

EPG Meeting - 21 September 2018
1st Floor - Conference Suite 10SC - Room 1.06,
10 South Colonnade, Canary Wharf

Attendees	
Helen Hargreaves	CIPP co-chair
Richard Garth	HMRC co-chair
John Berry	HMRC
Mary Croghan	HMRC Secretariat
Colin Ben-Nathan	Chartered Institute of Taxation
Colin Broad	British Computer Society
Tracey Crank	Black Mountain Services UK Ltd
Sarah Eason	Hydrock
Pauline Green	Business Application Software Developers Association
Helen Harvey	Small Payroll Bureau
Aleem Islan	Association of Accounting Technicians
Simon Parsons	Large Payroll Bureau
Hayley Perkin	Association of Taxation Technicians
Jackie Petherbridge	Federation of Small Business & Private Sector Payroll Group
Simon Ross	CBI
Steve Wade	Institute of Chartered Accountants England & Wales
Penny Earle	HMRC
Roger Kasper	HMRC
Ram Joshi	HMRC
Gareth Cooper	HMRC

Agenda Item	Main Points, Conclusions / Discussions, Decisions, Next Steps
1	<p>Welcome / Agree previous minutes</p> <p>Richard Garth welcomed everyone to the meeting and the previous minutes were agreed. Pauline Green was welcomed as the new representative for BASDA following Alex Rowson's retirement.</p>
2	<p>Tax Free Childcare</p> <p>Penny Earle spoke about Tax Free Childcare (TFC), the new government childcare scheme for working parents. Her objective for the forum was to talk about the service, the forthcoming closure of childcare vouchers and to ask members to promote the service.</p> <p>Penny Earle attended to promote Tax Free Childcare (TFC), the new government childcare scheme for working parents. Her objective for the forum was to talk about the service, the forthcoming closure of childcare vouchers and to ask members to promote the service.</p> <p>Penny explained how TFC, the childcare account and government top-ups work. Parents pay into a childcare account and receive a government top up of 20%; to a</p>

EPG Meeting - 21 September 2018
1st Floor - Conference Suite 10SC - Room 1.06,
10 South Colonnade, Canary Wharf

	<p>maximum of £2000 per child. The money is paid into the childcare account and parents can pay a registered childcare provider through the account. Penny explained the eligibility criteria, which can be found at www.childcarechoices.gov.uk. Broadly:</p> <ul style="list-style-type: none"> • Both parents must be working – earning above NMW and have a total taxable income of less than £100,000. • it can't be claimed alongside universal credits or tax credits • payable until the September following a child's 11th birthday • Children with disabilities – the government will top up to a maximum of £4000 • the child lives with the parent/s or person/s who hold parental responsibility. <p>She then talked about recent service improvements and the impact this has had on satisfaction scores. As at 31 August 2018 when there were 445,000 live accounts and customer satisfaction rates were Parents - 84% Childcare Providers– 87%</p> <p>Penny confirmed closure of the childcare vouchers scheme to new entrants will be on 4 October 2018.</p> <p>Members raised questions about non-present parents. It was confirmed that the TFC account was per child and that both parents would need to pay into the same account. Concerns were raised about who would be reimbursed in the event that the account was closed and two separated parents had paid into the account.</p>
3	<p>Disguised Remuneration</p> <p>Ram Joshi gave an update as to what the department is doing around this subject and the planned communications which will be issued shortly.</p> <p>Disguised remuneration avoidance schemes involve an employee's employer making a contribution on behalf of the employee to a 3rd party who in turn loans the money back to the employee. Users of these schemes argue that the loan is not subject to tax or national insurance deductions.</p> <p>The department has consistently challenged the use of these schemes and introduced targeted anti-avoidance legislation in 2011 with further updates in 2016 and 2017.</p> <p>One of the changes introduced in Finance Act (No.2) 2017 is the disguised remuneration loan charge. This will treat all the outstanding disguised remuneration loans received from 6 April 1999 – 5 April 2019 as taxable employment income in the tax year 2018 / 2019 tax year.</p> <p>If an employer has used this type of scheme the employer needs to inform HMRC. Letters will be sent out to all employers advising them that loan charge will arise</p>

EPG Meeting - 21 September 2018
1st Floor - Conference Suite 10SC - Room 1.06,
10 South Colonnade, Canary Wharf

	on 5 April 2019. Payment of any tax and national insurance must be paid by 22 April 2019 as payments made after this date will be subject to interest charges.
4	<p>P87 High Volume Repayment Agents</p> <p>Roger Kasper gave an overview of the P87 campaign which was launched on 20 September 2018. News Releases have been issued to national, regional and trade press. The trade press have been supplied with bespoke news releases for hairdressing, construction and healthcare industries. These outline common PAYE work expenses that have been incurred in such industries, which can be claimed back using the P87 process. This is to encourage individuals to make claims directly using the Gov.UK website. They have identified that approximately 85% of claims received by HMRC are made using high volume repayment agencies, who can charge up to 40% commission.</p> <p>The department are seeking the support of forum members to promote this through their various communication channels. Useful links are as follows:</p> <p>https://www.mynewsdesk.com/uk/hm-revenue-customs-hmrc/pressreleases/go-direct-to-get-tax-relief-on-work-expenses-2706927</p> <p>Members commented that completing a P87 can be difficult using the PTA because an individual must be logged into their PTA but then access a P87 on a different part of Gov.UK. Members suggested that the process and form needs simplifying to make it less complicating, which may be why individuals use agencies to do it.</p>
5	<p>Gareth Cooper, the policy lead for National Insurance contributions and National Insurance numbers, updated the group on;</p> <p>Abolition of Class 2 National Insurance contributions</p> <p>A written Ministerial statement was issued earlier in September confirming that the government will no longer proceed, within this parliament, with the abolition of class 2 National Insurance contributions. This was due to concerns raised by representative bodies for the self-employed with lowest earnings and the impact of an increase in the cost of voluntary contributions on them.</p> <p>Termination Payments</p> <p>There are also a number of addition measures within the National Insurance contributions bill, two of which are the alignment of national insurance contributions treatment of termination payments and sporting testimonials with the income tax treatment introduced in 2016.</p>

EPG Meeting - 21 September 2018
1st Floor - Conference Suite 10SC - Room 1.06,
10 South Colonnade, Canary Wharf

	<p>The Government confirmed in the ministerial statement that it remains committed to aligning the treatment for national insurance purposes for these two areas and will confirm more detail in due course.</p> <p>It was confirmed that if National Insurance contributions treatment of termination payments and sporting testimonials are aligned from April 2019 (requiring Royal Assent of the NICs Bill), the government will not rely on RTI for this for the interim period.</p> <p>Members stressed that, even if RTI is not used for 2019-20, payroll software providers need technical specifications as soon as possible to incorporate the calculation process of the Class 1A NIC payable on any termination payments made during the year and payable in July 2020. However the group appreciated Gareth's attendance, which enabled a full discussion on these subjects.</p>
6	<p>Online Forum</p> <p>John Berry gave an update on the Employers Online Forum which is now live and thanked those who have tested it. Any early glitches have now been resolved. The forum is currently only available EPG members. The intention of the forum is to include topics which are current and of interest to members. John encouraged members to use the forum and will be seeking feedback at the December EPG meeting.</p>
7	<p>AOB</p> <p>Dynamic Coding</p> <p>Richard Garth gave an update from Craig Ogilvie advising that HMRC are continuing to work on a release for a final set of PAYE triggers linked to dynamic coding. This is to recognise a different tax code being operated and to prompt employers to the use the correct code. This is still scheduled to go live later this year and members will be updated on progress.</p> <p>The next meeting date is Wednesday 5th December.</p>