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Keeping you informed

Introduction

Welcome to the 47th edition of Agent Update. In this issue we have pulled together useful information to help you and your clients as we begin the new tax year. We include details to assist you if you have to file expenses and benefits information along with links to online training material and useful resources for tax agents and advisers. Other news includes Budget Updates, enhancements to HMRCs Online Payment Service, an update on Agent Online Self Serve and links to forms and guidance to help your clients and their employees to administer and claim Shared Parental Pay. We also report on several consultation and discussion documents, a reminder on the introduction of the reporting of Capital Gains Tax for non-residents on sales and disposals of UK residential property along with the latest news from the Pensions Regulator on a new step-by-step automatic enrolment web guide launched for small businesses. Also featured are the latest updates from the Working Together partnership and links to the latest publications for employers, pensions and VAT.

We recognise that not all topics will be relevant to you, but by scanning the brief introductions to each piece you should be able to quickly identify the topics that are relevant to you within a couple of minutes. You can then follow the link to view the full information.

Don't forget to register with us. You can sign up for email reminders as each edition is published. To do so, please use the link below.

[Sign up to receive email reminders of future issues of Agent Update](#)

If you have any queries about this publication please contact: [Andria Barber, Editor](#)

Tax

Developments and changes to legislation and allowances relating to UK tax.

HMRC service

Changes to HMRC service, upcoming HMRC events and guidance.

Consultations

Details of live consultations and response summaries.

Working Together

Latest updates from the partnership between HMRC and the six main agent representative bodies.

This month's top articles

[Budget 2015](#)

Find updates and supporting documents issued as part of the Budget presented to Parliament on 18 March 2015.

[Agent Online Self Serve \(AOSS\) - update](#)

Read the latest blog on AOSS and let us have your views or suggestions on the design of the first screens, which aren't live yet. Alternatively you can leave a comment on our Tax Agents Blog.

[HMRC expenses and benefits from employment toolkit](#)

Guidance for tax agents and advisers on completing employer's end of year forms (P9D, P11D and P11D(b) updated for 2014 to 2015.

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Alcohol duty

[Tackling alcohol duty fraud](#)

All businesses wholesaling alcoholic drinks will need to apply to register for the Alcohol Wholesaler Registration Scheme between 1 October and 31 December 2015, or be at risk of trading illegally. In March 2015 HMRC issued letters to 10,000 alcohol wholesalers to raise awareness of the new scheme. More information about the scheme is now available, in particular about the 'fit and proper' tests HMRC will use to assess all registration applications.

[Sign up for email alerts about alcohol duties](#)

Budget 2015

[Budget updates](#)

Find updates and supporting documents issued as part of the Budget presented to Parliament on 18 March 2015.

Capital Gains Tax

[Capital Gains Tax for non-UK residents: sales and disposals of UK residential property](#)

From 6 April 2015 if your clients are not resident in the UK and sell or dispose of a UK residential property they will need to let HMRC know within 30 days of conveyance and may have to pay some Capital Gains Tax on the gains.

[Frequently Asked Questions](#)

Compliance

[Multinationals face £1.1 billion in extra tax after HMRC challenges transfer pricing](#)

Multinational corporations were hit with £1.1 billion in extra tax demands last year after HMRC successfully challenged the prices charged between companies in the same multinational group for goods and services.

[HMRC scores hat-trick of avoidance wins](#)

HMRC has secured three tribunal wins against tax avoidance schemes, protecting over £260 million in tax.

[Working to tackle tax avoidance](#)

HMRC endeavours at all times to treat all customers fairly and even-handedly. Find out about HMRC's approach to tackling tax avoidance, how to report a tax avoidance scheme and other relevant information.

Corporation Tax

[New version of Company Tax Return form introduced](#)

The new version of the Company Tax Return form (form CT600 version 3) must be used for accounting periods that started on or after 1 April 2015.

[Corporation Tax: accounting for credit losses](#)

This Tax Information and Impact Note is about the tax treatment of credit losses and amends the Change of Accounting Practice Regulations 2004 (SI 2004/3271).

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Employment related securities

[Other employment related securities schemes and arrangements: end of year return template](#)

Use this worksheet to tell HMRC of events relating to non-tax advantaged shares and securities.

[Company Share Option Plan: end of year return template](#)

Use this worksheet to tell HMRC of registered tax advantaged Company Share Option Plan (CSOP) options.

[Share Incentive Plan: end of year template](#)

Use this worksheet to tell HMRC of registered tax advantaged Share Incentive Plan (SIP) shares.

Gambling Duties

[Gambling Tax Service \(GTS\) - online returns service now available](#)

The GTS has been upgraded allowing customers to file returns for General Betting Duty (GBD), Pool Betting Duty (PBD) and/or Remote Gaming Duty (RGD) online.

Legislation

[National Insurance contributions \(NICs\) for Employment-related securities \(ERS\) income](#)

New legislation for NICs came into force on the 6 April 2015 for Employment-related securities income, earned by internationally mobile employees.

[See guidance in the National Insurance Manual to help with these changes](#)

[Finance Bill 2015: changes to Inheritance Tax](#)

Draft guidance for the Inheritance Tax manual due to changes to Inheritance Tax legislation in Finance Bill 2015.

[Statutory Instrument No 3062 of 2014](#)

Statutory Instrument No 3062 of 2014 will come into force on 6 April 2015. This removes the term 'and ordinarily resident' from section 628(6) of the Income Tax (Trading and Other Income) Act 2005 which deals with income which arises under a settlement which is treated as the income of the settlor, if certain conditions are satisfied. The concept of 'ordinary residence' was abolished for most tax purposes.

National Insurance

[Removal of the Upper Accrual Point \(UAP\) and change in earnings bands from April 2016](#)

From April 2016 employers and employees who were contracted-out of the State Earnings Related Pension Scheme, will pay the standard rate of National Insurance contributions (NICs) instead of the lower contracted-out rate of NICs. As a result from April 2016 employers will no longer need to report earnings between the Primary Threshold and the UAP.

[NIM23800 - Special cases - property letting business for Class 2 National Insurance](#)

HMRC has published new guidance for property investors/landlords advising them about their liability to pay Class 2 NICs.

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PAYE

[Employment Intermediaries](#)

The new Quarterly Return reporting requirements for Employment Intermediaries began on 6 April 2015. The deadline for filing the first Quarterly Return will be 5 August 2015. New penalty provisions will apply for the failure to comply with these reporting requirements.

[Shared Parental Pay \(ShPP\) - ACAS Forms and Guidance](#)

ShPP is for working parents whose babies are due on or after 5 April 2015. ACAS have developed and produced forms and guidance to help employers and employees to administer and claim ShPP.

Pension schemes

[New step-by-step automatic enrolment web guide launched for small businesses](#)

A new step-by-step guide to help small businesses get ready for their automatic enrolment duties has been launched by The Pensions Regulator. The 11-step guide takes employers through the tasks they need to complete and includes the information they require to comply with the law. The online guide also contains information tailored for employers who run director-only companies. The Regulator has also found that seven out of ten employers are planning on asking their business adviser for help, so they're launching a new online hub shortly to give you all the information you need to help your clients.

[Sign up for 'news-by-email' for regular updates on automatic enrolment](#)

[Pension administrators: reporting to HMRC](#)

Pension schemes must complete and send Pension Scheme Returns, Accounting for Tax Returns and Event Reports when required.

[Pension changes 2015](#)

The rules on accessing defined contributions pension savings from age 55 have changed.

Revenue & Customs Briefs

[Revenue and Customs Brief 1 \(2015\): Tonnage Tax - qualifying ships and flagging](#)

The purpose of this brief is to make shipping companies aware that for the purpose of Tonnage Tax flagging rules 2015 will not be an 'excepted year'.

[Revenue and Customs Brief 2 \(2015\): VAT grouping rules and the Skandia judgment](#)

This brief has further guidance on HMRC's position following the European Court of Justice Judgement in Skandia America Corp. (USA), filial Sverige (C-7/13).

[Revenue and Customs Brief 3 \(2015\): Rural Fuel Duty relief scheme](#)

This brief gives information about a new Rural Fuel Duty relief scheme for retailers and consumers of unleaded petrol and diesel for use as road fuel within certain areas.

[Revenue and Customs Brief 4 \(2015\): introduction of a new rebated fuel marker from 1 April 2015](#)

This brief gives information about a new chemical marker for rebated fuel to be introduced from 1 April 2015. Markers are used in off-road diesel and kerosene, primarily used as heating oil.

[Revenue and Customs Brief 5 \(2015\): Aggregates Levy tax credits in Northern Ireland](#)

This brief gives further information about the introduction of credit for levy on aggregate commercially exploited in Northern Ireland.

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[Revenue and Customs Brief 6 \(2015\): reinstatement of Aggregates Levy exemptions, exclusions and reliefs](#)

This brief summarises the outcome of a State aid investigation into the aggregates levy exemptions by the European Commission and announces that the government intends to reintroduce exemptions that were suspended in April 2014 while they were being investigated.

[Revenue and Customs Brief 7 \(2015\): new rules for the self-employed claiming Working Tax Credit \(WTC\)](#)

From 6 April 2015, all new claimants who are using self-employed work to meet the qualifying remunerative work test for WTC must show that they are trading on a commercial basis and their business is done with a view to achieving profits. This brief provides further details on these changes.

[Revenue and Customs Brief 8 \(2015\): deduction of VAT on pension fund management costs](#)

This brief follows on from Revenue and Customs Brief 43 (2014) and outlines HMRC's position on the use of tripartite contracts to evidence an employer's entitlement to deduct VAT paid on services relating to the management of defined benefit pension schemes.

Stamp Duty Reserve Tax

[Stamp Duty Reserve Tax: penalties and appeals](#)

When penalties are charged for late or incorrect Stamp Duty Reserve Tax (SDRT) notices, and how these penalties are worked out.

Stamp Taxes and Annual Tax on Enveloped Dwellings

[Annual Tax on Enveloped Dwellings \(ATED\)](#)

Understand what Annual Tax on Enveloped Dwellings is, whether it affects you or your clients, and if it does, what you may need to do:

- a new ATED band came into effect on 1 April 2015 and there will be a transitional rule for persons falling into this new band
- for businesses holding properties eligible to a relief and which have no ATED liability, a new shorter relief return will be introduced later this year, the filing date for the new relief return is 1 October 2015 for the 2015/2016 chargeable period

VAT

[VAT Notes 2015 Issue 1](#)

HMRC publish VAT Notes quarterly. This issue contains a summary of all the recent changes to the VAT rules, explains changes to VAT for businesses and announces future changes.

[VAT Notice 700/11: cancelling your registration](#)

This notice tells you when and how to cancel VAT registration.

[VAT Notice 700/56: insolvency](#)

This notice has been re-issued to reflect a reallocation of responsibility for insolvency VAT processing work within HMRC in order to facilitate the issuing of integrated HMRC claims in insolvencies.

[VAT Notice 714: zero rating young children's clothing and footwear](#)

This notice cancels and replaces the June 2011 edition and explains when supplies of children's clothing and footwear can be zero rated.



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[Upgrade of Employment Status Indicator Tool](#)

The HMRC Employment Status Indicator Tool (ESI) has now been upgraded onto new software to make the tool more user friendly and address the accessibility problems our customers experienced with the previous version.

[Extra-Statutory Concessions: ex-Inland Revenue](#)

This guide details the Extra-Statutory Concessions previously operated by Inland Revenue in use at 6 April 2015. Extra-Statutory Concessions previously operated by HM Customs & Excise can be found in VAT Notice 48.

[See VAT Notice 48](#)

Contact

[HMRC working with Tax Agents Blog](#)

The blog supports HMRC's strategy for engaging with agents. It provides another channel to communicate about joint HMRC and agent Consultation meetings, improvements to HMRC services by working together, HMRC's Agent Strategy and the rollout of new digital services available for agents.

[Twitter](#)

Tweets cover information about HMRC and tax - including news, publications, information, consultations, speeches and publicity campaigns. Follow us on [Twitter@HMRCgovuk](#).

HMRC service

[Agent Online Self Serve \(AOSS\) - update](#)

Read the latest blog on AOSS and let us have your views or suggestions on the design of the first screens, which aren't live yet. Alternatively you can leave a comment on our [Tax Agents Blog](#).

HMRC forms

[Tax agents and advisers: temporary authorisation to allow HMRC to deal with a tax adviser \(COMPI\)](#)

This form gives your client's written consent for HMRC to exchange and disclose information relevant to the compliance check with the adviser named. It relates only to the compliance check of the period(s) that is entered on this form and covers all matters administered by HMRC that are being checked.

Manuals

[HMRC to publish new draft pensions tax manual](#)

The Pensions Tax Manual will be published in spring 2015 to replace the current Registered Pension Schemes Manual.

[Recent Manual updates](#)

You can check the latest updates to HMRC manuals or subscribe to be notified when changes are made.

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Online

[Online training material and useful resources for tax agents and advisers](#)

HMRC videos on YouTube, online learning modules and pre-recorded webinars are available for tax agents and advisers to provide you with free help, learning and support on topical subjects.

[Future online services downtime](#)

Information is available on any downtime that may affect the availability of HMRC's online services. Please note that the information 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 and provides regular updates on the type of scams it is aware of. If you have any concerns regarding the authenticity of any emails received from HMRC, go to the online security pages for more information.

PAYE

[Employer Budget Mailing 2015](#)

During April employers who were not represented by an agent and hadn't registered to receive an email alert will have received a letter signposting them to where they can find the latest Employer Bulletin, Issue 53, Form P14X and receive information on the Budget and starting the new tax year. The letter also gave guidance to prompt them to register for future alerts.

[Employer Bulletin - April 2015](#)

Issue 53 of the Employer Bulletin is now available. This contains topical and useful information about PAYE processes and procedures including Budget announcements. For employers to be informed when it is available on the website they must register to receive the email alert.

[Register to receive email alerts](#)

Paying HMRC

[Online payment service](#)

HMRC has enhanced its online payment service, which now accepts credit Visa and MasterCard and debit card payments for Self Assessment, VAT and Corporation Tax. Customers can find the service on GOV.UK and are seamlessly transferred to new payment screens, operated by Worldpay. Customers have told us they are happy with the service, and we are making further improvements by listening and acting on their feedback. The service will soon accept Employers, PAYE, Stamp Duty Land Tax and some miscellaneous payments by credit and debit card, and will eventually replace Billpay.

Student loans

[Student loan deductions](#)

A reminder that pages 15-17 of the employer's guide to the collection of Student Loans 2015-16 contains all the payroll actions to take when student loan deductions stop.

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Toolkits

[HMRC expenses and benefits from employment toolkit](#)

Guidance for tax agents and advisers on completing employer's end of year forms (P9D, P11D and P11D(b) updated for 2014 to 2015.

[HMRC National Insurance contributions and statutory payments toolkit](#)

Agent toolkit for National Insurance contributions and statutory payments updated for 2014 to 2015.

[HMRC toolkits - helping agents](#)

In total there are 20 toolkits that cover the 400 most common errors that HMRC see in returns filed by tax agents and advisers. The toolkits set out the steps you can take to avoid these errors and contain quick hyperlinks to supporting guidance and legislation. The toolkits are updated on a regular basis.

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Current consultations

[Removal of manual customs declarations - closes 5 June](#)

HMRC is asking for comments on the impact on businesses and the public of removing manual customs declarations for imported and exported goods. HMRC wants to hear from all those involved in the import and export of non-EU goods into and from the UK who currently submit manual customs declarations.

[Reform of the Landfill Communities Fund - closes 10 June](#)

HMRC is asking for comments on proposals for reform of the Landfill Communities Fund (LCF) to improve the flow of funding to communities.

Summary of responses

[Control of Raw Tobacco](#)

The response document sets out the government's response to the Control of Raw Tobacco consultation document.

[Internationally Mobile Employees and Earnings Related Securities](#)

This consultation related specifically to liability for earnings-related National Insurance Contributions from employment related securities income earned by internationally mobile employees and sought views and evidence on the potential impacts of the NICs legislative change.

[Implementing agreements under the global standard on automatic exchange of information](#)

The document sets out the government's response to the implementing agreements under the global standard on automatic exchange of information consultation document published on 31 July 2017.

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Working Together Team (WTT)

Working Together (WT) is a partnership between HMRC and the six main agent representative bodies which looks for ways to improve HMRC operations for the benefit of tax agents, their clients and HMRC. The WTT maintains an issues register that provides details of all issues (some of which are working within the Joint Initiative Steering Group). The issues register can be viewed by the professional bodies (PBs) on the Issues Overview Group (IOG) and local WT coordinators who use the register to keep their WT groups up to date with the latest information, news and updates.

Update on Working Together (WT)

Digital Agent Engagement - Regional Agent Events

In late January, agents were invited to take part in a series of regional events with HMRC representatives. Individual invitations were issued to the 600 local WT agents, advertised in Agent Update 46 and through our Tax Agent Blog. In addition the Strategic Group, made up of professional body representatives, worked closely with us to promote the events to members on their respective websites.

Thank you to all of you who responded to this invitation and took the time to attend and support the Regional Agent Events. The last of these took place in Parliament Street on 30 March. This completes the consultation programme which has run from 20 February to 30 March both face to face in 15 locations across the UK and digitally via 2 live webinars.

The 2 main reasons that you cited for engaging in these consultations were:

- To find out more about HMRC's digital products and services and offer ideas
- To contribute to the discussion about the future arrangements for Working Together

The figures below represent the number of agents who have engaged in the 'Digital' discussion;

Webinar	97	24%
Face to Face	308	76%
Total	405	

The events have offered an excellent opportunity for us to share our current thinking with you as well as hearing your thoughts and suggestions on how we take forward the future arrangements for Working Together and expand our agent reach through digital channels.

Throughout April we analysed the feedback that you provided in the following areas:

- The Challenges and Barriers to digital engagement
- The Benefits and Opportunities to digital engagement
- What has to be done face to face?
- What digital support/products would agents find useful?

The outcomes, including findings, recommendations and next steps, will be discussed with the Strategic Group working with Toni Clark (Head of Digital Agent Engagement and Migration Team) and will be shared with Working Together agents, professional body representatives and their respective members and attendees from the events.

Two main themes emerged across all events

- Agents requesting an email facility to communicate with HMRC
- GOV.UK not providing adequate information and search facility for agents

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Throughout May we will be working closely with you sharing our plans to start implementing our recommendations. In response to your feedback on our agent webinars, some of you have already stepped forward to help in the planned private beta testing of our agent webinar on Income from Property. This closer working is intended to increase as we move through the changes and next steps. A further update will be published in Agent Update 48.

WT open Issues Register

The Issues Overview Group held their teleconference on 4 March where the existing Priority 1 Issue were discussed and a new Priority 1 issue (Self Assessment reminders) was identified:

WT ref	Business area	Issue
WT050	PAYE Individuals	Processing P11D Expenses and associated S336 claims
WT054	Other	HMRC correspondence
WT218	Customer Contact	Intelligent Telephony Automation system (ITA)
WT226	PAYE Individuals	PAYE codings (P2) not showing wk1/mth1 indicator
WT234	Self Assessment	SA reminder letters were issued to unrepresented customers only

WT050: The current measure being looked at in connection with the benefits and expenses will address the current issue of the processing of P11D/S336 claims.

Please refer to the article on page 13 in relation to the submission of 2014/15 P11D and S336 claims.

[See summary of Consultation Responses: Employee Benefits and Expenses - exemption for paid or reimbursed expenses](#)

WT054: WT will undertake an in depth review of this issue in respect of delays in issuing correspondence to analyse the current position and identify the specific areas where action is needed.

WT218: ITA: Work is continuing on a generic 'Hints & Tips' guide which we hope to be able to start with agents soon.

WT226: PAYE coding (P2) not showing week 1/month 1 indicator. Agents do not receive a copy of the client's P2 and rely on the information provided by the client and this can lead to confusion and discrepancies in the client's liability when it is not known when an emergency or cumulative coding has been applied. HMRC acknowledges that although this issue affects a small percentage of the whole customer base, it still creates a large amount of contact. WT is working with the business and IOG on ways to progress this issue.

WT234: Self Assessment reminder letters were issued to unrepresented customers only. Further communications are currently being planned.

WT Closed Issues

WT always do all they can to ensure that an issue has been fully addressed before closing it and part of the role of the Issues Overview Group is to ensure that issues are not closed prematurely. However we recognise that sometimes we may close an issue and agents may still experience problems, when that is the case WT are always prepared to re-open a closed issue provided agents can supply the evidence that the issue is continuing to cause problems.

There have been no issues closed since those published in Agent Update 45.

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Your Queries answered

1. National Minimum Wage (NMW) - How are the hours worked by the workers checked?

When investigating NMW complaints HMRC obtains information from both the employer and workers which is checked and challenged where necessary to help avoid misunderstandings and potentially minimise contradictory evidence. We take steps to identify and challenge any gaps, discrepancies, contradictions, inconsistencies or weaknesses in information provided by employers and workers and, if appropriate, we seek to gather additional information to corroborate details and clarify unresolved issues.

Understated hours can be checked by making enquiries with a range of workers as well as by checking the employer's staffing levels against the hours of trading. We consider false record keeping is a serious matter, there are NMW criminal offences for:

- making, knowingly causing or allowing the keeping of false records, and
- producing, furnishing or knowingly causing or allowing the production of false records or information

We have developed a webinar (online presentation) that will help your clients work out how much they should pay their workers so they can avoid:

- having to pay large amounts of wage arrears at short notice
- being charged penalties by HMRC
- being named by the government where your clients customers, business competitors and potential workers can see that you failed to pay the National Minimum Wage

[Watch this recorded webinar now and find out more](#)

2. [How do Employers' notify a change of address or update Employee Addresses for Clients?](#)

Until April 2015, HMRC accepted and updated employees' addresses submitted on Full Payment Submissions (FPS) only in respect of new employees.

With effect from April 2015 HMRC will process changes to employees' addresses for existing employees when we identify that a new address has been included on an FPS.

Although it is not mandatory for Employers to provide HMRC with this data, we hope you as agents will support this initiative to help us to keep your clients' employee records up to date. As most employees notify their employers if they change address, we would like you to include the new address in the next FPS you make, if your software allows you to do so.

When supplying this information, as data controllers for your clients, you need to satisfy yourself that you are complying with the Data Protection Act (DPA). HMRC view is that this use of personal data is not excessive.

HMRC also believes that by sending the address details to us you will not breach the Fairness provisions in the DPA. Employers and their agents are legally required to submit the addresses of new employees to HMRC. Most employees will assume that address information continues to be sent to HMRC, and this use of the data would not therefore be unexpected. However, if you are in any doubt that your clients' employees might regard this use of their personal data as being unexpected, then they will need to notify them of this change to ensure that you comply with the DPA's Fairness provisions.

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Other News and updates

Submission of P11D/P11D(b) and S336 claims

The submission of a S336 claim is the responsibility of the individual employee but when this is attached to the original paper P11D and submitted by an employer on behalf of an employee, the S336 claim and the P11D should be sent to:

HM Revenue & Customs (NIC&EO)
Room BP2101 Tynemouth House
Benton Park View
Longbenton
Newcastle upon Tyne
NE98 1ZZ.

On receipt, HMRC will keep the S336 claim attached to the P11D to ensure the two are processed together at the same time.

Where a S336 claim is submitted separately on a form P87, form P810 or in letter format and is not attached to an original P11D, it should be clearly headed S336 CLAIM and have a copy of the P11D attached if possible, (the P11D should be noted as a copy). This will help HMRC to identify these cases as quickly as possible and send them for processing.

The S336 claim with the copy of the P11D attached should be sent to:

[Pay As You Earn and Self-Assessment HM Revenue & Customs BX9 1AS.](#)

Dispensations

Don't forget that you can currently apply to HMRC for a dispensation to cover routine expenses and benefits for which an employee gets a full tax deduction and would remove the necessity for you to report these on form P11D/P9D.

For example, business expenses incurred in the performance of the duties of an employment for which an employee would normally have to submit a S336 claim to receive a tax deduction.

Further information on what items can/cannot be included in a dispensation and a reminder on how to apply is also available.

[Read more about Reporting Expenses and Benefits in Kind for the tax year ending 5 April 2016 in April's Employer Bulletin](#)

[2014-15 Self Assessment \(SA\) Tax Returns](#)

HMRC made changes this year to the way customers were asked to file their completed SA returns for 2014-15.

Instead of receiving a paper SA return for 2014-15, around 155,000 of our customers are being sent a form SA316. The SA316 encourages customers to consider filing online and it sets out the benefits of online completion.

Because of this significant change, between 24 and 26 March we wrote to these customers to alert them they would be receiving a SA316 instead of a paper return. Should these customers still want to complete a paper return they have been advised that they can download one from GOV.UK or obtain a paper return by calling HMRC.

There will still be a significant number of customers who will continue to receive paper returns, and these include customers who previously submitted a SA200 - Short Tax Return Form. These were issued between 9 and 17 April.

We have also made changes for our Digital SA customers who have signed up for paperless contact from HMRC. During week commencing 13 April around 1 million customers were sent an email prompt to their SA online account instead of a paper form SA316. Their SA online account requests that they complete and submit their 2014-15 SA return by 31 January 2016.

All other customers that complete their SA returns online are being sent a SA316, as they have in previous years.

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Self-employed Self Assessment customers

- From April 2015 liability to pay Class 2 National Insurance Contributions (NICs) will be determined annually and it will be based on relevant profits. The collection will be through Self Assessment. Self-employed clients will need to include Class 2 NICs in their Self Assessment return from April 2016. The deadline for paper filers for the 2015-16 tax year is 31 October 2016, and on-line filers is 31 January 2017. All payments must be made by 31 January 2017.
- In April 2015 HMRC sent self-employed people payment requests for Class 2 NICs relating to the previous 6 month period (including any arrears not currently with our debt collection partners).
- No new payment requests will be issued to customers who are in Self Assessment for any periods of self-employment from April 2015 onwards.
- We will send annual payment requests in October for any outstanding arrears that are due for any tax year up to and including the 2014-15 year. If the Class 2 NICs remain unpaid they will be subject to our normal debt collection procedures.
- There will be no more monthly or 6 monthly Direct Debit arrangements for self-employed people who are in Self Assessment.
- Those self-employed people who have a Class 2 NICs Direct Debit in place for the 2014-15 tax year will continue to have collections taken from their banks or building societies up to 10 July 2015 as they are collected in arrears. You will not need to take any action, we will automatically stop the Direct Debit after the July collection has been taken.
- If a self-employed person needs to pay Class 2 NICs for a period from 12 April 2015 to allow a claim to the higher rate of Maternity Allowance (MA), or their spouse or civil partner has made a claim to MA, there is a simple exception process to allow them to pay the requisite Class 2 NICs if they have not done so already. Your client, their spouse or civil partner must contact DWP in the first instance. DWP will inform HMRC that a claim to MA has been made and HMRC will issue a payment request if Class 2 NICs need paying.

Self-employed customers who are not in Self Assessment

This group consists of:

1. Self-employed customers working outside of the UK temporarily who are granted permission to pay their Class 2 NICs in the UK, rather than in the country in which they are working. Their liability will be determined at the end of the tax year, based on relevant profits. They will receive an annual bill that will be issued in October for the 2015-16 tax year and beyond. If their profits are below the Small Profits Threshold they are not liable to pay Class 2 NICs, but they can opt to pay voluntarily to protect their rights to certain benefits.
2. Customers currently paying Class 2 NICs voluntarily while working abroad can continue to pay voluntarily to protect entitlement to state pension and certain benefits. They will receive an annual payment request in the October following the end of the tax year, which must be paid by the next 31 January (the Self Assessment deadline).
3. Voluntary Class 2 NICs payers in the UK, for example: examiners, moderators, invigilators, persons who set examination/test questions, Ministers of religion (without salary/stipend), land and property, or Investor, can continue to pay voluntarily. They will receive an annual payment request in the October following the end of the tax year, which must be paid by the next 31 January (the Self Assessment deadline).

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Welcome

Tax

HMRC service

Consultations

Working Together

Contact information for the other professional bodies

[AAT Jeremy Nottingham](#)

[ACCA Chas Roy-Chowdhury](#)

[ATT Jon Stride](#)

[CIOT Nigel Clarke](#)

[ICAEW Philippa Stedman](#)

[ICAS Elspeth Orcharton](#)

Thank you from the Working Together Team Leader

Since the last edition of Agent Update we have said goodbye to some of our WT members who have moved on for various reasons and we thank them for their past support and contributions.

several ends



Withdrawn-do not use information is out of date