BURGESS HODGSON
Chartered Accountants

WINTER NEWSLETTER

MAKING TAX DIGITAL WORKSHOP

Following the success of our first workshop, we are pleased to announce our second MTD workshop in February, ahead of the implementation date of 1 April 2019.

We have created our own guide to help you understand how Making Tax Digital might affect you. By now, you should be taking steps to make sure you are MTD ready.

Click here to download your guide.

For more information on how we can help contact MTD@burgesshodgson.co.uk or call us on 01227 454627

AUTUMN BUDGET SUMMARY

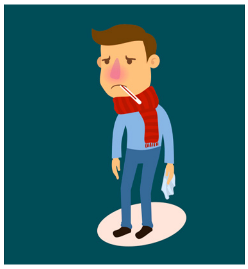
The Chancellor's 2018 Autumn Budget contained some important announcements and confirmed a number of changes planned for the new tax year.

Following this, we have put together a PDF which contains the latest tax and financial information, which we trust you will find useful.

SICK PAY

HMRC have created a new simple, easy to use and interactive online guide for employers, that is ready and available to use whenever you need it.
The information that you will find in the new guide covers:

- Who can get SSP
- Calculating and Paying SSP
- Not entitled to SSP
- Occupational Sick Pay
- SSP and Holidays
- Managing Sickness Absence
- Keeping Records



The guide is suitable for new employers or those who just want a recap on their current knowledge.

You are able to visit any section of the guide depending on what information you are trying to find.

Please click here take a look at the online guide today.

For further advice on SSP or any other Payroll matters please contact us
payroll@burgesshodgson.co.uk

2017/18 TAX RETURN DEADLINES

Tax Returns for the year ended 5 April 2018 are due for submission by 31 January 2019.
If you have not already done so, please let us have your tax return information at your earliest convenience.

If your tax liability for the year is less than £3,000 it may be possible to collect the amount through your Pay As You Earn (PAYE) code, i.e. by deduction from your salary or pension in 2019/20. In order to do this your Tax Return must be submitted by 30 December 2018.

If not collected through your PAYE code, the 2017/18 tax liability, together with the first payment on account for 2018/19, if applicable, becomes due for payment on 31 January 2019.

Click here to see various payment methods.

POTENTIAL INCREASE IN CAPITAL GAINS TAX ON DISPOSAL OF RESIDENTIAL PROPERTIES

From April 2020 the government will make two changes to private residence relief:

1. The final period exemption will be reduced from 18 months to 9 months. There will be no changes to the 36 months that are available to disabled persons or those in a care home.

2. Lettings relief will be reformed so that it only applies in circumstances where the owner of the property is in 'shared-occupancy' with a tenant.

These changes could significantly increase the capital gains tax liability on disposal of properties that haven't been a person's principal private residence (PPR) throughout the period of ownership. Chargeable capital gains on residential property are subject to the higher rate of tax 28% (18% for gains within any remaining basic rate band).

If a sale is already being considered, an exchange of contracts ahead of 5 April 2020 may result in a lower capital gains tax liability than delaying the sale until after this date.

If you own a rental property or second home, which has been your PPR at some stage, we would be happy to calculate the potential increase in capital gains tax through a sale after 5 April 2020. In any event, you may wish to contact us ahead of putting your property on the market so we can look to mitigate the tax, if possible.

HOLIDAY PAY CALCULATIONS

A number of recent Employment Appeal Tribunal case rulings have supported that voluntary, as well as contractual, overtime should be taken into account when calculating holiday pay.

The EAT held in the case of Flowers v East of England Ambulance Trust (EEAT) that voluntary overtime should be taken into account when calculating holiday pay, if it is paid over a sufficient period.

The EAT also held in the case of Dudley Metropolitan Borough Council v Willetts and others (2017) IRLR 870 EAT, which decided that purely voluntary overtime, standby and call-out payments were paid in such a manner, and with sufficient regularity, to be considered 'normal remuneration'. As such, the payments should be included in the calculation of statutory holiday pay for the basic four week's annual leave under Regulation 13 of the Working Time Regulations 1998. The European Court of Justice has repeatedly ruled that holiday pay must reflect a worker's normal remuneration and this has led to a series of cases in the UK considering elements of pay that would otherwise be excluded by the definition of a week's pay used in the WTR 1998.
Case law is determining that normal remuneration should be maintained in respect of the period of annual leave. Therefore regular additional overtime, standby, call-out and additional payments earned in previous 3 months should be taken into account for the purposes of calculating holiday pay.

Employers should take careful note of these decisions.

If you have any questions relating to the above, please contact our Payroll Department payroll@burgesshodgson.co.uk to discuss further.

BREXIT

One story has been dominating the headlines over recent months – the torturous negotiations over the UK's departure from the EU. We have been continually reviewing these negotiations and the potential impact for our clients.

The current situation is that a deal has been agreed at EU level and is now due to be put before the UK Parliament on the 11 December 2018. The outcome of these negotiations has potentially significant implications for all businesses but particularly those businesses trading internationally. There is also the potential for disruption at the Port of Dover. Burgess Hodgson are currently advising clients on the impact on international trade arising from the various potential Brexit scenarios.

As we stand today the current position is that in a 'deal' scenario there will be a transition period up to 31 December 2020 (this could potentially be extended). In practical terms this transition period will mean that trade with the EU countries continues on an identical basis during this period – with no Customs Duties or additional border checks. The future trading relationship and arrangements with the EU countries would then be negotiated during this period.

The more significant, and immediate, change would come in a 'no deal' Brexit. In this case from the 29 March 2019 all trade with EU countries would be conducted on the same terms, known as World Trade Organisation rules, as trade with non-EU countries. This has potentially significant implications for Customs Duties, import/export procedures and for potential disruption at ports. We are currently advising clients on matters such as changes to shipping routes, establishing Customs Warehouse facilities and Customs Duty planning as part of contingency planning for a 'no deal' scenario.

If you require any assistance with these matters please contact us at info@burgesshodgson.co.uk