JOURNALENTRY

SPRING 2020

SUPPORT IN TOUGH TIMES

The knock-on effect of the Coronavirus is that many businesses will not only face severe financial disruption, but also not know when the dip in trade will level off or improve. We are facing an uncertain time over the next few months. On behalf of our partners and staff, we want to assure you that we are here to support you and your business. We will do all that we can to help you through this difficult period. Although we may have to find different ways of working, please do not hesitate to contact us. We will also keep you updated through our website and other social media channels.

David Walker
Senior Partner

Alan Mitchell
Managing Partner

BUDGET 2020 – AN AGILE RESPONSE

Thursday 12 March 2020 will be a day we won't forget any time soon in the Thomson Cooper offices!

Due to the constantly shifting advice surrounding the COVID-19 pandemic, we decided to cancel our Budget Seminars in Edinburgh and Dunfermline that were due to take place the next day.

Communication was key, so our team started the process of advising guests of the changes and we looked at alternative ways to keep our audience informed. It really was a case of all hands on deck as we worked flat out emailing and calling guests, updating social media channels and liaising with venues.

We had 300 guests booked and, from previous event feedback, we know the Budget event is valued by delegates. We were truly facing a challenge that we have never faced before!

Our IT team managed to film a condensed version of the presentation with each speaker appearing with their selection of slides. The video, featuring David Walker, Andrew Croxford and Alan Mitchell is around 35 minutes long. Andrew covers income tax, National Insurance, Corporation Tax, company cars and Capital Allowances. Alan covers pensions, investments, Inheritance Tax, Capital Gains Tax and VAT.

We aren't going to win any Oscars with our Budget video, but we hope that the viewers find it useful. You can access both our Budget video and download a digital copy of our Budget report on our website www.thomsoncooper.com

We are here to support our clients so if you have any questions arising from the Budget, please get in touch.

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GET IN TOUCH

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CREDIT CARD DEBT CHANGES FOR PERSISTENT DEBT

In February 2018, the Financial Conduct Authority (FCA) published changes to the rules of credit card debt. At this time, it was estimated that the changes would save consumers between £310 million and £1.3 billion a year in lower interest charges, however credit card users may now see their accounts suspended.

The changes were made to improve protection for credit card users experiencing persistent debt (when people pay more in interest and charges on their credit card than they have repaid of the amount borrowed), and to ensure that those unable to repay their debts quickly were given additional support.

The new rules required credit card firms to take escalating steps to encourage customers making low repayments over an extensive time period to increase their repayments. Once a consumer has been in persistent debt for 36 months, credit card providers are now expected to offer alternative ways to repay their debt within a reasonable time frame i.e. 3-4 years. They may suggest an affordable payment plan or transferring credit card balance to a personal loan with lower interest.

When these changes were put into effect, credit card firms had until September 2018 to inform their consumers that they had 18 months to start to reduce the capital sum they owed. This means that further action was expected to kick in this February for those who have failed to make changes to their repayment patterns. These people could face having their accounts closed.

If you know someone struggling with persistent debt, specialists from our insolvency arm TC Debt Solutions suggest creating a simplified financial statement. This provides a clear indication of income and expenditure and is a useful first step in dealing with persistent debt.

Full details can be found at https://www.tcdebtsolutions.com/articles/ with more advice on the solutions and options available. You can also contact Insolvency Manager Maureen Walls on mwalls@thomsoncooper.com.

PENSION ALLOWANCE BREACHES SURGE

HMRC has revealed a significant increase in the total value of pension contributions exceeding the annual allowance, with more and more people falling foul of the complex rules and regulations.

The latest personal pension statistics, which cover 2017/18, show a staggering 26,550 people reported contributions exceeding the £40,000 annual allowance in their self-assessment tax return, with combined total contributions amounting to £812m, an average of £30,584 per person. Furthermore, over the past decade, the number of individuals reporting such a breach has risen dramatically, with just 230 people facing similar tax charges in 2007/08 when the annual allowance was £225,000.

Pension complexity

The sharp rise in breaches can largely be blamed on a big reduction in the annual allowance in 2011 and the introduction of the tapered annual allowance in 2016, which added even greater complexity to the pension landscape. Indeed, unless government heeds industry advice and significantly simplifies allowance rules, the next few years are likely to see even more people caught out by the overly complex regime.

Here to help

As many people are discovering, a breach of allowances can be extremely costly. It's therefore imperative to seek professional advice if you are unsure how pension allowances impact on you.

Contact Bruce Hendry on bhendry@thomsoncooper.com.

THOMSON COOPER CLICKS WITH FIFE CHAMBER

We are delighted to be sponsoring the Fife Chamber of Commerce fortnightly digital newsletter this year. We think this is a great platform to reach like-minded people who want to be kept up to date with business-related changes, improve their knowledge and develop their networks.

LISTENING AND ADAPTING

We have been members of Fife Chamber for a long time, expanding steadily over the years and developing our range of services to meet the demands of business in the digital age. Building relationships with fellow members and understanding the key priorities of the local business community are crucial to our organisation as we look to continuously deliver a first-class service.

CREATING OPPORTUNITY

The key aims of the sponsorship are to encourage development and create opportunity. We plan to do this by sharing knowledge through our events programme and business guides, and by showing what solutions are working well for our clients. Technology is one example where we can deliver significant benefits to clients and many of our clients are cloud converts! Cloud accounting platforms reduce costs (no costly software upgrades) and provide better flexibility (you can sign in from any computer). They can help save time by streamlining processes and aid decision-making by providing access to real-time information. There are also a growing number of apps that can be integrated with cloud software to automate processes like managing expenses. If technology isn't your strong point our friendly Business Support team can manage procurement, implementation and training – all under one roof.

We will be covering many areas including effective tax planning, outsourcing, wealth management, etc, aimed at businesses and individuals looking to improve their performance and financial future. You can sign up for the newsletter at www.fifechamber.co.uk/news.

YEAR END REPORTING REQUIREMENTS

PAYROLL

Employers should submit their final Full Payment Submission (FPS) on or before the final salary payments for 2019/20. P60s should be given to employees no later than 31 May 2020.

Any benefits which have not been included through payroll should be included on form P11d, which should be submitted to HMRC by 6 July 2020. Employees should also receive a copy of their P11d. Any class 1A National Insurance should be paid by 22 July 2020 or by 19 July if paying by post.

PAYE SETTLEMENT AGREEMENTS (PSA)

A PSA allows employers to make one annual payment to cover all the tax and National Insurance due on small or irregular taxable expenses or benefits for employees. If HMRC have approved a PSA before the start of the tax year, you can include any expenses and benefits contained in the agreement. The cut-off date for applying is 5 July 2020 for the 2019/20 tax year.

EMPLOYMENT RELATED SECURITIES

If an employer has given shares to an employee or has set up a tax advantaged share scheme, the benefit is taxed with the Employment Related Securities regime. The employer must also submit an annual return by 6 July 2020.

Date	Task
19 April	Latest date for filing Full Payment Submission (FPS)/ Employer Payment Summary (EPS) for 2019/20.
22 April	Outstanding PAYE tax and Class 1 NICs cleared electronic payments to reach HMRC's bank account.
31 May	Forms P60 to employees.
5 July	Last date for agreeing PAYE settlement agreements, where the employer wishes to settle the tax and NI due on a grossed up basis.
6 July	File forms P11D. File share scheme forms (form 42 or EMI40) online.
19 July	Class 1A NICs postal payments to reach HMRC.
22 July	Class 1A cleared electronic payments to reach HMRC.
19 October	Postal payment of tax and Class 1B NIC due under PSA.
22 October	Electronic payment of tax and Class 1B NIC due under PSA.

Economy Secretary Fiona Hyslop announced to the Scottish Parliament on 18 March a package of measures worth £2.2bn to support businesses from 1 April:

- A full year's 100% non-domestic rates relief for retail, hospitality and tourism
- £10,000 grants for small businesses in receipt of the Small Business Bonus Scheme or Rural Relief. Procedures for claiming this should be in place by 20 March.
- £25,000 grants for hospitality, leisure and retail properties with a rateable value between £18,000 and £51,000. Procedures for claiming this should be in place by 20 March.
- 1.6% relief for all properties, effectively freezing the poundage rate next year
- The First Minister is to convene an emergency meeting of the Financial Services Advisory Board:
  - urging local authorities to relax planning rules to allow pubs and restaurants to operate temporarily as takeaways
  - extending the go live date for the deposit return scheme to July 2022
  - halting the introduction of the Visitor Levy Bill

The Coronavirus Business Interruption Loan Scheme (CBILS) details are shown on **https://www.british-business-bank.co.uk/ourpartners/coronavirus-business-interruption-loan-scheme-cbils/for-businesses-and-advisors/.**

In other news, changes to IR35 rules have been postponed to April 2021.

If you'd like to discuss how these and any future measures may impact your business and get help in accessing these, please get in touch with the partner who deals with your affairs.

AND FINALLY...

"I have always been delighted at the prospect of a new day, a fresh try, one more start, with perhaps a bit of magic waiting somewhere behind the morning."

JB Priestly

"What is not started today is never finished tomorrow."

Johann Wolfgang von Goethe

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