

I am happy to agree with you that where any contract you have is of less or around six months duration, then that is a temporary work place.

I look forward to hearing from each and every one of you over the course of the next month or so, so that we can be sure going forwards that we are dealing with Travel and Subsistence correctly.

### **FOOTBALL CLUB RECEIVES £23,000 AUTO ENROLMENT FINE**

Auto Enrolment is a duty and cannot be ignored. One way or another it will affect your business. The Pension Regulator has issued a £23,000 fine to Swindon Town Football Club and more £400 fines against employers who haven't dealt with it properly than ever before. Employers are leaving it too late to comply with these duties and either get fined or have to spend considerable extra time and effort dealing with complex rules and pension issues than they have to. Contact us for further details. Let us help you through this process so that you can spend your time managing your business.

### **JANE'S JOTTINGS FOR JUNE**

You don't need an editorial to introduce you to the Reminder when it is on the back page so this time I'm bringing your attention to what is going on in the office. HMRC have withdrawn free software we have been using for years for the production of the limited company tax returns so we have had to invest in some new software. This has given us the opportunity to streamline our processes to such an effect that we will be able to produce personal tax returns on the same software. This means we should only put information in once and it spreads into all the records for that person- limited company director and personal tax return for instance. This will produce different schedules to what you are used to but should mean they provide you with a clearer picture of where figures have come from for both limited company accounts but also tax calculations. Bear with us as we learn the software and we should all benefit in the long run! Have a great summer and remember to enjoy a good work/ life balance. You only live once so make the most of it!

# Oakwood Reminder



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Business is great but we are always looking for more.  
Please pass on this newsletter to anyone you feel may benefit.  
Line 1: 01483 276100 • Line 2 : 01483 273614 • Fax : 01483 272133  
joleary@oaktax.com • www.oaktax.com

## CHECKS TO BE UNDERTAKEN BY PRIVATE LANDLORDS ON TENANTS' 'RIGHT TO RENT'



As a landlord, you have a responsibility to restrict illegal immigrants accessing the private rented sector. The Secretary of State may serve a landlord with a notice requiring the payment of a penalty of a specified amount (up to £3,000) where they have let a property to an unqualified person. Before the start of new tenancy, checks must be made for all tenants over the age of 18 (even if there is no tenancy agreement, or they are not named on the tenancy agreement, or the tenancy agreement isn't in writing).

- All tenants must be checked - not just those you think are not British citizens
- If a tenant is only allowed to stay in the UK for a limited time, you must carry out a check in the 28 days before the start of the tenancy
- Check if the property is used as the tenant(s) only or main home
- Check their original documents:-
  - ↳ check that the documents are original and belong to client
  - ↳ the dates of right to stay in the UK haven't expired
  - ↳ photos on the documents are of the tenant(s)
  - ↳ dates of birth are the same in all documents
  - ↳ documents aren't too damaged or don't look like they have been changed
  - ↳ if any names are different on documents, there are supporting documents to show why, (eg marriage certificate or divorce decree)
- If tenant is arranging their tenancy from overseas, you must see their original docs before they start living in the property
- Make good copies of all documents (copy every page of passports/both sides of biometric residence permits) and record date the

through an employment intermediary such as an umbrella company or a Recruitment Agency/Employment business, and who are supplying personal services (largely supplying their skills or labour) under the supervision, direction or control, of any person, in the manner in which they undertake their role.

I have spoken to a number of you on this point but I wanted to put it in writing, so that you can re-read it and let me know if you feel you are affected or not.

My understanding is this: Legislation reads that if your Limited Company contracts with a Client through an Agency and you get paid via the Agency, and you either, complete a timesheet or you are under the supervision, direction or control of someone at the Client's premises, then you are caught by this legislation.

However, some of you work quite autonomously in that, you either work from home when you want to or you come and go as and when you like and the direction, supervision and control placed upon you by your Client is minimal.

I think the best advice I can offer is that you call me and we discuss this one to one to make sure with each and every Client that we are acting for, this, as we agree, is the best way forward.

I can't impress upon you enough, as I know that you already know this, that you should have more than one contract with a different Client in a year. The Inland Revenue regulations, and I am not going to quote you chapter and verse, (but I can give it to you if you want) permit a deduction from taxable income and a disregard for earnings for NIC for Travel and Subsistence expenses incurred for and during travel from home to a temporary work place. If you only have one contract in any one trading year, then the requirement on temporary work place fails.

HMRC will give your partner their extra allowance either:

- By changing their tax code, usually to 1166M (this can take up to 2 months)
- When they send their Self Assessment tax return, if they're self-employed

Your allowances will also change if you're self employed or get a pension and your new code will reflect your new Personal Allowance and will end with "N". Your personal allowance will transfer automatically to your partner every year until one of you cancels Marriage Allowance or your circumstances change, e.g. because of divorce or death.

### TRAVEL AND SUBSISTENCE

There has been a change in the rules for Travel and Subsistence since 6th April 2016 for those of you who operate one-man Limited Companies, and have secured a contract through an intermediary like an Agency or of course, through your own Limited Company.

Those individuals who supply their services through small Limited Companies, generally known as PSCS, will no longer be able to claim tax relief or an NICS disregard for those contracts where they are required to operate the intermediaries legislation (commonly known as IR35) or they would otherwise be operating IR35 if they weren't receiving all their remuneration as employment income. This will bring the treatment of their Travel and Subsistence in line with that of other temporary workers and contractors whilst ensuring that those who are not under supervision, direction or control whilst undertaking their work and who are therefore akin to the self-employed continue to be able to claim relief for their Travel and Subsistence as before. The Revenue are saying that the restrictions will apply to workers who are employed



copies are made.

- Keep copies of tenant(s) documents for the time they are at the property and for 1 year afterwards
- You must make further checks on your tenant to make sure they can still rent the property in the UK if their permission to stay is time limited. Depending on which is the longest, you must make a further check just before either: the expiry date of your tenants right to stay in the UK, or 12 months after your previous check
- You can receive a fine if you do not make a further check and your tenant(s) permission to stay runs out
- If your tenant does not pass a further check, you must tell the Home Office – you may be fined if you don't.
- You can choose to evict your tenant if you want to or end the tenancy agreement with them
- Examples of the documents to check and further details on guidance for landlords can be found:-

<https://www.gov.uk/check-tenant-right-to-rent-documents/how-to-check>

### EXTENSION OF SHARED PARENTAL LEAVE AND PAY TO GRANDPARENTS

In October 2015, in acknowledging the role played by grandparents in the support and provision of childcare to working families, the Chancellor announced that shared parental leave and pay will be extended to working grandparents. The fine detail of the proposal is still being worked out but the consultation on how Shared Parental Leave and Pay will be extended to working grandparents was published in May 2016 as announced in the Chancellors most recent Budget.

The consultation will also cover ways of streamlining the Shared Parental Leave and Pay system, including eligibility requirements and notification systems.

## WHY DOES THE TAX YEAR RUN FROM 6 APRIL?

Most of the world quite sensibly uses 1 January to be the start of their tax year. The UK, ever keen to be different, uses 6 April. So why does the tax year run from 6 April?

For over 1600 years, the UK used the Julian calendar, named after Julius Caesar. However, the Julian calendar did not accurately correlate with the actual time taken for the earth to travel around the sun (the solar year), and was approximately 11½ minutes out per year. By the late 1500s, the Julian calendar was behind by approximately 10 days.

In 1582, Pope Gregory XIII ordered a change from the Julian calendar to the Gregorian calendar. The Gregorian calendar introduced a leap year system to combat the differences with the Solar year. Whilst most of Europe adopted the Gregorian calendar, due to England's conflict with the Roman Catholic Church, England initially refused to make the change and carried on with the Julian calendar. It was some 170 years later when England decided to change to the Gregorian calendar. By this point, England was 11 days out of alignment with most of the rest of Europe.

In order to catch up the missing days, 11 days were skipped in September 1752, meaning that the calendar went straight from 2 September to 14 September. In England at that time, the New Year started on 25 March, also known as "Lady Day", commemorating the Angel Gabriel bringing the news to the Virgin Mary of her pregnancy. The Treasury, concerned about losing out on 11 days revenue, decided that the tax year in 1753, which ordinarily would have begun on 25 March, would instead begin on 5 April.

In 1800, the Treasury were again concerned about lost revenue due to leap years. The Treasury therefore declared that 1800 would be a leap year for the tax year but not for the purposes of the calendar year. The start of the tax year was therefore moved from 5 April to 6 April. Whilst in 2001 Ireland changed the start of their tax year from 6 April to 1 January, the UK has doggedly kept with April 6 as the start of their tax year ever since.

## MARRIAGE ALLOWANCE

From 6th April 2016, the Government have introduced Marriage Allowance to enable couples to transfer £1,100 of their personal allowance to their husband, wife or civil partner. This can reduce their tax by up to £220 every year. If you were eligible for Marriage Allowance in the tax year 2015 to 2016, you can backdate your claim to 6th April 2015.



In order to qualify, the following criteria must apply:

- You are married or in a civil partnership
- To benefit as a couple, you need to earn less than your partner
- You don't earn anything or your income is under £11,000
- Your partner's income is between £11,001 and £43,000
- You can still apply if your or your partner are currently receiving a pension
- You can still apply if you live abroad, as long as you get a personal allowance

An application can be made online at the following address:

<https://www.gov.uk/apply-marriage-allowance>

You will receive an email confirmation of your application.

In order to apply you will need the following:

- Yours and your partner's National Insurance Numbers
- Proof of your identity e.g.
  - Last 4 digits of the account that your child benefit, tax credits or pension is paid into
  - The last 4 digits of an account that pays you interest
  - Details from your P60 <https://www.gov.uk/payee-forms-p45-p60-p11d/p60>
  - Details from any of your 3 most recent payslips