



Business Alert: September (2) 2007

Welcome to Scott-Moncrieff's Business Alert Service, designed to help you keep up-to-date with business and tax legislation. The service provides details of key changes, issues and opportunities, and includes suggested action and links to more information. If you need additional information or have any concerns regarding any of the areas below please contact a member of your client service team at Scott-Moncrieff who will be happy to discuss the implications for your business.

PAYE Changes

HMRC has updated the employers' website to advise about changes which will be coming through from 2008 onwards. Mandatory online filing of in year forms, such as P45 and P46 starts in 2009 for employers with 50 or more employees, but in the meantime both forms and related procedures will undergo changes. From 2009 employers will have to provide a date of birth and gender on all forms P45 and P46; employers are advised to start collecting this data now so that they are ready when the change comes. There will be a "quality check" of all forms, whether electronic or paper from April 2008, with forms which are incomplete or incorrect being returned to employers, so again, employers are asked to start preparing for this. Finally there will be a new form for those starting their pension, and an amended (and relaxed) procedure for form P46 soon. The amended "Do it online" pages provide full details of current and future developments.

National Minimum Wage - First Criminal Prosecution

The first criminal prosecution for offences under the National Minimum Wage Act 1998 has been successfully concluded, with a fine of £2,500 for the guilty employer, plus £500 in costs. The employer entered a plea of guilty to the charge of obstruction, in that she prevented HMRC officers from accessing staff records during the course of an enquiry. There are six possible criminal offences under the Act, which carry a maximum fine of £5,000.

Construction Industry Scheme - End of Penalty Free Period

Businesses paying workers in the construction sector have been subject to new rules since April 2007, with the main impact being a monthly return of payments made under the scheme. Businesses have now been warned that the penalties for late submission of the form will be applied from 19 October, so they have a short time to bring themselves up to date without incurring a penalty. The announcement on the HMRC website also includes a summary of the most common errors on forms submitted so far, to help contractors get their forms right first time.

We believe the information in this Business Alert to be correct at the time it was sent, but cannot accept any responsibility for any loss occasioned to any person as a result of action or refraining from action as a result of any item herein.

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