



## WORKPLACE PENSIONS – AUTO-ENROLMENT WE CAN HELP YOU

You are no doubt aware that the government introduced measures in the 2008 and 2011 Pensions Acts designed to increase workplace pension saving.

Under the 'auto-enrolment scheme', employers will have to enrol all of their qualifying workers into a workplace pension scheme and each employee will have to actively opt out if they do not want to be a member. Contributions will start at 1% from the employee and 1% from the employer. Once all employers have implemented the scheme, contributions will increase in stages with firms eventually putting forward at least 3% of their employees salary, and the employee adding at least 5%. The employees contributions will also benefit from 20% tax relief.

The minimum contributions that you must pay into your staff's pension scheme are shown in the following table:

Date	Employer minimum contribution	Total minimum contribution
Employer's staging date to 05/04/18*	1%	2% (including 1% staff contribution)
06/04/18* - 05/04/19*	2%	5% (including 3% staff contribution)
06/04/19* onwards	3%	8% (including 5% staff contribution)

\*The proposed dates are subject to Parliament approval

### Staging Dates

Each employer is assigned a date on which its duty to auto-enrol commences. This is known as a staging date and is based on the number of employees in the PAYE scheme(s) operated by that employer. To confirm your business' staging date you can use the regulator's interactive tool at [thepensionsregulator.gov.uk/employers/tools/staging-date.aspx](http://thepensionsregulator.gov.uk/employers/tools/staging-date.aspx).

You will need your business' PAYE reference to do so.

Rothmans are working with employers to help them decide on the best course of action for their businesses assisting them to put the required changes in place.

Please contact your local Rothmans office for more details of how we can help you.



## BENEFIT AND EXPENSES – BESPOKE SCALE RATES

From 6 April 2016 there are a number of changes to the way in which benefits and expenses are reported to HMRC.

HMRC have set out the maximum tax and NICs free allowances that can be paid by employers to employees for subsistence. Subject to qualifying conditions, the amounts are set out below:

<b>Minimum journey time</b>	<b>Maximum amount of meal allowance</b>
5 hours	£5
10 hours	£10
15 hours	£25

Where a meal allowance of £5 or £10 is paid and the qualifying journey in respect of which it is paid lasts beyond 8pm a supplementary rate of £10 can be paid.

Employers may choose to reimburse employees for the actual costs incurred. However where employers wish to use bespoke rates other than those set out above, they will need to apply for approval from HMRC for bespoke rates.

HMRC have issued an online application form to allow employers to request approval for these bespoke amounts. This should state the rate that the employer wishes to

pay and also needs to demonstrate that the amount is a reasonable estimate of the amount of expenses actually incurred by the employees.

To establish these amounts, HMRC have confirmed that the employer should carry out a sampling exercise to verify the actual expenses incurred by employees. We would be happy to advise you on the sampling which would need to be carried out for your business.

In addition, employers will need to have a checking system in place which ensures that the payments or reimbursements are only made on occasions where the employee would be entitled to a deduction from their earnings and that the employees have actually incurred and paid the amounts.

Once approval has been given by HMRC, they will issue an approval notice which sets out the date from which the approval is given and what expenses are covered. It will also state the date when the approval notice ends which will be no later than five years from the start date.

Please do get in touch if you would like help with benefits and expense reporting or agreeing bespoke rates.

## CHANGES TO THE TAXATION OF SAVING INCOME

There are significant changes to the income tax rules from 6 April 2016 which affect the taxation of savings income.

From 6 April 2016, if you are a basic taxpayer you may be able to receive up to £1,000 in savings income tax free. Higher rate taxpayers will be able to receive up to £500.

Savings income includes the following:

- interest from bank and building societies accounts
- interest from credit union or National Savings and Investment accounts
- income from government or company bonds
- interest distributions from authorised unit trusts
- most types of purchased life annuity payments.

As a result of this from 6 April 2016 interest will be paid gross rather than net which is the current position for most interest paid to individuals. Net payments are received after deduction of the basic rate of tax of 20%. Interest from ISAs is not included in your Savings Allowance (SA) because it is already tax free.

No action is required to claim the allowance. If the amount of savings income you receive is higher than the allowance, banks and building societies will provide details to HMRC and they will amend your tax code to collect any tax due. If you complete a Self Assessment tax return you should carry on doing this as normal.

If you have any queries on the changes to income tax please do get in touch.

# ROTHMANS CORPORATE FINANCE

We are very pleased to announce the recent launch of Rothmans Corporate Finance.

Rothmans Corporate Finance advises clients on all aspects of corporate finance transactions, including:

- Buying or selling businesses
- Raising funds
- Refinancing
- MBOs
- Private equity
- Corporate restructures

We assist with deals across all sectors with a particular expertise in business services, consumer, healthcare, industrial and TMT. Deals start at £0.5m up to £100m, although all opportunities are considered.

We focus on providing pro-active, innovative and independent advice; we work in partnership with our clients, first understanding their needs and objectives and tailoring the right solution for them. We never follow a text book process, each client and situation is unique, deserving an equally unique approach.

Our team are highly experienced with a strong reputation and proven track record – between us we have decades of experience and completed 200+ deals worth over £3 billion.

We are holding a Seminar where you will be able to hear more about our service offering and please do not hesitate to contact your local branch if you have any questions.



## SELLING YOUR BUSINESS: PREPARING FOR THE BIGGEST SALE OF YOUR LIFE?

Save the Date for our upcoming Seminar.

Thursday 30th June

8 am - 10 am

The Media Centre, Hilton at Ageas Bowl,  
Botley Road, Southampton, SO30 3XH

Rothmans Corporate Finance invite you to 'Selling Your Business', a free seminar for business owners who are considering an exit from their business any time within the next five years.

Early planning and preparation is proven to significantly increase value in what will be the biggest sale of most business owners' lives.

In the seminar you will learn:

- How to value a business
- The key value drivers: what do acquirers look for in businesses and how do they assess their value?
- Strategies to increase shareholder value prior to sale
- How to avoid common pitfalls and costly mistakes
- Different exit options: Trade Sales, Management Buy-Outs, Equity Releases
- Successful sale process strategies
- Tax planning and the risk of lost opportunities

Further details will follow in due course, but if you would like to register your interest in attending please contact your local Rothmans branch.

# REGISTER OF PEOPLE WITH SIGNIFICANT CONTROL

From April 2016, rules were introduced which require companies to keep a register of people with significant control (PSC register). In addition, the details of people with significant control (PSCs) will have to be filed with Companies House from 30 June 2016.

A PSC is defined as an individual that:

- holds, directly or indirectly, more than 25% of the shares or voting rights in the company; or
- holds the right, directly or indirectly, to appoint or remove a majority of the board of directors of the company; or
- has the right to exercise, or actually exercises, significant influence or control over the company; or
- where a trust or firm would satisfy any of the above conditions, any individual that has the right to exercise, or actually exercises, significant influence or control over the activities of that trust or firm.

The details of the individuals which need to be entered on the PSC register include:

- name and address
- usual residential address, country of residence and nationality
- date of birth
- date when they became a PSC
- the nature of their control over the company.

Failure to comply with the requirements of the PSC regime could lead to the company or directors, or identified PSCs committing a criminal offence. The company and its directors could face a fine or imprisonment or both.

Further guidance can be found on the Companies House website or please contact us for more guidance in this area.

# REDUCTION IN CORPORATION TAX RATE

The main rate of corporation tax is currently 20% and this rate will continue for the Financial Year beginning on 1 April 2016. In the following years the rate of tax will fall as follows:

- 19% for the Financial Years beginning on 1 April 2017, 1 April 2018 and 1 April 2019.
- 17% for the Financial Year beginning on 1 April 2020.

The 17% rate from April 2020 is a reduction of 1% from the rate previously announced by the Chancellor in his Summer Budget in 2015.

CBI Director-General, Carolyn Fairbairn, said, "The reduction in the headline Corporation Tax rate sends out a strong signal that the UK is open for global business investment, and reforms to Interest Deductibility are rightly in line with the international consensus."

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[rothmansllp.com/tax-app](http://rothmansllp.com/tax-app)

# NATIONAL MINIMUM WAGE RISES



The National Minimum Wage (NMW) rates will increase from 1 October 2016 as follows:

	Current rate	Rate from 1 October 2016
21-24 year olds	£6.70	£6.95
18-20 year olds	£5.30	£5.55
16-17 year olds	£3.87	£4.00
Apprentice rate*	£3.30	£3.40

From 1 April 2016 following the introduction of the National Living Wage all workers aged 25 and over are legally entitled to at least £7.20 per hour. Employers should ensure that all affected employees benefit from this new rate from 1 April 2016.

\*This apprentice rate is for apprentices aged 16 to 18 and those aged 19 or over who are in their first year. All other apprentices are entitled to the National Minimum Wage for their age.

## CAPITAL GAINS TAX RATES

The government has reduced the higher rate of CGT from 28% to 20% and the basic rate from 18% to 10%. The trust CGT rate has also reduced from 28% to 20%.

The 28% and 18% rates will continue to apply for carried interest and for chargeable gains on residential property that do not qualify for private residence relief. In addition, the 28% rate still applies

for ATED related chargeable gains accruing to any person (principally companies).

These changes have taken effect for disposals made on or after 6 April 2016. The rate for disposals qualifying for Entrepreneurs' Relief (ER) remains at 10% with a lifetime limit of £10 million for each individual.



The experts react to the Capital Gains Tax Rate Reduction at [rothmansllp.com/news-events/lets-talk-tax/](http://rothmansllp.com/news-events/lets-talk-tax/)

## FARMERS' AVERAGING

Changes have been made to the rules which allow farmers to average their profits for tax purposes. Under the new rules, unincorporated farmers will be able to average their profits for income tax purposes over five years rather than the previous two years.

The amendment to the rules which took effect from 6 April 2016 is aimed at helping farmers with fluctuating profits better manage the 'risk and the impact of global volatility which has become an inherent feature of the agricultural industry'.

Chancellor George Osborne said:

'... reforms will provide farmers with additional security to plan and invest for the future, allowing them to spread profits over a longer period of time. Over 29,000 farmers can benefit from the changes, saving an average of £950 a year.'

As well as having the new option to average tax over five years, farmers will also retain the choice to average profits over two years.

If you would like guidance on how these rules will affect you please get in touch.



## CALLING ALL SURREY ENTREPRENEURS!



If you have turned your great idea into a successful business venture, this is your chance to be crowned 'Entrepreneur of the Year' in the prestigious SME Surrey Business Awards 2016.

The 'Entrepreneur of the Year' award is sponsored by Rothmans Sutton and will be judged by Partners Graham Hindley and Andy Miller.

Graham comments, "One of the firm's key specialisms is in advising start-up businesses so we are greatly looking forward to meeting

Surrey's innovative entrepreneurs whose flair and determination has led to their achieving success in building a business. This sought-after accolade will be an endorsement of the winner's hard work and will increase public awareness of their business. We encourage everyone to enter."

The Awards launch on Monday 27th June and are free to enter for all businesses based in Surrey which commenced before January 2014. For more information please visit [surreyawards.co.uk](http://surreyawards.co.uk)

# NEW PARTNER APPOINTED



Jonathan Poulter has been appointed a Partner of the firm. Jonathan, who grew up in Winchester, joined Rothmans in 2009 having previously worked for a top 5 accountancy firm in London and Southampton. He was made a director at the Rothmans Winchester office in 2012.

He qualified as a Chartered Accountant whilst working in audit before moving to corporation tax to pursue a keen interest in taxation. Since then he has qualified as a Chartered Tax Adviser and now operates as a general practitioner, specialising in accountancy and tax planning for owner-managed businesses.

Jonathan deals with a wide range of clients/sectors and his specialisms include start-up businesses, incorporating an existing business, personal tax/capital gains tax planning, corporation tax planning and R&D tax relief claims.

Recently, Jonathan has been helping employers with their Auto-Enrolment pension responsibilities, in particular with the set up and administration of NEST schemes.

He is also a Certified Adviser of Xero and a Certified Pro Adviser of Intuit Quickbooks online, the "cloud" based accounting systems.

Jonathan is married and lives in Winchester with his family. He is a passionate musician, playing saxophone, piano and guitar and is also a keen sportsman, enjoying football, badminton, golf and tennis.

Jonathan commented "I am extremely proud to have been appointed a partner at Rothmans. I take great pride in providing practical advice and believe regular communication with clients is key to understanding a business and the individuals who run them."



## ROTHMANS VENUS AWARDS 2016 WINNER

The winner of the Rothmans LLP New Business Award for a company less than 2 years old, one of the categories in the prestigious Venus Awards, has been announced.

More than 350 people attended a glittering ceremony and gala dinner at the Hilton, at the Ageas Bowl in Southampton, to find out who, from over a thousand nominations and applications, would win each business category in the awards dubbed the "Working Women's Oscars."

The New Business Award winner was Samantha Kingston, whose company, Virtual Umbrella, was set up in March 2015. Virtual Umbrella is a specialist marketing agency focusing on virtual reality services for businesses.

Rothmans Partner Sue Sullivan said, "We had a fantastic shortlist of women to choose from for this important award, but were delighted to select Samantha as our winner.

"As a highly successful entrepreneur, Samantha is also a real advocate for women in technology, including gaming, and working with women in virtual reality to give them a voice."

**VENUS**  
AWARDS

## MAKE TAX LESS TAXING

### Our free Tax App special features:

- Tax calculators
- Key tax diary dates
- Helpful tips and tables
- Latest tax news
- Rothmans branch details



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