

NEWSLETTER NOVEMBER 2013

ADVISORY FUEL RATES FOR COMPANY CARS

New company car advisory fuel rates have been published which took effect from 1 September 2013. HMRC's website states:

'These rates apply to all journeys on or after 1 September 2013 until further notice. For one month from the date of change, employers may use either the previous or new current rates, as they choose. Employers may therefore make or require supplementary payments if they so wish, but are under no obligation to do either.'

The advisory fuel rates for journeys undertaken on or after 1 September 2013 are:

Engine size	Petrol	LPG
1400cc or less	15p	10p
1401cc - 2000cc	18p (17p)	11p (12p)
Over 2000cc	26p (25p)	16p (18p)

Engine size	Diesel
1600cc or less	12p
1601cc - 2000cc	15p (14p)
Over 2000cc	18p

Please note that not all of the rates have been amended, so care must be taken to apply the correct rate. The amounts for the previous quarter are shown in brackets where the rate has been amended.

Other points to be aware of about the advisory fuel rates:

- Employers do not need a dispensation to use these rates.
- Employees driving employer provided cars are not entitled to use these rates to claim tax relief if employers reimburse them at lower rates. Such claims should be based on the actual costs incurred.
- The advisory rates are not binding where an employer can demonstrate that the cost of business travel in employer provided cars is higher than the guideline mileage rates. The higher cost would need to be agreed with HMRC under a dispensation.

If you would like to discuss your car policy, please contact us.

DATA PAYMENT CRACKDOWN

HMRC have announced that for the first time they now have access to information on all credit and debit card payments to UK businesses. HMRC intend to use this information to aid them in a new crackdown on tax evasion.

Under new powers introduced from 1 September, HMRC can now access information from 'merchant acquirers' which are the companies that process card payment transactions. HMRC will use the information to determine the amount and value of transactions completed by a specific trader.

HMRC do not have access to personal data identifying the card owners or card numbers but this data will be used to ensure that traders have correctly accounted for all taxes due. HMRC estimate that this information could reduce fraud by over £50 million a year.

HSE GUIDANCE ON NEW FIRST AID TRAINING RULES

The Health and Safety Executive has issued guidance to help employers assess their first aid training needs and comply with amendments to the Health and Safety (First Aid) Regulations.

Under the amended regulations the requirement for workplace first aid training providers to be approved by the HSE is removed from 1 October 2013. The amendments cover carrying out a first aid needs assessment and selecting a first aid training provider.

LATEST JOB FIGURES

According to the latest information published by the ONS, employment rose by 80,000 and unemployment fell by 24,000 in the three months to July.

The employment rate for those aged from 16 to 64 (for May to July 2013) was 71.6%, an increase of 0.2%. There were 29.84 million people in employment aged 16 and over.

The unemployment rate for May to July 2013 was 7.7% of the economically active population a reduction in 0.1%. There were 2.49 million unemployed people.

Between May to July 2012 and May to July 2013 total pay rose by 1.1% and regular pay rose by 1.0%.

AUTUMN STATEMENT

George Osborne, Chancellor of the Exchequer, has announced that he will deliver the Autumn Statement on Wednesday 4 December.

We will update you on pertinent announcements.

NATIONAL CRIME AGENCY

The National Crime Agency (NCA), a new single law enforcement agency, is to be responsible for leading the national response to serious and organised crime.

The press release states that the Agency will comprise four commands: Organised Crime, Economic Crime, Border Policing and CEOP (Child Exploitation and Online Protection) and will have a National Cyber Crime Unit to reflect the broad range of threats that are posed by serious and organised criminals.

Keith Bristow, Director General of the NCA said:

'The NCA is a UK-wide crime-fighting agency, which will have the capability to tackle serious and organised crime in areas that have previously had a fragmented response, such as the border, cyber and economic crime, and those where we need to increase our impact, like child protection and human trafficking.'

PAYE ONLINE

HMRC intend to introduce a new online service for taxpayers who use PAYE to pay tax via their employer in April 2014. Features of the new system include enabling individuals to update a range of their benefits in kind online so they can keep their tax code up to date.

TRANSFERABLE TAX ALLOWANCE FOR SOME

The government has announced that from April 2015 married couples and civil partners may be eligible for a new Transferable Tax Allowance.

The Transferable Tax Allowance will enable spouses and civil partners to transfer a fixed amount of their personal allowance to their partner.

The option to transfer will be available to couples where one partner is a basic rate taxpayer (earning below £42,285 in 2015/16) and the other partner has unused personal allowances for the year. One individual will be able to transfer £1,000 of their personal

allowance to their spouse or civil partner. It will mean that the higher earner will be able to earn £1,000 more before they start paying income tax.

The claim will be made online and entitlement will be from the 2015/16 tax year. Couples will be entitled to the full benefit in their first year of marriage.

For those couples where one partner does not use all of their personal allowance at the moment the tax saving will be up to £200.

NIC EMPLOYMENT ALLOWANCE

The Chancellor announced the creation of a National Insurance Contributions (NIC) Employment Allowance in the 2013 Budget. This is expected to be introduced from 6 April 2014 and this moved a step closer to becoming law with the First Reading of the Bill on 14 October 2013.

Businesses, Charities and Community Amateur Sports Clubs will be able to reduce their Employer Class 1 NICs bill by up to £2,000 per year.

HMRC plan to release more details on how to claim the Employment Allowance in the New Year and we will keep you informed of developments.

i

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