Keeping you informed

Introduction
Welcome to Agent Update 76. We’ve made some changes to your Update this month following your feedback. This tax section has been renamed “Technical Updates and Reminders” to reflect its content. This month, we feature articles on the disguised remuneration loan charge, student loans and corporate interest. We’ve also provided a Research and Development update, which many of you asked for.

We’re also offering opportunities to be involved in the work of the Department. The article on Corporate Interest tells you how you can get involved in developing a new service. Also, the piece on Capital Gains on property disposal, invites you to sign up to a new service.

On your suggestion, the Service section, is now renamed, “HMRC Agent Services”, and carries information on Termination Awards and the new HTML versions of forms.

Our Working Together section has been renamed, “Agent Forum and Engagement”, and includes news from the Issues Overview Group and recent points raised on the HMRC Agent Forum.

It is not too late to give us your feedback
Thank you for your feedback and remember, it’s not too late to share your views. Please email your feedback to Mark Adams: mailbox.digitalsupport@hmrc.gsi.gov.uk
To find out when each edition of Agent Update is published, why not sign up to receive email reminders.

Technical Updates and Reminders
Developments and changes to legislation and allowances relating to UK tax.

HMRC Agent Services
Details of live consultations and links to responses, changes to HMRC service and guidance.

Agent Forum and Engagement
Latest updates from the partnership between HMRC and the main agent representative bodies.

This month's top articles
Parental Bereavement Leave and Pay
The Government intends to introduce a new entitlement to Parental Bereavement Leave and Pay from April 2020.

Company Vehicles
Changes to taxation of both diesel company cars and Ultra Low Emission Vehicles.

Pension scams
Pension scams are devastating. Last year the average victim lost £82,000.

Future relationship with the EU
Now that we have left the EU we have entered a transition period that lasts until 31 December 2020. There will be no changes to the terms of trade with the EU or the rest of the world during this time.
From 1 January 2021, the way businesses trade with the EU will change, and they’ll need to prepare for life outside the EU, including new customs arrangements.
Last month, we contacted businesses in the UK who may import and export between the UK and the EU, to explain some of the actions they need to take to prepare for changes to customs arrangements after the transition period, including:
  • making sure they have a UK Economic Operator Registration and Identification (EORI) number
  • preparing to make customs declarations by deciding if they want to use a third party such as a customs agent or make declarations themselves
The letter that we posted to around 220,000 VAT registered businesses, has been published on GOV.UK.

Deadline extended for grant funding
To help prepare businesses for completing customs declarations, the deadline to apply for at least £7.5 million of grant funding has now been extended to 31 January 2021. Around £18.5 million of grant funding has been applied for since September 2019. The extension will allow more businesses to benefit from the remaining funding to increase their capacity for dealing with customs declarations with training, IT and staff.
Applications will close on 31 January 2021, or earlier if funding is fully allocated. We’ve seen an increasing number of applications, so interested businesses are encouraged to apply soon.
Businesses that want to apply for funding should not contact HMRC but can apply online.
You can read full details of what can be claimed and how to apply on GOV.UK.
Disguised remuneration – Independent review of the loan charge: what it means for your clients


We have sent out letters to customers affected by the loan charge regarding the changes to the loan charge, and what they mean for them. If any of your clients are affected by the changes, and they did not receive this letter, please speak to your usual HMRC contact, email [ca.admin@hmrc.gov.uk](mailto:ca.admin@hmrc.gov.uk) or call us on [03000 599110](tel:03000599110). If you have any queries about the loan charge, feel free to contact us – we will be happy to answer any questions you may have.

We also held a webinar, outlining the changes to the loan charge on 28 January 2020. The webinar explained how the changes affect individuals, employers and employees. You may find answers to some of your questions within the presentation. [Register and view recorded webinar](https://www.gov.uk/government/publications/disguised-remuneration-independent-review-of-the-loan-charge).

Capital Gains Tax Payment for Property Disposals

From April 2020 HMRC is changing the rules related to the submissions of information and payment of Capital Gains Tax (CGT) due on the disposals of a UK residential property (other than a principle private residence). The tax due must be reported and paid to HMRC within 30 days of completion of the disposal. Non-UK residents who currently report property disposals within 30 days can no longer defer payment.

To enable customers to report and pay any CGT liability arising from gains on the sale of a property HMRC are developing a new digital service accessible from [GOV.UK](https://www.gov.uk/government/publications/disguised-remuneration-independent-review-of-the-loan-charge), which will be available from April 2020 to make it easier for customers to report and pay their CGT property disposal liability.

For many customers this will mean that if they have no other Self Assessment criteria, they will no longer need to register for Self Assessment to notify and pay for a ‘one-off’ property disposal to report the gain.

If your client is already within Self Assessment to report other liabilities you will need to ensure that the gain is also included on their Self Assessment tax return, HMRC will be amending the Self Assessment return to allow you to do this.

Late filing and late payment penalties will apply, and consequent interest will also continue to be charged.

Help us trial the new service

HMRC is looking for tax agents and their clients to help us trial the new Report and pay CGT on UK property service, you’ll be some of the first to use the service and your feedback will help us to make it as easy as possible for customers to use.

To take part we are looking for tax agents representing UK and non-UK resident individuals or trusts who are likely to need to report CGT on UK property for a client after 6 April 2020. Your client also needs to be an individual or representative of a trust who is considering disposing of a UK property on or after 6 April 2020.

Where and when will the trial take place

You and your client will be able to take part online, so you can choose the location that suits you best.

The trial is taking place up until 5 April 2020. We will send you an email with details on how to start.

[Help us trial the new service](https://www.gov.uk/government/publications/disguised-remuneration-independent-review-of-the-loan-charge)
How long it will take
The trial will take you and your client between 30 minutes and an hour in total.

What you and your client will need to take part
You'll both need to:
1. have access to a computer or a mobile device that is connected to the internet
2. provide an email address and phone number we can call you on.

What you will not be able to do
You will not be able to use the trial service to report and pay Capital Gains Tax on UK property for your client before 6 April 2020.

What happens after the trial has finished?
From 6 April 2020, if your client gives you authorisation to, you'll be able to use their account to report and pay their Capital Gains Tax on UK property, sold or disposed of from 6 April 2020.

How to join the trial
Email ddcw-info-cgtpd-g@digital.hmrc.gov.uk to join the trial. You’ll need to include your name and a contact number. We will only use these details to contact you with information about the trial or to discuss it.

Research and Development Claims
There was a concerted effort from experienced Research & Development (R&D) staff as well as staff seconded from across HMRC who were trained to process R&D claims to deal with the backlog. Due to the positive contributions from all involved around 98% of the backlog was processed according to plan. This meant that by 1 November 2019 claims received were being handled in line with our published aim.

We are aware that during the recovery period some claims had not been processed fully, which prompted further customer contact. Any reparation work relating to the backlog of claims was resolved by mid-December.

The transition of R&D processing work to HMRC Business Tax and Customs (BT&C) has gone very well so far, thanks to the hard work of the R&D project team, the training team and those colleagues carrying out the work.

BT&C staff were raring to go on the 1 October having received excellent training from our HMRC Wealthy and Mid-sized Business Compliance (WMBC) colleagues. Through building a close working relationship with our colleagues from the Portsmouth R&D Unit they have been able to quickly gain the knowledge and experience to enable them to deal with R&D Claims within published timescales. The huge increase in R&D claim volumes in December presents a big challenge but we believe we are more than capable of meeting it. It will mean some delays in dealing with claims through January but we hope to be back to normal service by early February. The Growth Helpline 0300 123 3440 is a call back service except for R&D. For technical queries regarding the R&D it is more efficient to email rd.incentivesreliefs@hmrc.gov.uk detailing the nature of the query and requesting a call back. We recognise that most calls to HMRC about R&D relate to payment processing therefore when calling the above helpline number and choosing the R&D option the call will be routed to the CT Helpline which is best place to answer payment queries. If a R&D technical call reaches the CT Helpline the operator will email the details and call back request to WMBC.

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Diesel Supplement Company Car Tax Exemption changes

In Agent update 71 we informed you of the Diesel Supplement Company Car Tax changes and how cars that meet the Euro 6D standard will now be exempt from the entire Diesel Supplement charge.

How to report a diesel company car on your P11d submission

When completing Section F Car and Car Fuel of the 2019/20 P11d your client will need to complete the question 'type of fuel or power used' with the correct key letter:

- cars that meet the Euro 6D standard will use fuel letter F
- cars that don’t meet the Euro 6D standard will use the fuel letter D.

Working sheet 2 and Working sheet 2b Table 1 will be updated to include this explanation.

How to report Diesel company cars for payroll

When payrolling car and car fuel benefits there is no requirement for your client to complete P11Ds as these benefits are included within the payroll process.

For any expenses and benefits not payrolled, normal processes should be followed in terms of P11D completion.

Ultra Low Emission Vehicles

In Agent Update 75 we told you about the proposed changes that will impact Ultra Low Emission Vehicles from 6 April 2020. Please revisit this information.

How this affects you

There will be no change to the way your client currently reports their Company Car Tax data. However, they may need to provide additional information.

Reporting a new company car or one made available to an individual for the first time in the 2020-21 tax year

1. From 6 April 2020 a new zero emission mileage field will be shown on the form P46 (car). If a car has a CO2 emission figure of 1-50g/km; you will now need to provide the car’s zero emission mileage. This is the maximum distance in miles that the car can be driven in electric mode without recharging the battery.

2. The online P46 (car) will be updated with the changes. For paper P46 (car) submissions you will need to ensure you complete the latest version as historic copies may not include the new zero emission mileage field. These will be available through their established method from 6 April 2020.

Payrolling the company car and car fuel benefit

1. From 6 April 2020 if a car has a CO2 emission figure of 1-50g/km your client will now need to provide the cars zero emission mileage figure in the new field available.

Where to find the additional Zero emission mileage information:

If your client leases the vehicle they should obtain this new data item in the same way they currently receive their Company Car Tax data from the car leasing firm or fleet provider.

If your client owns the vehicle, the zero emission mileage figure can be found on the vehicle’s Certificate of Conformity.

If, in extreme circumstances this information is not available, your client can obtain the zero emission mileage figure via the car manufacturer. HMRC do not hold this information.

Failure to obtain the data via the correct source could lead to incorrect company car benefit in kind being calculated.

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We can now confirm that changes to the PAYE81950 will be published on 6 April 2020. The page will outline details of the Appendix 8 scheme and will include an application form to join Appendix 8 for the first time. Unfortunately, we are unable to accept applications to join Appendix 8 before 6 April 2020.

If your client joined the current special arrangement after 20 August 2019
We are reviewing the records of employers who joined the current special arrangement after 20 August and will invite your client onto Appendix 8 shortly.

If your client joined the current special arrangement before 20 August 2019
We’ve written to all employers and their agents who have had a current special arrangement, inviting them to apply to join Appendix 8 from 6 April 2020.

If we’ve written to you/your client and you haven’t replied, please do so now.
If your client wants to join Appendix 8, please tick the box “apply for a new Appendix 8 arrangement”.
If your client doesn’t want to join Appendix 8 and wishes to cease the current special arrangement, please tick the box “cease current PAYE special arrangement”.
Please ensure you only tick one box. Ticking both or none of the boxes will result in your application being delayed.
If your client joined the current special arrangement before 20 August 2019 but haven’t received our letter, please contact us urgently.

Reminder – Changes to the Short-Term Business Visitors (STBVs) special arrangement under Regulation 141
We published information about the changes to the Short-Term Business Visitors (STBVs) special arrangement under Regulation 141 in Agent Update Issue 74.

Last time, we told you we’d provide more information to employers who aren’t part of the current special arrangement and are interested in joining Appendix 8 from 6 April 2020.

Sending your client’s 2020-21 Annual Tax on Enveloped Dwellings (ATED) return
If you have not yet registered with HMRC to use the online service, you need to do so before the 1 April 2020. This should ensure you have the right access before filing by 30 April 2020. Find out how to register.
The ATED period is 1 April 2020 to 31 March 2021 and returns for that period must be filed by 30 April 2020 where your client owns a property on 1 April 2020. You cannot submit a 2020-21 return before 1 April 2020, although you can begin populating an online ATED return from around mid-March.

Please note when preparing to send your client’s 2020-21 ATED return that you have your correct login details, including your user ID and password.
If your client has disposed of a property, please send an amended return or contact HMRC to notify us of this change. This will avoid unnecessary contact in future years for a return that will no longer be due.
If your client has changed relief code for a property or had a change in their circumstances, please contact HMRC. This will avoid unnecessary contact in future years. More information about ATED.

Reminder – Changes to the Short-Term Business Visitors (STBVs) special arrangement under Regulation 141
We published information about the changes to the Short-Term Business Visitors (STBVs) special arrangement under Regulation 141 in Agent Update Issue 74.

Last time, we told you we’d provide more information to employers who aren’t part of the current special arrangement and are interested in joining Appendix 8 from 6 April 2020.
What to do if you don’t want to join Appendix 8
You need to tell us so that we can properly close your client’s record. We’ve enclosed a form with our letter which you can return to tell us you don’t want to join. You will also need to ensure you set a cessation date on the last return for tax year 2019-20.

Next steps
We will reply to your application to join Appendix 8 or your request to cease the current special arrangement by April 2020.
If your client wants to join Appendix 8, we will move the existing special PAYE scheme to Appendix 8 automatically – this means your client will be able to keep their current special PAYE reference number.

Important dates
The filing and payment dates for the current special arrangement remains as 19 April for filing and 22 April for payment in 2020.
The extended filing and payment dates of 31 May for Appendix 8 will take effect from 2021.

Help us to improve the Corporate Interest Restriction Return
HMRC is improving the Corporate Interest Restriction Return. This includes the full and abbreviated returns, as well as the appointment of a reporting company. This will bring together all the current spreadsheets and forms into an easily accessible format that fits GOV.UK standards. We are also looking to develop an Application Programme Interface (API) that supports integration with software products, including in-house software. We are looking for volunteers to work with us so that we can design a service that fully meets the needs of businesses and agents. If you or your client would like the opportunity to be involved with the development of this service, we would like to hear from you. Please get in touch by emailing ash.newnes@digital.hmrc.gov.uk and we can explain what this will involve in a more detail. You can read more about corporate interest restriction returns on GOV.UK.

Student and Postgraduate Loans
Student Loan and Postgraduate Loan Thresholds
The thresholds for Plan 1 and Plan 2 Student Loans are increasing from 6 April 2020. The Department for Education has confirmed that the thresholds will increase to:
• Plan 1 – £19,390
• Plan 2 – £26,575.
Student Loan deductions are calculated at 9% for Plan 1 and Plan 2 loans.
• Postgraduate Loan (PGL) threshold will remain the same at £21,000.
PGL deductions are calculated at 6%.

Completing 2019-20 Self Assessment Tax Return for Student Loan and/or Postgraduate Loan Borrower
Student and/or Postgraduate Loan (PGL) borrowers who are due to make repayments should record their loan information within the Self Assessment (SA) tax return. This will include any Student and/or PGL deductions taken by their employer through PAYE. The SA system will calculate the:
• Student Loan deductions using the plan type threshold and rate
• PGL deductions using the threshold and rate supplied to us by Student Loans Company.
It is no longer necessary to tell us at box 3 on the SA tax return that the loan is due to be fully repaid within the next two years.
We are working with software developers to finalise these technical specifications. More information will be included in future updates and GOV.UK.
Student/Postgraduate loan start notice (SL1/PGL1)

It is important that you take the correct action to start Student and/or Postgraduate loan (PGL) deductions as soon as possible and that you record the deductions correctly on the Full Payment Submission. This ensures that the employee does not pay any more or less than they have to.

If you receive a Student Loan and/or PGL start notice (SL1/PGL1) from HMRC, it is important that you check and use the correct:

- loan/plan type on the start notice
- start date shown on the notice and take deductions from the next available pay day.

If the earnings are below the Student and/or PGL loan thresholds, update the employee’s payroll record to show they have a Student and/or PGL loan interest and file the start notice.

Deductions should continue until HMRC notify you to stop.

Further information can be found on GOV.UK.

Remember to:

check your online account for Student Loan and or PGL start and stop notices – let us know if the email or correspondence address has changed.

Changes to the coding-out of debt via Self Assessment

HMRC currently code-out outstanding debts relating to Self Assessment where customers have not settled their debt and failed to engage with us. Currently, HMRC begin to collect the outstanding debt via a restriction in a customers tax code from the 6 April following the notification letter.

From March 2020, HMRC will modernise this coding-out system for recovering outstanding debts relating to Self Assessment, by changing a customer’s tax code to automatically deduct payments from their PAYE earnings and to start to recover these outstanding debts immediately. So, in short, HMRC will start to deduct payment immediately and automatically, within the current tax year. If we cannot collect all the debt in the current year then some of the outstanding debt may also be collected the following year.

What does this mean for customers?

- if we can recover the outstanding debt through their tax code in the current year they will see an immediate reduction in their pay. However, HMRC do apply safeguarding limits around the amount deducted
- if we cannot recover all the outstanding debt in the current year, customers may see their debt collected in current year and current year +1
- customers who have been notified of a debt being coded out in the 2020-21 tax year may have two debts coded out in one year. This will happen if a new debt that they haven’t settled also becomes available for coding during 2020-21.

If you have any clients with an outstanding debt relating to Self Assessment it would be helpful if you advise them of this change. If your client does not want their debt to be collected through their pay, then they will need to pay the debt in full or contact HMRC to discuss payment options. For more information go to GOV.UK.

New National Minimum Wage rates announced

Nearly three million workers are set to see an increase in their pay when the new National Minimum and National Living Wage rates come into effect this April.

Employers across the country should ensure they are ready by taking the appropriate payroll action for anybody who is eligible and continue to pay their workers on or above the minimum wage.

The new rates, which have increased between 4.6% and 6.5% depending upon age and apprentice status, start on 1 April 2020.
Reporting expenses and benefits

It’s almost time to submit your clients P11Ds and P11D(b) if they have paid any benefits in kind during the 2019-20 tax year. HMRC must receive these forms no later than 6 July 2020 or your client may get a penalty.

We recommend your clients’ submissions are made online or by payrolling any expenses and benefits. These are the quickest and most secure ways to submit your information to HMRC.

If your client payrolled their benefits in kind for the 2019-20 tax year then we will need:
- a P11D for any benefits that have not been payrolled
- a P11D(b) to tell us about the employer Class 1A NICs due on all benefits (including the payrolled ones).

If your client would like to payroll their Benefits in Kind for the 2020-21 tax year they must register online on or before 5 April 2020.

You may need to tell HMRC you have no return to make for Class 1A NIC if your clients have not made any expenses and benefits payments to their employees. But you only need to do this if you or your client receives a P11D(b) Class 1A NIC return, an electronic notice to file a P11D(b) or a reminder to file a P11D(b) return.

More information can be found in the February Employer Bulletin.

PAYE

Reporting final PAYE submissions

HMRC have published an article in the February 2020 Employer Bulletin advising employers about reporting their final PAYE submissions and their employee’s expenses and benefits for the tax year 2019-20 which ends on 5 April 2020.
Preventing for changes to the Employment Allowance

Employment Allowance reform – new eligibility for the Employment Allowance for April 2020

Employers must make extra checks to work out whether they are eligible. A new claim for Employment Allowance (EA) needs to be submitted each tax year, as claims will not automatically renew each tax year.

You can find more information on GOV.UK.

Employers’ (secondary) Class 1 National Insurance Contributions threshold check

- EA can only be claimed if total qualifying employers’ (secondary) Class 1 NICs liability in the previous tax year was less than £100,000
- If you have multiple PAYE schemes or are part of a connected group of companies, the Employers’ (secondary) Class 1 NICs liabilities of all companies, and/or PAYE schemes, needs to be added together to assess eligibility for EA
- The allowance can only be claimed once across all your PAYE schemes and connected companies. You'll need to decide which one PAYE scheme to set the claim against.

By targeting the allowance in this way, it means that EA will be operated as de minimis State aid.

De minimis State aid rules will apply if businesses engage in economic activity, this means providing goods or services to the market, this will apply to most businesses.

Extra checks will be required, if businesses have received de minimis State aid from other sources

Employers must ensure that the relevant threshold for their business sector is not exceeded by receiving EA.

Claiming Employment Allowance

Employment Allowance will continue to be claimed through your EPS, by making the claim you are confirming you've assessed your eligibility for EA, and won't exceed the de minimis State aid threshold.

You'll need to advise your payroll administrator if you are eligible or not.

If your business is undertaking economic activity, you'll need to provide your business sector(s) on the EPS – Agriculture, Fisheries & Aquaculture, Road Freight Transport or Industrial for everyone else.

If your business is not undertaking economic activity – you'll need to advise that State aid rules do not apply.

National Insurance rates and thresholds for tax year 2020-21

On 30 January, the government introduced the legislation for National Insurance rates and thresholds for tax year 2020-21. These confirm the government's commitment to increase the point at which individuals start to pay National Insurance to £9,500 per year.

A typical employee will save around £104 in 2020-21, while self-employed people, who pay a lower rate, will have £78 cut from their bill. All the other thresholds will rise with inflation, except for the upper NICs thresholds which will remain frozen at £50,000, as announced at Budget 2018.

The threshold changes will not affect low earners’ entitlement to contributory benefits such as the State Pension, with the Lower Earnings Limit and Small Profits Threshold, above which individuals start building entitlement to contributory benefits, rising with inflation.

Further details can be found on GOV.UK and Statutory Instrument.
## National Insurance rates and earnings limits 2020-21 – you do not need to look at this table if you are using the NI tables

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<th>Secondary Threshold (ST)</th>
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### Contribution Table Letter

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<th>Earnings above PT/ST up to and including UEL/UST/AUST</th>
<th>Balance of earnings above UEL/UST/AUST</th>
<th>Earnings below LEL</th>
<th>Earnings at or above LEL up to and including ST</th>
<th>Earnings above PT/ST up to and including UEL/UST/AUST</th>
<th>Balance of earnings above UEL/UST/AUST</th>
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Employer's rates for mariners should be reduced by 0.5%
Class 1A liabilities payable on Termination Awards, Sporting Testimonials and Sporting Testimonial Payments come into effect from 6 April

The National Insurance Contribution (Termination Award and Sporting Testimonial) Act 2019 (‘the Act’) received Royal Assent on 24 July 2019. This Act created a new Class 1A National Insurance contribution (NICs) charge on termination awards over £30,000 and payments from sporting testimonials above £100,000.

Termination Awards

From 6 April 2020 the Act will introduce a new Class 1A NICs liability on non-contractual “cash” (or cash equivalent) taxable termination payments over a £30,000 threshold, which have not already incurred a Class 1 NICs liability as earnings. This will bring closer alignment between income tax and NICs treatment of termination payments.

This new liability will be chargeable on the employer and will be payable at the same Class 1A NICs percentage rate (currently 13.8%) that applies to existing Class 1A NICs liabilities on Benefits in Kind (BIKs).

However, unlike Class 1A NICs liabilities that arise on BIKs, this new liability will not be payable and reported via the annual P11D(b) payment/reporting process. Instead, from 6 April 2020 onwards, termination awards that comprise of cash payments will be paid and reported through the PAYE/Real Time Information (RTI) process.

The existing P11D(b) reporting process will be retained for employers reporting Class 1A NICs liabilities arising on BIKs, including the reporting of any BIKs provided to an employee before and after their employment has been terminated (such as the continued provision of a company car).

Sporting Testimonials

From 6 April 2020, any non-contractual and non-customary sporting testimonial payments which exceed £100,000 paid to a sportsperson by a testimonial committee will incur a Class 1A NICs liability. This follows changes introduced in the Finance Bill 2016 that put beyond doubt the tax treatment of sporting testimonials.

That new Class 1A NICs liability will be chargeable on the sporting testimonial committee and it will be the responsibility of the committee controller to report and pay that Class 1A NICs liability to HMRC.

Cash sporting testimonials payments from 6 April 2020 onwards, will be paid and reported through the PAYE/Real Time Information (RTI) process.

If, during the sportsperson’s testimonial year, the sporting testimonial committee provide the sportsperson with the use of a Benefit in Kind (such as a car) then the amount of BIK that is taxable will also incur a Class 1A NICs liability, to be paid and reported by the sporting testimonial committee via the P11D(b) process.

What agents, employers and sporting testimonials need to do to prepare for reporting the new Class 1A NICs liabilities through RTI

Before 6 April 2020, employers must make sure that their payroll systems have been updated to enable them to pay and report the new Class 1A NICs liability arising on termination payments. Independent Sporting Testimonial Committees will also need to make sure that whatever payroll system they are using, it has the capability to report Class 1A NICs liabilities through real time reporting.
Corporation Tax

Non-resident company landlords and Corporation Tax

Corporation Tax Unique Tax Reference Number (CT UTR)

Non-resident company landlords ("NRCLs") are currently chargeable to Income Tax on the profits of their UK property businesses. They complete and file a paper Non-resident Company Income Tax Return (SA700). That is changing from 6 April 2020 when they become chargeable to Corporation Tax.

We have already generated over 18,000 Corporation Tax Unique Tax Reference Numbers (CT UTR) and have started the process of writing to these customers to let them know their CT UTR and setting out the list of actions to take.

The generation of the CT UTRs was carried out through an automatic process based on customers who had filed a 2017-18 Non-resident Company Income Tax Return. We plan to write separately to those NRCLs that did not file a tax return for 2017-18 when we deal with their 2018-19 SA700, so it will take a bit longer to write out to these customers.

Action required when the CT UTR is provided:

- to tell HMRC if the NRCL already has a CT UTR or no longer lets out UK property or completes a different Tax Return that is NOT a SA700 – this helps us to take action to ensure that there is only one CT record for the NRCL
- to tell HMRC in writing if the NRCL prepares its accounts or financial statements to a date that is different to 5 April – we will set up the CT record with a default accounting period which will end on 5 April 2021. This information, which is required by law in writing, will help us to issue the notice to file a Company Tax Return at the right time. This helps to avoid possible late filing penalties and interest charged on late payment of tax which are linked to the end date of the Corporation Tax accounting period

More information

More information on the changes can be found on GOV.UK.

We are updating our internal manuals for the more detailed technical aspects raised by advisers as we work through the various issues.
Enhancements to the Check Employment Status for Tax (CEST) tool and supporting guidance

On 25 November 2019, after extensive work with over 300 stakeholders, we published enhancements to the CEST service and supporting guidance.

Parental Bereavement Leave and Pay

Overview:
The Government intends to introduce a new entitlement to Parental Bereavement Leave and Pay from April 2020. This will provide parents who lose a child with a day-one employment right to take two weeks off work. Eligible parents will be entitled to two weeks’ statutory pay.

The Department for Business, Energy and Industrial Strategy plans to lay the regulations to implement this right in January 2020. Subject to Parliamentary agreement, the new entitlement will apply to deaths or stillbirths on or after 6 April 2020.

A high-level summary of two key aspects of the policy is provided below. Full guidance is forthcoming.

Definition of a ‘bereaved parent’:
This will capture a broad range of ‘parents’, including adoptive parents, parents of a child born to a surrogate, parents who are fostering to adopt, as well as individuals who have been caring for the child in their own home, continuously for a period of four weeks ending with the date of death, with responsibility for the child’s care during that time.

Off-payroll working rules from April 2020
Review of off-payroll working rules from April 2020
The government has commissioned a review, which can be found on GOV.UK of upcoming reforms to the off-payroll working rules. The review will consider whether there are any further steps the Government can take to ensure the smooth and successful implementation of the reforms, which is due to come into force on 6 April 2020.

The reforms, announced in the 2018 Budget, are designed to tackle non-compliance with off-payroll working rules by making medium and large organisations in the private and third sectors responsible for determining the tax status of contractors. After consultation, the Government announced that the reform would not apply to engagements with small businesses. Since then HM Revenue and Customs (HMRC) have run and responded to a further consultation on the detailed design of the reform, and draft legislation was published on GOV.UK in July 2019.

Education and Support
To further support businesses, on 22 August 2019, HMRC published guidance on the actions businesses and intermediaries could take to prepare:

We have also now published draft technical guidance for the reform of the off-payroll working rules in the Employment Status Manual (ESM) to provide further details on the operation of the rules from 6 April. This guidance can be found on GOV.UK.

HMRC have published a factsheet for contractors, which you can download for your clients:
We are also running a series of webinars on the following dates:
• Wednesday February 19 – midday to 1pm
• Wednesday February 26 – midday to 1pm
• Tuesday March 17 – 1pm to 2pm
• Thursday March 26 – midday to 1pm.
You can enrol for these webinars by choosing a date and time.
Admin Burden Advisory Board (ABAB) – Tell ABAB Survey
Small business survey – Tell ABAB

Small businesses are being invited to share their views on the tax system by completing a short survey.

The survey by the Administrative Burdens Advisory Board (ABAB) only takes 5 to 10 minutes to complete and can be found on GOV.UK.

You can tell ABAB your views in the survey which is open until Friday 21 February. The feedback will help ABAB achieve their goal of making a difference for small businesses by working closely with HMRC to help make tax easier, quicker and simpler.

ABAB members are independent and come from a wide range of businesses and professions who represent the small business community. Their work involves listening to the views of small businesses about their experience of the tax system. Results from the survey will be published on GOV.UK during spring 2020, in the Tell ABAB Report.

Booklet 480 available online

HMRC has published a new online version of the expenses and benefits for directors and employees – a tax guide: booklet 480.

This accessible version is now in HTML format and sets out HMRC’s approach to applying legislation on expenses payments and benefits received by directors and employees.

Notice and evidence requirements:

Parental Bereavement Leave

An employee will not need to provide written notice for Parental Bereavement Leave. The length of notice for leave required will vary depending on whether the employee intends to take leave within the first 8 weeks following the death (Period A), or later (Period B).

• for leave taken in Period A, the employee will need to notify their employer before they would be due to start work on the first day of absence
• for leave taken in Period B, the employee will need to provide notice at least one week before the start of the leave period.

Statutory Parental Bereavement Pay (SPBP)

An employee must provide written notice for SPBP within 28 days beginning with the first day of the week in which SPBP is being claimed, stating the dates of the period(s) to which the claim relates.

At the same time, an employee must also provide in writing to the employer the specified information:

• the employee’s name
• the date of the child’s death
• a declaration that the person meets the conditions of eligibility.

Unlike leave, the length of notice required for SPBP does not vary depending on when the entitlement is taken.

The Parental Bereavement (Leave and Pay) Act 2018 applies only to Great Britain. At the current time, no legislation to introduce parental bereavement leave or pay has been introduced in Northern Ireland, therefore, the measure will not apply in Northern Ireland.
Complain to HMRC
To make a complaint to HMRC on behalf of your client you must be appointed as their Tax Advisor.

Employers need to register for email alerts
As the Department moves rapidly down the digital road, it is becoming more apparent that the days of paper mailings are numbered. It is important agents encourage employers to register to receive email alerts so they are aware of the latest coding changes and important information that is published on the Government webpages.

Where's My Reply? for tax agents
Find out when you can expect to get a reply from HMRC to a query or request you have made. There is also a dedicated service for tax agents to:

• register you as an agent to use HMRC Online Services
• process an application for authority to act on behalf of a client
• amend your agent details.

Manuals
Recent Manual updates
You can check the latest updates to HMRC manuals or subscribe to automatic notification of changes.

Contact
Agent Blog
Did you know there is a regular Tax agent blog, highlighting the work HMRC do with tax agents, advisers and professional bodies?
We cover agent specific news and updates, consultations and HMRC’s agent strategy to name but a few.
You can subscribe here to receive a notification when a new blog is posted.
RDRM & Deemed domicile
The domicile chapter within the RDRM has now been updated to include the changes applicable from the introduction of deemed domicile. For more information, see the Residence, Domicile and Remittance Basis Manual on GOV.UK.

Online
Future online services downtime
Information is available on any downtime that may affect the availability of HMRC’s online services. Please note this is subject to change and confirmation by HMRC’s IT provider.

Online security – stay safe online
HMRC continuously monitors systems and customer records to guard against fraudulent activity, providing regular updates on scams we are aware of. If you have any concerns regarding the authenticity of any emails received from HMRC, see the online security pages for agents.

Phishing emails and bogus contact: HMRC examples
A new type of phishing scam regarding 'Tax Returns', which is being circulated in high volumes, has been added.

Online training material and useful resources for tax agents and advisers
HMRC videos on YouTube, online learning modules, and live and pre-recorded webinars are available for tax agents and advisers providing you with free help, learning and support on topical subjects.

Publications
Spotlights
Check for new additions

Employer Bulletin
The latest edition of Employer Bulletin is now available and contains topical and useful information about PAYE processes and procedures. For employers to be informed when it is available on the website, they must first register to receive the email alerts.

HMRC: Trusts and Estate newsletters
The latest edition provides more information about the Trust Registration Service.

National Insurance Services to Pensions Industry: countdown bulletins
Countdown Bulletin 45 has been added to this collection.

Pension schemes newsletter
This newsletter is published by HMRC’s Pension Schemes Services to update stakeholders on the latest news for pension schemes.

Revenue and Customs briefs
These are briefs announcing changes in policy or setting out the legal background to an issue. They generally have a short lifespan, as announced changes are incorporated into permanent guidance and the brief is then removed.

section ends
Agent Forum

The online Agent Forum provides to registered agents belonging to a professional body, a digital portal platform through which they can seek responses, and also a ‘Knowledge Base’ on key aspects of the operation of the tax system which may be impacting their business. Responses sought can be across all types of taxation and related service systems, on topics which may be identified as potential widespread issues. Users can additionally sign up to customised alerts for topics of interest.

Recent Issues raised on the forum include:

- CT-2407: CT repayments
- CT-2375: CT Helplines
- SA-2411: State pension figures missing from agent portal
- VAT-2422: VAT Processing of 64-8s.

Issues Overview Group

Significant widespread issues raised by agents on the Agent Forum are reviewed and prioritised by the agent professional bodies representatives on the Issues Overview Group (IOG). This a joint HMRC/professional body forum which progresses issues raised by agents. There are five stages in the issue process, from an Agent posting evidence through to outcome:

- agents post evidence of an issue on the Agent Forum
- professional bodies prioritise significant widespread issues
- HMRC subject matter experts provide an update on the Agent Forum
- Issues Overview Group and HMRC subject matter experts jointly review outstanding issues
- HMRC director confirms issue outcome.

The November meeting of the IOG identified a number of items to be progressed in seeking to strengthen the identification and resolution of issues. These included improved guidance on the use of the Agent Forum, posting of issue evidence by agents; the prioritisation of issues by professional bodies; reducing the time to secure responses, and how to progress outstanding issues. Recent specific issues raised by the IOG were call times on CT helplines and repayment delays, where faster and more extensive responses on the Agent Forum were requested. Professional bodies also identified Class 2 NICs as a key topic and sought confirmation of the position from the relevant HMRC director. A further topic was P800’s and HMRC have undertaken to review evidence of issues on this item. Agents are requested to post evidence of issues relating to P800s on the Agent Forum which HMRC can review and analyse.

Agents are invited to contact their professional body if they are seeking prioritisation of issues on the online Agent Forum. The next meeting of the IOG is scheduled for 10 March. Agents should contact their professional body if they wish to provide input or comment to the discussions. The latest updates on progressing priority issues identified will be published on the Working Together online Agent Forum and in the next edition of Agent Update.

section continues>
The Pensions Regulator

Help us protect savers from pension scams

Pensions scams are devastating. Last year the average victim lost £82,000. For some, their entire lifecapitals.

They can happen to anyone. Research shows up to five million savers are in danger of falling for one of the most common scam tactics.

To help guide their pensions decisions, half of savers look to their employer for pensions advice first. In turn, employers look to you – do you know the signs of a scam?

How you can help

As part of the national ScamSmart campaign – run jointly by The Pensions Regulator and the Financial Conduct Authority – you can:

• share our scams prevention guide with clients explaining the risk of scams
• encourage your employer clients to display scam smart posters
• tell your clients to put a dedicated scam prevention page on their website.

Help clients protect their staff members’ pensions. Advise them to be ScamSmart and always check who they are dealing with. Find out more.
Working Together Contact information for Professional and Representative Bodies

AAT Aleem Islan
ACCA Jason Piper
AIA
ATT Jon Stride
CIMA
CIOT Jon Stride
CIPP Samantha Mann
IAB
ICAEW Caroline Miskin
ICAS Tax Team
ICB Jacqui Mount
ICPA Tony Margaritelli
IFA Anne Davis
VATPG Ruth Corkin

If you are not a member of a professional body, please contact the Agent Engagement Mailbox.

section ends