

### **Newsletter July 2009**

Our newsletter this month highlights our updated website, the deferral of plans to extend paternity leave, changes to the HMRC bank accounts, changes to company car advisory fuel rates and heads up on the Government's activity to clamp down on the use of overseas tax havens.

The next newsletter will be published Thursday 6 August 2009.

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### **Updated web site**

We have recently updated both the design and content of our website. The Resource Centre includes a wide range of tax and business guides, which we hope you will find helpful.

As our offices are in the centre of Tunbridge Wells, we decided to illustrate the website with photographs taken around the town. With the historic Pantiles, varied architecture and the natural beauty of the Common, its walk and rocks, there is plenty to see. The pictures are mainly selected at random as you move around the site.

Please do take a look.

### **Paternity leave extension deferred**

The UK Government had planned to give fathers the right to claim up to 6 months paternity leave from April 2010. Because of the economic slowdown, they have decided not to bring the changes in that soon. As a result fathers are still only entitled to two weeks leave which is usually taken immediately after the baby is born.

The legislation is already in place to give the extra leave but it will not be implemented until the economy can cope.

Mothers and adopters were also going to have the right to additional statutory pay (up from 9 to 12 months) but it looks as though this is also on hold.

**The legislation in more detail:**

The Work and Families Act 2006 already allows regulations to be made that would permit working fathers to take up to 26 weeks of paternity leave, some of which can be paid, if the mother returns to work before the end of the one-year maternity leave period to which she is entitled.

The new provision would be available during the second six months of the child's life, so in effect, fathers would be able to 'share' some of the maternity leave which is currently only preserved for the mother. The entitlement would also extend to couples who are adopting and to partners and civil partners of mothers.

A Government spokesman has now said that the Department for Business Enterprise and Regulatory Reform is continuing to review the appropriateness of all new regulations due to come into force in the current economic climate and as a result, a date has not yet been announced for extending paternity rights.

At the same time, the Government had proposed to extend statutory maternity pay and statutory adoption pay from nine to 12 months (to coincide with the period of maternity and adoption leave) and it looks as if this is also on hold.

**HMRC changed bank account details**

Taxpayers who currently make bank payments direct to the Accounts Office at Shipley and Cumbernauld should note the following bank account change.

The new bank account details are:

**Accounts Office Shipley**

Account Name: HMRC Shipley  
Sort Code: 08 32 10  
Account Number: 12001020

**Accounts Office Cumbernauld**

Account Name: HMRC Cumbernauld  
Sort Code: 08 32 10  
Account Number 12001039

If you use online banking and have stored templates to make payments to Shipley or Cumbernauld, make sure you change them to include the new account details set out above.

Full details of the change can be found on the HMRC website [www.hmrc.gov.uk/payinghmrc](http://www.hmrc.gov.uk/payinghmrc).

There is also a cryptic one step forwards, one step back note on the HMRC web site; it reads:

"HMRC is aware that some customers are experiencing problems making payments from their banks to the new HMRC bank accounts. We are working to resolve this with the banks involved as quickly as possible. If this affects you, you can continue to use the old HMRC account details to make your payments. We apologise for any inconvenience this may have caused you."

## **Company cars - new advisory fuel rates**

Changes have been announced to the company car advisory fuel rates with effect from 1 July 2009.

These are the rates you would use to calculate the petrol cost of your private motoring, if you pay this back to your employer to avoid the fuel based benefit in kind charge. Employers can also use the figure to isolate the petrol cost of car mileage claims in order to recover an appropriate amount of VAT - businesses still need to retain fuel receipts.

Some of the rates have been reduced in light of slightly lower fuel prices at the pumps. The figures are arranged as engine size first, followed by three rates (pence per mile), for Petrol, Diesel and LPG.

1400cc or less: 10p, 10p, 7p

1401cc to 2000cc: 12p, 10p, 8p

Over 2000cc: 18p, 13p, 12p

Petrol hybrid cars are treated as petrol cars for this purpose.

The fuel rates are usually reviewed twice a year effective 1 January and 1 July although may change more often where there is significant fluctuation in fuel prices

## **Clampdown on overseas tax havens**

As evidence that our Government are serious about clamping down on the use of overseas tax havens to avoid UK tax, readers may be interested in the following information regarding the Cayman Islands.

A new Double Taxation Arrangement (DTA) between the UK and the Cayman Islands was recently signed in London.

The new DTA has been drafted to deal with the avoidance of double taxation and the exchange of information necessary to prevent fraud. The arrangement will apply to taxpayers who are resident in either the UK, Cayman Islands or both jurisdictions. In the UK the agreement will apply to income tax, corporation tax, capital gains tax (in relation to the exchange of information), inheritance tax and VAT.

The exchange of information provisions meets the OECD standards and it is expected this new DTA will help combat tax avoidance and money laundering involving both countries.

The DTA will take effect once both countries have finalised the legislative procedures needed to give the arrangement the force of law in both countries.

## Tax Diary July/August 2009

- 1 July 2009** - Due date for corporation tax due for the year ended 30 September 2008.
- 6 July 2009** - Complete and submit forms P11D return of benefits and expenses and P11D(b) return of Class 1A NIC's.
- 6 July 2009** - Deadline for submission of new Tax Credit application for 2009-2010, if you want to secure a full years claim.
- 19 July 2009** - Pay Class 1A NIC's (by the 22 July 2009 if paid electronically).
- 19 July 2009** - PAYE and NIC deductions due for month ended 5 July 2009. (If you pay your tax electronically the due date is 22 July 2009)
- 19 July 2009** - Filing deadline for the CIS300 monthly return for the month ended 5 July 2009.
- 19 July 2009** - CIS tax deducted for the month ended 5 July 2009 is payable by today.
- 1 August 2009** - Due date for corporation tax due for the year ended 31 October 2008.
- 19 August 2009** - PAYE and NIC deductions due for month ended 5 August 2009. (If you pay your tax electronically the due date is 22 August 2009)
- 19 August 2009** - Filing deadline for the CIS300 monthly return for the month ended 5 August 2009.
- 19 August 2009** - CIS tax deducted for the month ended 5 August 2009 is payable by today.

**DISCLAIMER - PLEASE NOTE:** The ideas shared with you in this email are intended to inform rather than advise. Taxpayers circumstances do vary and if you feel that tax strategies we have outlined may be beneficial it is important that you contact us before implementation. If you do or do not take action as a result of reading this newsletter, before receiving our written endorsement, we will accept no responsibility for any financial loss incurred.

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