

TAKE ACCOUNT

Welcome to the latest edition of our newsletter, which we hope will be of interest.

The Partners and Staff would like to take this opportunity to wish you all a Happy Christmas and a peaceful and prosperous New Year.

TAX FREE DIRECTOR'S LOANS

Since April 2014 a director can borrow up to £10,000 from a company, interest free, without it being taxable. The loan must, however, be paid back within 9 months of the year end to avoid a 25% tax charge. Any loans made in the 30 days before or after a director repays a previous loan, will be ignored for working out if the 25% tax charge is due.

WEAR AND TEAR ALLOWANCE

The wear and tear allowance for landlords who have furnished lets, is to be abolished from April 2016. It is replaced with a renewals allowance that will allow landlords a deduction for the cost of replacing furnishings and equipment, as long as there is no improvement. You should, therefore, consider delaying the purchase of any new furniture until April 2016, so that you don't lose any wear and tear allowance but get relief in the new tax year for any renewals.



TOPPING UP PENSIONS

From 6th April 2016, the number of years needed to qualify for a full State Pension increases from 30 to 35 years. The Government have realised that some people would lose out on this and are now offering them the opportunity to pay Class 3A contributions to top up their State Pension, from October 2015. The contributions are made as a lump sum and must be paid by 5th April 2017. The cost varies and depends on age, gender and the number of years you wish to buy.

Visit <https://www.gov.uk/check-national-insurance-record>

to check your record and calculate the cost of the extra State Pension.

PAYROLLING OF BENEFITS IN KIND

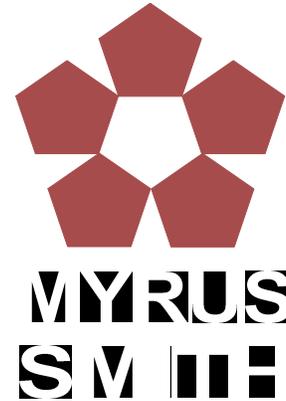
Legislation to require employers to report Benefits in Kind in real time as opposed to the end of the year form P11D was included in the First Finance Act of 2015. However, this will not be mandatory until 2017/18 at the earliest, as many employers are only just getting to grips with the real time processing of wages and salary data.

The new system will require employers to calculate the cost equivalent of the Benefit in Kind and effectively spread it over the tax year.

The tax due on benefits will then be collected by adding a notional value to the employee's payroll, rather than reporting the Benefit in Kind separately on the year end form P11D.

Please get in touch with us if you would like to use this system for 2016/17, as you will need to register with the Revenue before 6th April 2016.

Winter 2015



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Don't Forget

31st January 2016 – is the deadline for filing your 2015 Tax Return – if you have yet to let us have the information to prepare your Return, time is running out!

Please, please, let us have your Tax Return information as soon as possible, so that we can minimise the last minute rush and be more pro-active in dealing with your tax affairs

6th July 2016 – 2015/16 Form P11D filing deadline.

31st July 2016 – Second payment on account for 2015/16.

31st October 2016 – Deadline for filing 2016 'paper' Tax Returns. The online filing deadline remains 31st January 2017.





DOES AUTO-ENROLMENT APPLY TO YOU?

Auto enrolment is not optional. An employer must enrol all eligible employees into its workplace pension. The only exception is where employees voluntarily opt out.



However, if you are the sole director of a company and you don't have other employees, auto-enrolment doesn't apply to your business.

Husband and wife companies are more complicated:

- If you are both directors and neither of you have employment contracts, then auto-enrolment doesn't apply. The position is the same if only one of you has a contract (but are both directors).
- If one of you is a director and the other an employee, auto-enrolment will only apply to the employee.
- If the director also has a contract of employment, auto-enrolment applies in respect of both the employee and director.

The position outlined above in respect of husband and wife companies also applies to larger family companies. The important point to remember is that if your company has employees who are not directors, auto-enrolment will always apply, regardless of whether or not they have contracts.

READ ON IF YOU OWN A VW!

Following the recent fuel emission scandal with VW, the Transport Secretary has confirmed that drivers could not have known about the incorrect CO₂ figures and will not be asked to pay higher vehicle excise duty.



The Revenue have also confirmed that Benefits in Kind which have already been calculated and declared by employers on forms P11D, will not need to be restated – so no unexpected tax bills will be forthcoming!

A STEP UP THE HOUSING LADDER.....

The Help to Buy ISA (HBISA) was announced in the last budget and became available on 1st December 2015. This ISA differs from other ISA's in that it was created solely for first time buyers and offers more than 'just' tax free interest in that the Government will also pay a tax free bonus of up to £3,000, depending on the balance in the account.

HBISA's are strictly for first time buyers who:

- Are 16 or over
- Have a valid NI number
- Are UK resident
- Don't have an active cash ISA

There are various other conditions, but the important thing to note is that HBISAs can only be opened until 30th November 2019. After that new accounts will not be available.

If, therefore, you intend helping your child to buy their first home, get them to open an HBISA sooner rather than later.

TEAM NEWS

A heartfelt goodbye to Christine Gaish....

Many of you will have either met or spoken to Stephen's secretary, Christine who, after 14 years with us, has retired and moved to Gloucester.

We wish her all the very best for a long and happy retirement and look forward to seeing her as a guest at our Christmas lunch!

...and a big welcome to Elaine Cook who replaces Christine and to whom we wish every success in her new role.

The Gift of Giving

We continue to raise funds for various charities by way of mufti days, a Christmas jumper day, raffles and anything else we can think of.

Last year nearly £1,000 was raised and we will hopefully do better this year!

Wishing you all a very Merry Christmas and a Happy New Year!



DISCLAIMER

This newsletter has been produced for the general information of our clients, professional contacts and friends of the firm. It is intended to give a brief summary of issues which we consider may be of interest and is correct at the time of going to press. However, clients are advised to contact us specifically for advice before acting, or refraining from acting, in respect of any matter, based on the information contained herein.

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