

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.

Changes to Diesel Company Cars

Company car benefits are based on CO₂ emissions data which has encouraged employees to choose diesel cars due to lower CO₂ emissions.



The government is trying to reduce the number of diesel cars and will increase the current 3% diesel supplement to 4% from 6th April 2018.

Radical changes to the company car benefit rules are being introduced in 2020. The benefit for electric and hybrid cars, with a range of 130 miles or more on the electric motor, is being reduced to just 2%. This means that the taxable benefit for such a car with a list price of £30,000 would be a very attractive £600 a year, the cost in tax terms to the employee being £120 and £240 to a basic rate and higher rate taxpayer respectively.

SA302s for Mortgage Applications

HMRC are no longer issuing SA302's, which are used by mortgage lenders as evidence of income.

We, as agents, can produce a summary of income for you, however, if you are making an application, please check with your lender as to what alternative evidence will be accepted.

Making Tax Digital – The Latest Changes

From April 2019, all businesses over the VAT threshold (currently £85,000) will be required to keep their records digitally using MTD compatible software.

The big change is that there will be no free HMRC products. So if you currently submit your VAT return online through HMRC's portal, this will no longer be available and you will have to use software.

We can advise you on the right software for your business, but please speak to us, sooner rather than later, so you are ready for the changes.

Salary Sacrifice Schemes

The rules for salary sacrifice arrangements changed with effect from 6th April 2017 and HMRC have updated their guidance for employers.

Apart from 5 exceptions, the amount assessed as employment income for new salary sacrifice arrangements is now the greater of the salary foregone and the taxable benefit as set out in the tax legislation.

Fortunately, the two most common arrangements are unaffected by the changes – childcare vouchers and pension contributions.

The HMRC guidance reminds us of the importance of amending the employee's contractual salary before the next salary payment.

It should also be noted that the employee's salary cannot be restricted below the National Minimum Wage.

Winter 2017



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Don't Forget

31st January 2018 – is the deadline for filing your 2017 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 2018 – 2017/18 Form P11D filing deadline.

31st July 2018 – Second payment on account for 2017/18.

31st October 2018 – Deadline for filing 2018 'paper' Tax Returns. The online filing deadline remains 31st January 2019.





Capital Gains Tax (CGT) for Companies

The ending of Indexation Allowance (IA) for companies was announced in the recent Budget.

IA was first introduced during a period of high inflation and was intended to eliminate the "inflation element" of any gain subject to tax by uplifting the base cost by the movement in the Retail Price Index.

IA was abolished for individual tax payers on 5th April 2008, but has remained in place for companies, until now.

The good news, however, is that the IA will be frozen at 31st December 2017. Any disposal after 1st January 2018 will then only be indexed to 31st December 2017, resulting in the full gain arising after 1st January 2018 being taxable (even if attributable to inflation).

Obviously, the longer an asset is held after this date, the greater the impact of the change will be. So, if you are thinking of selling an asset that would be chargeable to CGT, please get in touch with your usual Myrus Smith contact.

Employers' Liability Insurance

All companies must have employers' liability insurance with at least £5 million of cover and display the certificate where staff can see it.

The only exception is where a company has a sole director who owns at least 50% of the shares and no other employees.

Accelerating Gift Aid Relief

Don't forget, if you have not already filed your Tax Return and are planning to make substantial charitable donations between now and 31st January 2018, we can make a claim on your behalf to carry these back and treat them as having been paid in 2016/17, providing your Return has not yet been filed. Additional tax relief is only available for higher and additional rate taxpayers. The carry back facility accelerates the tax relief available and is particularly useful if you expect to be in a lower tax band in 2017/18, or if you are subject to a reduced personal allowance.

Team News

We welcome **Dinah Khan**, who joined our Tax Department as a senior member of the team in September bringing a wealth of tax experience to the department.

Many congratulations to **Tracey**, who tied the knot to become Mrs Wells earlier in the year, closely followed by **Dawn** who married Pete and is now Mrs Peck. We wish them all the very best for the future – there is clearly something in the air at Myrus Smith!!!!

Tim Subhan has gone back to his martial arts roots and is now a member of Surbiton Amateur Boxing Club – we will keep you informed on his progress!

Richard Smith, Carol Hollingshead, Jessica Da Cunha and Leanne Rudman completed a Back to the Trenches 5K Mud Run in September. They all finished the run with Richard coming 4th out of 162 people. Well done to all!!

Fundraising 2017

Throughout the year the staff and partners of Myrus Smith have worked hard to raise funds for charity:

Big congratulations to **Elaine Cook**, who successfully completed the Pretty Muddy 5K Race for Life in aid of Cancer Research in July, raising an amazing £350 in donations.

Weekly Mufti Fridays raised £200 which the partners have increased to £600. Donations were split between these charities:



The Christmas Jumper day and competition raised £50. Following a donation by the partners, a total of £200 will be donated to Save the Children.



The Christmas Raffle is set to raise £150, which the partners have agreed in advance to increase to £300. The charity will be picked out of a hat at our Christmas Lunch.

This makes a grand total of £1,100 donated by the Staff and Partners of Myrus Smith in 2017 to worthwhile charities!

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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