance, Income Tax, Self Assessment Helplines](#)

HMRC introduces cheaper rate '0300' telephone Helplines for VAT, National Insurance, Income Tax and Self Assessment.

Basic PAYE Tools – latest update

[PAYE for employers: Basic PAYE Tools - Real Time Information](#)

Basic PAYE Tools - RTI has been updated. Version 13.1.13137 is now available. This latest version fixes a few minor issues.

Correct address for submitting paper forms

[Addresses for submitting paper forms P11D, P11D\(b\) and S336 claims](#)

When submitting paper forms P11D, P11D(b) or S336 claims you should check the address you need to send them to.

HMRC provide timely reminder about the importance of paying on time

18 June 2013

HMRC has provided an important update on the subject of paying over PAYE remittances, the Specified charge and use of the online PAYE Liabilities & Payments Viewer.

The [update](#) reminds employers about the importance of correct payment dates and the need to make a payment in full, with a reminder of the importance of using the correct reference for the correct tax period.

As a reminder, if one were needed, *payment in full* is the:

- total amount shown on your Full Payment Submission(s) (FPS) for a tax month, including any corrections or adjustments submitted on or before the 19th of the following month
- less the amount shown on any Employer Payment Summary (EPS), also submitted on or before the 19th of the following month

The update also highlights the role of the [Specified Charge](#) – which is an estimated charge that HMRC will calculate and will apply to a PAYE scheme where the scheme has failed to make a submission in real time by 19 June (but was expected to make a submission). If the scheme has failed to submit a return in April and May, a specified charge will be applied for each month.

If an FPS or EPS is submitted within seven days of the specified charge being applied, the submission will overwrite the specified charge.

The importance of 19 June 2013 to HMRC

18 June 2013

Three months in to real time and as you would expect it is time for some letters from HMRC for PAYE schemes that have not yet made a submission in real time.

Whilst the numbers of PAYE schemes submitting in real time since April 2013 are in excess of expectations HMRC has confirmed that they will be sending out a [letter](#) to PAYE schemes that have yet to make any submissions in real time.

HMRC stakeholder update number 23

24 June 2013

HMRC has circulated their twenty third informal weekly update for 2013 to stakeholders, which looks to provide informal highlights as a result of listening to employer feedback and working in partnership with stakeholders.

Real Time Information

[Real Time Information Pilot Employers and 2012-13 end-of-year penalties](#)

Clarification of the end-of-year penalty position.

Real Time Information and paying HMRC

A reminder of the PAYE payment position for employers reporting PAYE in real time as many employers are still getting used to this new way of reporting.

PAYE for employers: Real Time Information and annual PAYE schemes

When annual PAYE schemes should send in their Full Payment Submissions.

RTI pilot employers and 2012-13 end of year penalties

19 June 2013

HMRC has published clarification on the end of year penalty position under RTI.

HMRC will begin issuing [penalty letters](#) from Tuesday 25 June 2013 to those employers who have not submitted a final Full Payment Submission (FPS) or Employer Payment Summary (EPS) for 2012-13. These are the equivalent of 2012-13 end-of-year penalty notifications.

However, please note that, to ensure that employers who took part in the pilot are treated in the same way as non-pilot employers, penalties were applied from 19 May 2013.

Pilot employers who have yet to submit returns for 2012-13 should do so as soon as possible to prevent further penalties applying.

As the deadline of 19 April 2013 has passed for submitting a final FPS, pilot employers should instead submit an Earlier Year Update (EYU) to make their final 2012-13 report.

If there are any 2012-13 statutory payments to recover etc., employers also need to submit an EPS as the EYU won't pick up any recovery corrections that need making.

When completing this EPS, employers should ensure they complete and answer the end-of-year declarations and questions.

Full guidance can be found in the guide [PAYE end-of-year tasks for real time pilot employers](#)

HMRC stakeholder update number 24

28 June 2013

HMRC has circulated their twenty fourth informal weekly update for 2013 to stakeholders, which looks to provide informal highlights as a result of listening to employer feedback and working in partnership with stakeholders.

Single HMRC Bank Account for employers

When making your quarterly payment of PAYE and Class 1 NICs (including Construction Industry Scheme (CIS) and Student Loan deductions) please make sure you pay to the correct HMRC bank account, which is now the same account for everyone (apart from Government Banking Service (GBS) customers):

- Sort code: 08 32 10
- Account number: 12001039
- Account name: HMRC Cumbernauld

And if you use a pre-filled / drop down menu please ensure the one you select uses the correct details, matching the information above.

For example, when paying PAYE do not select HMRC NIC Quarterly bill as that is for Class 2 National Insurance payments.

Agent Update publication

[Agent Update 36 \(PDF 512K\)](#)

The bi-monthly round up of the latest developments in tax, HMRC service and consultations for accountants and tax professionals and a section on the latest news and issues from the Working Together network.

Registering to receive Agent Update reminders

HMRC identified a problem with the online form which means registrations between 18 April and 21 June 2013 may not have been submitted. HMRC recommends that you resubmit your details and apologises for any inconvenience caused.

Index list of RTI pages on HMRC website

1 July 2013

As we all know, HMRC's website holds a huge amount of information, which can be time-consuming to navigate around.

Whilst this may be very useful for those new to payroll, or encountering a particular problem for the first time, it can be irritating for those familiar with HMRC's website, and who know the page they want, but just can't find it without endless clicks through the different layers of guidance. Those of you in this second category may find HMRC's [index of RTI pages](#) useful.

It does however come with a health warning. There may be occasions when guidance has moved and the link on the [index](#) no longer works. At the moment there is no intention to keep this index updated, however along with other stakeholder groups, we have urged HMRC to reconsider this policy. And of course, if you are encountering a situation for the first time, we would always recommend that you follow the routes through the usual HMRC web pages.

HMRC's PAYE desk top viewer

2 July 2013

Users of Windows 8 will be pleased to now that HMRC has updated their PAYE desktop viewer to enable it to work now with this latest version of Windows.

PDV (PAYE Desktop viewer) software has been updated to version 2.2. This version will now install and run on Windows 8. Before you can receive the latest versions of these notices you must download and install the [new version of PDV](#) on your computer.

HMRC stakeholder update number 25

5 July 2013

HMRC has circulated their twenty fifth informal weekly update for 2013 to stakeholders, which looks to provide informal highlights as a result of listening to employer feedback and working in partnership with stakeholders.

Real Time Information

[PAYE for employers - employers who were part of the RTI pilot in 2012-13](#)

Reminder about the 2012-13 Return of Class 1A National Insurance contributions - form P11D(b).

[PAYE for employers: Real Time Information and annual PAYE schemes](#)

An update on processing requests for annual schemes.

PAYE Desktop Viewer - update

[PAYE Desktop Viewer \(PDV\) - required update for all users](#)

HMRC has updated the PDV application. All PDV users should download and install the new version of the PDV now to ensure that they can view the latest versions of these notices.

Have you signed up for free business advice emails from HMRC?

An improved, more tailored service was launched on 1 July 2013 that provides a series of tax related help and support emails, giving you and your business clear guidance on specific topics.

The emails cover areas such as record keeping, when and how to complete tax returns and when tax payments are due; and will point you to suitable guidance on the HMRC website or GOV.UK, to Webinars and to help videos on YouTube.

If you are already using our online services, you can log in using your User ID and Password and add the service from the 'Your HMRC Services' page. Find out more at www.hmrc.gov.uk/startup/help-support.htm

Reserves in the Future Force 2020: Valuable and Valued

On 3 July 2013, the Ministry of Defence published the *Reserves White Paper, Reserves in the Future Force 2020: Valuable and Valued*. You can find the text at: www.gov.uk/government/consultations/future-reserves-2020-consultation

The White Paper was informed by a public consultation which received over 3000 responses from a range of groups including reservists, their

families, employers and regulars. A summary of responses received during the consultation has been published alongside the White Paper

The White Paper outlines the new proposition for employers, which includes financial awards to small businesses and a streamlined process for applying for financial assistance. The benefits of reserve service will be better explained and civilian accreditation of military training will be extended. A new scheme to recognise employers - underpinned by the Corporate Covenant - will be introduced.

MOD are developing open and predictable relationships by ensuring employers know who their reservists are, have better notice of training and mobilisation, and get feedback when a reservist has been mobilised. A National Relationship Management scheme to address national employers and trade bodies will be established and MOD will also work with employers and educational organisations to find opportunities for those between education and work, or for those not in education, work or training.

The consultation began a three way dialogue with reservists, their employers and Defence which MOD will seek to continue in future. Please use the link to forward the White Paper as widely as you can.

National Insurance position of people affected by entry of Croatia into EU

National Insurance: Croatia to join the EU on 1 July 2013

From 1 July 2013 Croatia becomes an EU Member State. EC Regulation 883/2004 will apply and the rules that they contain can affect the NICs position of people who move between EU Member States to live and work.

HMRC stakeholder update number 26

12 July 2013

HMRC has circulated their twenty sixth informal weekly update for 2013 to stakeholders, which looks to provide informal highlights as a result of listening to employer feedback and working in partnership with stakeholders.

HMRC Online Services – an updated product

Tax agents and advisers: HMRC Online Services - an updated product

HM Revenue & Customs (HMRC) has produced a new presentation which focuses on small and medium enterprises, and registering for HMRC taxes online. Agents can request an HMRC speaker to present this for their event or meeting.

Dishonest conduct by tax agents – change to guidance

Dishonest conduct by tax agents

HMRC has made changes to guidance as a result of feedback received from external customers.

Home Office Consultation: Strengthening and simplifying the civil penalty scheme to prevent illegal working

The Home Office has published a consultation on measures to reform the civil penalty scheme to prevent illegal working. It seeks views on their proposals to strengthen and simplify the current civil penalty scheme to prevent illegal migrant working.

Employers already have a responsibility to check that their employees have the right to work in the UK, and since 2008 this has been underpinned by a civil penalty scheme. This has been successful in requiring employers to make right to work checks and imposing a sanction on those who do not. The Home Office propose to further refine these requirements to get tougher on employers who continue to exploit illegal migrant workers. In parallel, and mindful of the burdens on legitimate businesses, they propose a number of measures to significantly reduce the administrative costs of complying with the requirements to make checks.

The consultation (that launched on 9th July 2013) will inform the development of proposals for the Immigration Bill and future secondary legislation and they would welcome your views. The [consultation](#) document and online questionnaire are available on the Home Office website.

If you have any questions about the consultation, please contact them at the following email address; homeofficeillegalworkingconsultation@homeoffice.gsi.gov.uk

Consultation on Coding Out

A [consultation](#) issued on 11 July seeking views on proposed changes to the limits for coding out of debts and tax underpayments. The closing date for this consultation is 5 September.

HMRC issues updated messages about RTI submissions

15 July 2013

HMRC has issued updated messages about reporting hours worked and about the PAYE filing and payment position for employers reporting PAYE in real time.

The first explains the [importance of recording the correct number of hours](#) employees normally work to help ensure that they receive the right amount of benefits and tax credits they are entitled to.

The second message is an [update on HMRC's earlier messages about the PAYE filing and payment position](#) for employers reporting PAYE in real time, as this month is also when:

- those who pay HMRC quarterly will make their first payment of the year
 - any Class 1A National Insurance contributions (NICs) payment for 2012-13 is due
-

The Finance Bill receives Royal Assent

18 July 2013

Following agreement by both Houses on the text of the Bill it received Royal Assent on 17 July and became Finance Act 2013.

HMRC publishes report summarising the findings from RTI pilot

19 July 2013

The RTI pilot started in April 2012 with a small group of volunteer employers and increased in three stages up to March 2013 by which time over 6 million individual records were being reported in real time. This enabled HMRC to fully test the RTI process, prior to full roll out, by identifying and resolving problems, and anticipating risks and issues.

The [report](#) summarises the findings from the pilot by explaining the background and summarising the tangible benefits that crystallised as the pilot progressed.

Pensions

Automatic Enrolment

Umbrella companies and their automatic enrolment duties

20 May 2013

As a result of a joint working relationship between the CIPP and DANBRO, two round table meetings were arranged.

These meetings provided the opportunity for Umbrella organisations to discuss automatic enrolment (AE) into a workplace pension as well as the impact on Umbrella groups and their employer obligations.

The discussion with professional peers, The Pensions Regulator (TPR) and a representative from the National Employment Savings Trust (NEST) allowed a better understanding of how the new legislation affects Umbrella groups.

During the second meeting held, a presentation was delivered by NEST to aid an understanding of the NEST system processes.

The CIPP and DANBRO have now published the key questions raised and the answers provided by NEST and TPR.

<http://www.cipp.org.uk/en/cippnews/index.cfm/umbrellaae>

TPR provides new timeline planner to help prepare for automatic enrolment

11 June 2013

The Pensions Regulator has added to their repertoire of goodies a timeline planner aimed at helping employers with 20 – 250 employees.

Having said that you may find it helpful even if you don't fall in to the exact target range and it is worth taking a look at as you [plan towards Auto Enrolment](#). Whatever your size, there is a lot you will need to do in order to be ready for automatic enrolment, so allow plenty of time to prepare.

Companies are not leaving themselves enough time for automatic enrolment

26 June 2013

There are warnings that companies are not giving themselves enough time to prepare for auto enrolment (AE), which could leave them vulnerable to fines and even custodial sentences.

Corporate Benefits Consulting director Allan Maxwell said that companies believe the process is straightforward and not difficult to do, when in actual fact, politicians have made it incredibly complicated.

"The problem is there is so much detail. There are so many facets. These include assessing the workforce and working out how much each employee should contribute, who is in and who is out of the scheme.

"Then there is the communication process with employees, the information that must be provided to them, what status they happen to be. There are very, very strict guidelines on this.

"Everyone's focused on the 'day one staging date,' and most don't realise that AE doesn't stop there, it's an on-going process. If you pay people weekly then you have to assess the workforce every week."

There are potential penalties for companies that don't comply with the new rules, with small businesses of four or five staff likely to incur fines of £50 a day, with a hike to £5,000 a day for businesses with over 1,000 employees.

Maxwell said: *"While I don't think the regulator wants to levy these fines, if people don't get their act together and figure out what they need to*



do, they may see themselves hit.

"Ultimately there is potential for custodial sentences too but these are probably a long way off."

There will be approximately 12,000 employers going through the process between April and June next year rising steeply between October and December 2015 when approximately 100,000 a month will go through the AE process.

DWP – supporting automatic enrolment: information on SMEs

2 July 2013

The Department for Work & Pensions has published the results from their call for evidence, launched in November 2012.

The [call for evidence](#) looked at the impact that two of the constraints on NEST were having on employer choice and also whether these restrictions on transfers in to and out of NEST were as the Policy had originally intended.

The results showed that 83% of SMEs (small and medium sized employers) are very likely or quite likely to want to use the same pension scheme for all their workers, but the contribution restriction of £4,800 would impact on those earning £60,000 per year this would therefore create the need for SMEs, who do have employees who fall in to this category, to either use another provider, who doesn't have similar restrictions, or to use multiple providers. Clearly amongst this sized of employer multiple users was not a popular option for the obvious reasons of unnecessary administration burden.

[Supporting automatic enrolment: information on small and medium employers](#) can be read in full (all five pages of it) at the GOV.UK website.

DWP briefing paper – clause 3: powers to create general exceptions

4 July 2013

The Department for Work and Pensions has published a briefing paper that sets out the main issues that go to support Clause 34 which would provide a power to lift the employer duty, to automatically enroll their employee in to a workplace pension, in certain circumstances.

[Pensions Bill 2013-14 Briefing Paper](#) provides example of situations where it would be wholly appropriate for Clause 34 to be used and confirms that it is the intention now to assess all evidence gathered so far and test all the suggested exclusions against the following core policy principles:

- Is pension saving likely to put the individuals at financial or legal risk?
- Are the individuals unlikely to benefit from pension saving?
- Are employers able to identify the individuals with minimal burden?
- Is the employer able to arrange membership of a scheme without unreasonable financial or legal risk?

A summary of findings from the earlier consultation will be published in due course and it is proposed to hold a further formal consultation on draft proposals in the autumn of 2013.

Revised code of practice for DC schemes

15 July 2013

The Pensions Regulator (TPR) has published a revised code of practice for trust based defined contribution (DC) schemes.

The draft code has been laid before Parliament and the Northern Ireland Assembly and is expected to come into force in November 2013. Meanwhile, trustees and their advisers can use it to familiarise themselves with the standards of governance TPR expects in DC trust-based schemes.

It is underpinned by a number of principles and quality features that describe the activities, behaviours and processes that are more likely to deliver good member outcomes.

Commenting on the release of the draft code, the director for DC, governance and administration, Andrew Warwick-Thompson said:

"Getting DC pensions right is central to making automatic enrolment a success and improving retirement incomes for millions of people.

"Although there are many excellent DC schemes governed in members' best interests, overall standards remain mixed. The code of practice will help to meet trustee demands for practical guidance on how they can meet the legislative requirements for running a DC scheme."

[View the revised DC code and related materials](#)

In the coming months TPR aims to deliver additional good practice guidance for the governance and administration of DC schemes, and updates to the modules in their free, online, learning programme - the Trustee toolkit.

And to help employers, they will shortly make available an updated guide to help them select a good DC pension scheme for automatic enrolment.

TPR highlights the answers to regularly asked questions about automatic enrolment

19 July 2013

Following on from industry research and frequently asked questions, The Pensions Regulator (TPR), has identified a couple of regular queries and would like to highlight useful guidance to help answer these questions.

Identifying your workers

When assessing your workforce, you must consider all workers, even those who work on a casual basis, or have a 'main job' elsewhere. They may still count as your worker for automatic enrolment purposes. This will depend on the exact nature of the working and contractual relationship with you.

Find out more:

[Detailed guidance 1 Employer duties and defining the workforce.](#)

Postponement

Using postponement doesn't change your staging date, but it does allow you to delay automatic enrolment for some or all of your workers for up to three months.

You might want to use postponement where you have:

- seasonal workers
- an on-going probationary period for a new starter

or to give yourself more time from your staging date to:

- finalise pension scheme membership
- test your business software.

Applying postponement is easy – all you need to do is write to the staff and TPR has a [letter template](#) you can use.

Find out more: [Detailed guidance 3a Postponement](#)

Local Government Pensions

Consultation on taxpayer-funded pensions for councilors and other elected local office holders

10 June 2013

A consultation, launched by the Department for Communities and Local Government, which seeks views on access by councillors and other elected local office holders to the Local Government Pension Scheme 2014 is ongoing.

This consultation [Taxpayer-funded pensions for councillors and other elected local office holders](#) seeks responses from interested parties, including local taxpayers, councillors and other elected local office holders and their representative bodies, on access by councillors and other elected local office holders to the taxpayer-funded Local Government Pension Scheme to come into force in April 2014.

It also covers the contribution rates that should apply to any such persons who remain active members of the Scheme.

The consultation closes on 5 July 2013.

Fire-fighters pension schemes – government response

10 June 2013

The Department for Communities and Local Government has published a summary of the responses that they collected between 3 August 2011 and 26 October 2011.

On 3 August 2011, the Department published the [consultation paper](#), *Amendments to the Firefighters' Pension Scheme (1992) and the New Firefighters' Pension Scheme (2006)*. The consultation paper set out a number of proposals in relation to the two firefighters' pension schemes, namely the Firefighters' Pension Scheme (1992) and the New Firefighters' Pension Scheme (2006) and consulted and sought views on a range of provisions.

This publication *Amendments to the Firefighters' Pension Scheme (1992) and New Firefighters' Pension Scheme (2006)* [Summary of responses](#) to the consultation includes the government's response to comments made during the earlier consultation.

Call for evidence on draft regulations for next year's local authority pension reforms

21 June 2013

The Department for Communities and Local Government (DCLG) has launched a [call for evidence](#) into draft regulations for next year's local authority pension reforms. The responses to this will help inform a consultation to be published in the early autumn on a number of broad principles for change.

The CIPP policy team will be studying this document and will issue a member survey shortly.

CIPP survey on the call for evidence about the future structure of the local government pension scheme

15 July 2013

In 2010, the government commissioned Lord Hutton to chair the Independent Public Service Pensions Commission. The purpose of the Commission was to review public service pensions and to make recommendations on how they could be made sustainable and affordable in the long term, while being fair to both taxpayers and public sector workers.

Lord Hutton's final report was published on 10 March 2011. Among its recommendations, the report made clear that the benefits of co-operative working between local government pension scheme funds and achieving administration efficiencies more generally should be investigated further. The Local Government Pension Scheme (LGPS) currently costs local taxpayers £6 billion a year in employer contributions.

On 21 May 2013 Brandon Lewis, the minister responsible for the LGPS, called for evidence on the future structure of the scheme and measures that might improve efficiency.

The CIPP Policy Team has published a survey to collect the views of those with an interest in LGPS. The [survey](#) should take no more than 15 minutes to complete but will give those members in Local Government an opportunity to air their views on the future structure of the LGPS. The [survey](#) will close on 15 August 2013.

NEST (National Employment Savings Trust)

Government will take action to lift restrictions to NEST

9 July 2013

The Department for Work & Pensions (DWP) has published the government response to the call for evidence on the impact of the annual contribution limit and the transfer restrictions to NEST.

The DWP has issued a [Press Release](#) that confirms that Ministers have decided to legislate now to lift the constraints from 2017. Employers will therefore have certainty that NEST will continue to remain a suitable pension scheme for their workers when minimum contributions rise to 8 per cent.

Steve Webb Minister for Pensions said:

"With over 250,000 members already, it is clear that NEST is a success. Targeting low to moderate earners that the market has traditionally forgotten, NEST has innovated with its use of language and investment strategy and has ensured that everyone has access to quality pension provision. That is why I am not making any changes until 2017, when automatic enrolment is fully rolled-out. At this point I will lift the contribution limit so that NEST remains a force for good in the marketplace, driving up standards and best practice."

"The position on bulk transfers is much the same. As huge numbers of employers gear-up to start to enrol their workers, we need NEST to focus on getting these people in to pension saving. Once this is achieved and the market is established, the restrictions on bulk transfers will be lifted."

Helen Dean, Managing Director of Product and Operations at NEST, said:

"We are pleased the government has decided that from 2017 members and employers will be able to use NEST as they would any other pension, with no specific restrictions on the amount they can contribute or the ability to transfer in and out."

"We welcome the certainty this announcement brings for employers and members. This means the restrictions will be lifted before minimum contributions rise to 5 per cent in 2017."

"NEST continues to focus on our target market as we always have done. NEST will continue to work constructively to complement other pension providers and will remain available to provide a high quality low cost scheme for members in order that all employers can meet their duties under automatic enrolment."

The CIPP also welcomes the move to remove the restrictions on NEST. Karen Thomson, Associate Director of Policy & Research comments *"it is a relief to see the government applying common sense, and listening to the industry; not only employers but individuals too. When the CIPP policy team asked the CIPP members for their opinion in the Call for Evidence consultation it resulted in:*

- *More than 60% believe any changes should be introduced before 2018, with nearly 50% stating the sooner the better.*
- *80% believe NEST should participate in an automatic transfer system;*
- *Nearly 89% believe NEST should have the same transfer rights as other pension providers;*
- *65% believe bulk transfers should be facilitated; and*
- *Whilst many did not believe the cap to be a reason for not using NEST many believed it didn't provide for a fair playing field."*

The [government response to the call for evidence](#) can be downloaded from GOV.UK

Pensions General

Pensions tax relief – individual protection from the lifetime allowance charge

11 June 2013

HM Revenue & Customs and HM Treasury have published a consultation about the detail and implementation of an individual protection regime to accompany the reduction in the pensions lifetime allowance.

The [consultation](#) document sets out the framework of how individual protection 2014 will work, and seeks views on aspects of the detail of this protection regime and the draft legislation and follows the government announcement on 5 December 2012 that to support its objective of a system of pensions tax relief that is fair, affordable and sustainable, for 2014-15 onwards the Annual Allowance would be reduced from £50,000 to £40,000 and the Lifetime Allowance would be reduced from £1.5 million to £1.25 million.

The consultation will run until 2 September 2013.

Pensions minister urges employers to provide the best pension they can

13 June 2013

Pensions minister Steve Webb has said organisations have a duty to their employees to provide them with the best workplace pension they possibly can.

Whilst praising employers for “stunning examples” of firms going the extra mile to engage employees during auto-enrolment (AE) resulting in opting-in becoming the norm. He also noted that organisations had a sacred duty to their employees to provide the best possible workplace pension to them.

Speaking at the Pensions and Benefits Show 2013, Webb said: “We’ve started with the biggest firms with HR and pension departments and of course you would expect them to do a good job and they deserve the credit.

“The opt out rates are lower than expected and even within that region of very good there are some stunning examples of employers who’ve gone the extra mile, engaged with their employees, done communications, done videos, done talks and people have responded very positively.

“I think we’re at a critical mass in many workplaces where pretty much everyone is staying in and if someone asks ‘What are you doing?’ overwhelmingly they are talking to people staying in, and I think the norm is staying in.”

However, he urged employers to provide the best quality pension they could because staff were relying on them.

“Employers have got an almost sacred duty for your employees because they can’t do it,” he continued.

“It’s a bit like if you are going to buy car you would think it was strange if someone else chose and said this is the only car you can have or you don’t have one.

“That is how AE works - employers choose for employees and I would urge every employer in the room to drive a hard bargain, to shop around and to make a good choice to make sure that your employees are getting a low cost good value and quality pension.”

TPR to ‘proactively investigate’ industries with greatest risk of non-compliance

14 June 2013

The Pensions Regulator (TPR) is expanding its compliance unit to enable it to ‘proactively investigate’ companies and industries with a high risk of failure to comply with auto-enrolment duties reports [Professional Pensions](#).

TPR head of industry liaison Neil Esselmont told delegates at the Pensions and Benefits Show that the watchdog would target its actions based on the risk and potential impact of non-compliance. But where there were reasonable grounds to investigate, he said the regulator would use its power to audit companies’ records going back six years and impose fines of up to £10,000 a day or pursue a criminal prosecution.

Esselmont said the regulator was expanding its compliance and intelligence units for this reason. He added, however, that ensuring compliance would be more of a ‘handle-turning exercise’ for the large volumes of smaller employers with staging dates from the middle of 2014.

He said: *"We are going to be looking proactively for the areas of greatest risk, and that is first of all the risk of non-compliance, and secondly looking at the outcome for the individuals in question."*

"If an industry has a large number of employees who are all not going to be automatically enrolled, that would be looked at very differently from a company or an industry where there might be a few technical errors."

Esselmont added: *"We do have a statutory duty under law to enforce this, so if we become aware, through a whistleblower, or intelligence passed to us relating to possibly fraudulent activity, or where statistically we can see a particular industry is getting a track record of not being compliant, then we will proactively go and investigate."*

He told delegates the regulator would insist any issues identified during an audit be rectified and reminded them it had the power to impose fines of up to £10,000 a day for larger companies and £5,000 a day for smaller employers.

If "deliberate and persistent non-compliance" was discovered, he said TPR would pursue a prosecution.

But Esselmont added: *"In terms of the larger volumes, we have an outsourcing partner, with many more people than we do and it will be very much a 'handle-turning' process for handling compliance at the smaller end."*

He said the regulator would produce guidance in the coming months aimed specifically at helping small and medium-sized companies comply with auto-enrolment legislation.

Esselmont said: *"We will be supplementing the planning tool we have on our website with guidance that falls between that and the really detailed guides that we wouldn't really expect medium and small employers to ever look at except possibly as a reference."*

TPR publish a quick guide to paying contributions

18 June 2013

The Pensions Regulator (TPR) has published a short information guide for employers on the subject of making payments to personal pension schemes and defined contribution occupational pension schemes.

The [guide](#) does not cover the employer duties including [automatic enrolment](#) contained in the Pensions Act 2008 and aims to remind employers of the important responsibility for paying the correct level of contributions in to their pension schemes at that correct time.

Government calls for evidence on pension scheme quality

4 July 2013

With up to 11 million people being enrolled into a workplace pension scheme – many for the first time – the Minister for Pensions has today (4 July 2013) published a call for evidence on how work-based schemes are managed, with a view to setting out standards to protect members.

Looking at the quality of defined contribution (DC) pension schemes, the government has asked the industry for evidence on the current state of pension scheme governance, default options, administration and record-keeping, and scale of schemes.

Minister for Pensions Steve Webb said:

"When people choose to pay into a workplace pension few will have actively chosen the scheme they join. They trust the people managing their pension to be doing everything they can to ensure they receive a decent return when they retire. While we know standards in DC schemes have been improving, we want to make sure all pension providers have key quality standards in place to protect their members."

Responses to the call for evidence will inform the development of a set of minimum legislative standards. The government is seeking views on:

- ways to ensure that people running pensions schemes have the skills and knowledge to be able to act in members' interests and for conflicts of interest to be properly managed
- standards for the design and selection of default options
- how schemes administer members' pension pots

Although this call for evidence is primarily aimed at people designing, advising on and running work-based defined contribution schemes, the CIPP Policy Team will study the consultation and, if appropriate, will issue a survey to collect CIPP member opinion. Click [here](#) to view the consultation

Pension Industry Stakeholder Forum – pension scheme transfers

17 July 2013

In advance of the publication of the revised draft Annual Allowance Charge Order HM Revenue & Customs has issued a circulation to the Stakeholders of the Pensions Industry Stakeholder Forum (PISF) for the benefit of their members.

Work is on-going to address a number of unintended outcomes from the changes to the Annual Allowance Charge tax rules introduced in Finance Act 2011. HMRC intends to issue a revised draft Annual Allowance Charge Order for comment as soon as possible – having considered the range of responses to consultation into the previous draft published on 16 November 2012.

Work to finalise the revised draft continues but it is understood that current uncertainty in the sector about the tax treatment of ‘underfunded’ bulk transfers for Annual Allowance purposes is causing difficulty, particularly for those registered pension schemes seeking to merge where member benefits will be unchanged after the transfer.

Ahead of the publication of the revised draft Order, it may be helpful to confirm that it is the government’s intention that pension input amounts should not arise in situations where all of the following criteria are met;

- There is a ‘bulk’ or ‘block’ transfer of a group of members from one registered pension schemes to another as a result of an employer rearranging its pension schemes or as part of a business transaction.
- The member’s retirement benefit in the receiving scheme represented by the transfer is the same in principle as if it had remained in the original scheme and the rearrangement of pension schemes or business transaction had not taken place i.e. a transfer on a mirror image basis. This requirement may be expressed using a value test to ensure that some variations in benefit format can be accommodated, however this is still being finalised and further detail will be provided by the draft Order on publication.
- ~~The pension input amount would at present arise simply because the transfer is ‘underfunded’ (that is, the sums or assets transferred to the receiving scheme are not sufficient to support the level of benefits promised by the receiving scheme).~~

The draft Order to be published will include revised provisions to address this ‘underfunded bulk transfer’ issue and it is intended that the provisions will have effect for pension input amount calculations for 2011/12 and subsequent tax years.

The government will consult further on the revised draft Order, including these provisions, and the final draft will require parliamentary scrutiny. It is therefore possible that further changes may be required. Any queries should be routed to pensions.policy@hmrc.gsi.gov.uk

State Pension

Multiple jobs all paying below the LEL – no longer a problem for the single tier pension

29 May 2013

Employees who have multiple low-paid jobs earning below the National Insurance (NI) threshold will now qualify for credits towards the new State Pension.

In a [Press Release](#) issued by the Department for Work & Pensions it has been confirmed that those with a job earning less than the Lower Earnings Limit (LEL) of £5,668, and who may have other similarly low-paid jobs, are currently excluded from the basic State Pension. They are not liable to pay NI contributions and unless they qualify for NI credits for another reason or make them up themselves, they miss out on their State Pension.

It is proposed that this will change when Universal Credit is fully rolled out. Low-paid women in particular stand to gain credits towards the flat-rate State Pension as a result of the reforms.

Pensions Minister Steve Webb said:

“Our reforms will usher in a simpler and fairer State Pension. And with Universal Credit, people with multiple, low-paid jobs will also for the first time be able to access the State Pension.”

“Hundreds of thousands of people will benefit, particularly women who hold down a number of part-time, low-paid jobs, but have previously been prevented from building up a State Pension.”

The press release can be read in full at GOV.UK

DWP National Insurance credits and the single tier pensions paper

4 July 2013

DWP has recently published the National Insurance Credits and the single-tier pension paper which provides a useful summary of information about NI credits and provides detail to the current NI system.

The paper covers the range of credits that are available and what entitlement they confer. It also goes on to provide detail of how this will change under Universal Credit which is being gradually rolled out and potential changes under single tier.

The paper is available on GOV.UK [National Insurance credits and the single-tier pension](#)

Scotland

Scotland – tax consultation forum considers management options

14 June 2013

John Swinney, The Cabinet Secretary for Finance, Employment and Sustainable Growth, today chaired the second meeting of the Tax Consultation Forum (TCF) at St Andrews House.

The Forum looked at the outcomes of the Tax Management consultation which will inform the Tax Management Bill (TMB) due to be introduced later this year. The Tax Management Bill will establish [Revenue Scotland](#) and put in place a framework for the administration of devolved taxes in Scotland. The Forum considered the principles of a fair and effective Scottish tax system while focusing on three topics:

1. The outcomes of the Tax Management consultation
2. 'Tackling Tax Avoidance'
3. 'Hardship and Discretion'

The TCF was established in February 2013 to provide a forum for civic Scotland to discuss and advise Ministers of the strategic and social implications of administering tax in Scotland for Scotland. At its first meeting, the Forum heard presentations on the three consultations on the devolved taxes that the Scottish government had initiated: Land and Buildings Tax, Landfill Tax and Tax Management.

Mr Swinney said:

"Revenue Scotland will be established as an independent, effective, efficient and responsive tax authority that will oversee the administration of taxes in a way that responds to Scotland's priorities and needs in a transparent and open way."

"The Scottish government will build a firm foundation for taxation in Scotland and that is why it is very important that we design our approach in a consultative manner."

"Our aim is to build a tax authority and tax system that meets the needs of our businesses and citizens, and can adapt to a future where we expect Scotland to collect a much wider range of revenues and the input of Forum members will help us to understand how best to achieve this."

"This government will take a distinctly Scottish approach to taxation, and we will take a firm approach to tax avoidance under our taxation responsibilities."

The press release can be read in full at The [Scottish government website](#).

HMRC and Scottish government agree memorandum of understanding for Scottish rate of income tax

17 June 2013

The final text of the [Memorandum of Understanding](#) between HM Revenue & Customs (HMRC) and the Scottish government sets out the arrangements for the two governments to work together on the implementation of the Scottish income tax rate.

The Scotland Act 2012 gives the Scottish Parliament the power to set a Scottish rate of income tax to be charged on Scottish taxpayers. The Scottish rate will commence from a date to be set by the UK government; this is expected to be April 2016. It will be administered by HMRC as part of the UK-wide income tax system and applied to non-savings income. The Scottish Parliament will be able to set a rate of SRIT from zero to any number of pence or half-pence in the pound. This rate will be added to each of the main UK rate bands after ten pence in the pound has been deducted from each rate.

The Memorandum has been agreed by the Scottish and UK governments. It sets out HMRC's and Scottish government's respective responsibilities in relation to establishing and operating the Scottish rate efficiently and effectively.

For more information see the [frequently asked questions](#) about the Scottish rate of Income Tax.

Statutory Deductions

Student Loans

Student loan borrowers: repaying your loan through SA

June 2013

A guidance leaflet which provides information about the Income Contingent Repayment (ICR) Student Loan and the Pilot scheme that is to run during 2013 is available at the HMRC website.

CSL1 provides details about the [Pilot](#) which confirms that as from April 2013 a third box is to be added to the SA100 return. This third box is designed, along with other existing measures, to help borrowers avoid over-repaying their Student Loan as their loan repayments near completion.

By putting an X in the box a verification process will take place between HMRC and the Student Loan Company (SLC) which will have three possible outcomes, full details are available within the [CSL1](#).

This third box is not to be included on the SA200 short return. Borrowers who wish to use this procedure will need to contact HMRC to request an SA100 tax return.



Miscellaneous

Married couples to be offered tax breaks before the next election

25 June 2013

There has been widespread reporting of the news that the coalition government intends to introduce tax breaks for married couples before the next election. It has been suggested that wives or husbands who do not work would be able to transfer part of their tax-free allowance to their spouse if their partner earned less than the basic rate of tax, currently £34,370 a year.

However, despite speculation that this could be introduced in April 2015, there is still no official government announcement, and any plans would need to be agreed by Parliament before implementation.

The CIPP policy team is keeping a close eye on any developments to ensure we are included in any discussions regarding introduction of this policy.



Spending review announces the end of the automatic pay increase

26 June 2013

Parliament has been listening to the Chancellor of the Exchequer as he details the outcome of the latest spending review.

The chancellor has announced spending cuts for 2015/16 that have been "forced on him by slower than expected economic growth and deficit reduction".

BBC News reports that briefing MPs on the plans, which will kick in just before the election, Mr Osborne insisted the economy was on the right track, saying: "Britain is moving out of intensive care and moving from rescue to recovery."

Further job cuts

He said the cuts would be done in a fair way and would boost growth. Reforms such as ending "progression pay" in favour of performance-related increases would ease the pain.

"Progression pay can at best be described as antiquated; at worst, it's deeply unfair to other parts of the public sector who don't get it and to the private sector who have to pay for it."

"So we will end automatic progression pay in the Civil Service by 2015-16."

"And we are working to remove automatic pay rises simply for time served in our schools, NHS, prisons and police."

"The armed forces will be excluded from these reforms."

"Keeping pay awards down and ending automatic progression pay means that, for every pound we have to save in central administration, we can better limit job losses."

The spending review in more detail

28 June 2013

It has been two days since the Chancellor announced his Spending Review to Parliament, and whilst we know that many more cuts will follow as a result, which of these cuts will affect those of us working in payroll?

Depending on your business sector, you may be affected by any one of the measures announced by George Osborne, however those having most widespread effect on CIPP members include:

- The Treasury's budget has been reduced by 10%. The Treasury instigates many of the projects and plans affecting HMRC and business.

- HMRC's budget has been reduced by 5%, however the government remains committed to increasing HMRC's resource to tackle tax evasion in the expectation that it can raise over £1bn in tax revenues from those who try to avoid paying their fair share.
- The Department for Business, Innovation and Skills (BIS) is responsible for implementing many workplace reforms, such as the forthcoming introduction of Shared Parental Leave. The BIS budget has been cut by 6%.
- The Department for Work and Pensions will have to make savings of 9.5% in its running costs. The Chancellor also announced three welfare reforms:
 - A cap on the country's welfare budget each year for the next four years from April 2015 - but the state pension will not be included.
 - From the autumn of 2015, the winter fuel payment will be linked to a temperature test. It will not be paid out to expats in hot countries.
 - On welfare payments, Osborne says that job seekers will have to come to the job centre once a week rather than once a fortnight.

The government is also introducing Upfront Work Search, under which job seekers will only get their benefits once they have provided a CV, registered with an online job search and started looking for work.

We will of course keep you informed as we learn more about the specific impacts of each of these measures.

Forum of private business research suggests that RTI is responsible for raised employer compliance costs

9 July 2013

The Forum of Private Business (FPB) has published news of its recent research findings that point the finger at RTI for raised compliance costs.

The **FPB**, who last carried out research in 2011, have found that firms are paying 11% more to external providers of payroll and tax support compared with findings in 2011, which, the employer support organisation said, *"was most likely down to the introduction of Real Time Information"*

The Forum's policy adviser Robert Downes said:

"Our research shows little has changed in terms of what's costing small business the most for compliance costs. The stand-out surprise though has to be the huge increase in spend on external contractors."

"We believe this is largely down to RTI, and firms having to pay a payroll specialist to manage their employees' PAYE bills, but by contrast businesses are paying out slightly less on internal compliance managed in-house. The logic here seems to be to pay an expert to do a job they can no longer do themselves, for whatever reason that may be."

Are you happy to talk flexible working?

12 July 2013

The Private Sector Working Group (PSWG) for the Department of Work and Pensions have published guidance which is aimed at employers and looking to develop a culture of flexible working.

The **PSWG** brings together employer bodies, the TUC and recruiters to find practical ways of delivering culture change, outside of the legislative process.

With help from the communications agency AMV BBDO and influenced by research into how NUDGE techniques can positively impact on our behaviour (carried out by the Behavioral Insights unit at the Cabinet Office) the group has come up with the strap line "Happy to talk flexible working" and a logo for employers to promote and encourage a move towards a more flexible working culture.



Guidance on how to make best use of the strap line and logo during the early stages of job design and recruitment has also been produced to help employers gain the maximum benefit from adopting a flexible working policy within their organisation.

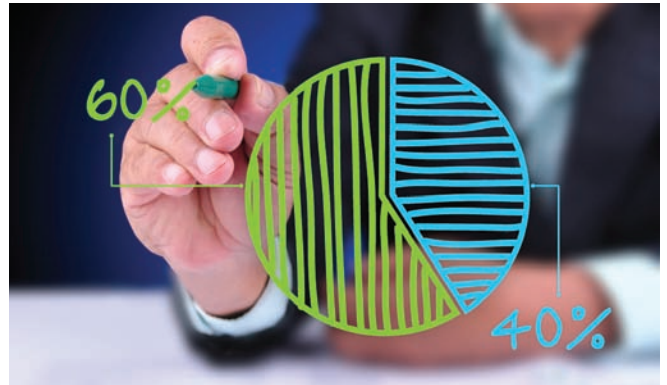
CIPP annual payroll survey findings

18 July 2013

The Chartered Institute of Payroll Professionals has announced the findings of its fifth annual payslip survey, which looks at the number of UK employees being paid, the frequency with which they are paid, the method of how they are paid and the information included in the payslip.

Key findings include:

- Payslips including details of pensionable pay rises to its highest level
- The number of employees being paid weekly drops
- Employees still aren't ready for online payslips
- Use of Faster Payments has dropped



Additional information shown on the payslip

The survey conducted by the CIPP's policy team earlier this year has yet again shown some surprising new trends within the payroll. Most noticeable is the addition of pensionable pay information as the effects of automatic enrolment come into play. The figures rose from 19 per cent last year to 30 per cent this year.

Karen Thomson, Associate Director of Policy, Research and Strategic Visibility, commented, "This statistic really stood out for us because it demonstrates that many employers are already looking at automatic enrolment for their staff.

"However the worrying aspect is that, in many cases the employee may not be aware of the deductions in their pay until their payslip arrives at the end of the month, for which they may not have financially prepared for. It is therefore of paramount importance that organisations have an effective communications strategy in place ahead of the deductions being made."

Also on trend with previous years, is the rising inclusion of absence payments, both statutory and occupational has risen.

Presentation of payslips

Another interesting result was the number of payslips now being mailed to employees homes has increased and the use of electronic payslips has dropped from 38 per cent to 33 per cent. The reasons for this were cited as being the cost to businesses of implementing an electronic system and employees wanting to protect their privacy by having their pay details mailed to home instead of work.

Payment method

The proportion of pay frequencies in 2012/13 remains broadly consistent with the results from the research undertaken for 2011/12. Bacs remains the most popular payment method across all pay frequencies, however the use of Faster Payments has fallen this year, though those using cheques remains constant and the number paying by cash has increased slightly.

Payroll Processing

In other results, the research showed that there has been a steady decline in the number of weekly payrolls processed, from a high of 44 per cent in 2008/09 down to its current level of 31 per cent. The CIPP expects this to decline even further over the next 12 months as a potential consequence of the extra administration burden RTI brings to weekly payrolls.

It was also noted that the number of payrolls employing only one person has increased by 10 per cent, whilst the number of payrolls employing between one and five employees has dropped significantly, from 48 per cent in 2011/12 to this year's result of 35 per cent.

Unsurprisingly, the last working day of the month remains the most popular pay day for monthly payrolls, with Friday retaining that accolade for weekly payrolls.

Karen Thomson, Associate Director of Policy, Research and Strategic Visibility added: "This is the fifth year that the CIPP's Policy Team has surveyed its members to understand the long term trends affecting employee payslips and this year has really thrown up some surprises for us.

"In particular the number of online payslips decreasing, as we had predicted to see the opposite occur this year, and for us this is definitely an area to watch. In addition, it's also interesting to see the number of weekly payrolls being processed as the pressure of RTI hits. We'll certainly be interested to see how automatic enrolment adds to their administration in next year's survey."

CIPP members can view the full report from the following link:

[CIPP Payslip Statistics Research Survey July 2013](#)

Money Laundering Regulations

Change to guidance on penalties under HMRC money laundering supervision

5 June 2013

HMRC has published advance notice that amended guidance on penalties for business under HMRC Money Laundering Supervision is to be published shortly.

HMRC has reviewed its guidance on penalties for businesses under HMRC Money Laundering Supervision and has made some amendments to clarify its approach. The amended guidance will be published soon.

The guidance explains the range of actions that HMRC, as a supervisor, can take when businesses breach the Money Laundering Regulations. The action HMRC can take ranges from warning letters to criminal prosecution.

Any action taken will continue to depend on the particular circumstances of the case and the impact and severity of the failings identified.

Current details can be found on the [Money Laundering Regulations](#) pages of the HMRC web site.



About the Chartered Institute of Payroll Professionals



The Chartered Institute of Payroll Professionals (CIPP) is the only Chartered Institute for individuals working in payroll in the UK, and has a dedicated pensions faculty for individuals responsible for pensions administration and management.

Representing over 6,500 members and students, as well as the payroll and pensions professions, the CIPP policy and research team attends government consultation forums to discuss potential changes to legislation and the impact on payroll and pensions in practice. This enables us to ensure that CIPP members and students are amongst the first to hear about changes, and have their say through consultation surveys and responses.

As well as providing access to information about proposed changes, the CIPP also provides our members and students with access to support and information to assist them in their career development, and ensure that they are efficient, effective and compliant in their roles, this includes:

- Advisory service helpline available Monday to Friday which will answer member queries relating to payroll and pensions legislation
- E-newsletter providing the latest news and developments straight to your inbox
- PayrollProfessional and TPF Insight magazines which feature news and case studies relating to payroll, pensions and HR
- Payroll factcard providing all of the key figures needed to run a payroll, whatever the frequency

If you would like to find out how membership of the CIPP can benefit you, or sign up for a free trial, please visit www.cippmembership.org.uk, email membership@cipp.org.uk or call **0121 712 1000**.





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