



## **ENEWS - MAY 2011**

In this month's enews we report on HMRC's plans for compliance checks and important information for employers and employees. Please do get in touch if you would like more detail.

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## **ADVISORY FUEL RATES FOR COMPANY CARS**

New company car advisory fuel rates have been published to take effect from 1 June 2011. HMRC's website states:

'These rates apply to all journeys on or after 1 June 2011 until further notice, allowing them to reflect fuel prices more quickly. For one month from the date of change, employers may use either the previous or new current rates, as they choose. Employers may therefore make or require supplementary payments if they so wish, but are under no obligation to do either.'

The advisory fuel rates for journeys undertaken on or after 1 June 2011 are:

<b>Engine size</b>	<b>Petrol</b>	<b>LPG</b>
1400cc or less	15p (14p)	11p (10p)
1401cc - 2000cc	18p (16p)	13p (12p)
Over 2000cc	26p (23p)	18p (17p)

<b>Engine size</b>	<b>Diesel</b>
1600cc or less	12p (13p)
1601cc - 2000cc	15p (13p)
Over 2000cc	18p (16p)

Please note that not all of the rates have been increased, so care must be taken to apply the correct rate. The rate for diesel cars up to 2000cc was previously set at 13p per mile from 1 March 2011. This band has now been split into two, 1600cc or less, and 1601cc - 2000cc. The fuel rate payable for diesel cars of 1600cc or less is reduced by 1p per mile from 13p to 12p so please take care when amending the rates payable.

Other points to be aware of about the advisory fuel rates:

- Employers do not need a dispensation to use these rates.
- Employees driving employer provided cars are not entitled to use these rates to claim tax relief if employers reimburse them at lower rates. Such claims should be based on the actual costs incurred.
- The advisory rates are not binding where an employer can demonstrate that the cost of business travel in employer provided cars is higher than the guideline mileage rates. The higher cost would need to be agreed with HMRC under a dispensation.

If you would like to discuss your car policy, please contact us.

**Internet link:** [HMRC advisory fuel rates](#)

## **HMRC TRIAL SINGLE COMPLIANCE PROCESS**

HMRC have announced trials of a single compliance process for enquiries across a range of different taxes.

According to the press release they believe that:

‘By simplifying and standardising the process for compliance checks HMRC will improve customer experience and reduce costs as the check will only take as long as the risks and behaviours encountered dictate.’

‘The trials of the new process will run for six months from 1 June in 10 different locations across the UK: Reading/Slough, Newcastle, Warrington, York, Exeter, London Euston and Southampton in England; Cardiff in Wales; Belfast and Edinburgh/Dundee.’

‘The new process will be rolled out nationally from January 2012, subject to the results of the trials.’

David Gauke, Exchequer Secretary to the Treasury, said:

'This Government is committed to relieving the burden on businesses. We know that agents, individuals and businesses find some of HMRC's current compliance practices drawn out and costly. A single compliance process could help HMRC improve the customer experience and reduce costs.'

We will keep you informed of developments. Please do get in touch if HMRC contact you.

**Internet link:** [Press release](#)

### **CBI SURVEY ON SICK DAYS AND THE IMPACT OF FIT NOTES**

According to the CBI's Absence and Workplace Health Survey fit notes have failed to deliver a reduction in sickness absence. This is the conclusion drawn from the new absence figures included in the survey.

The survey showed that the UK economy lost 190 million working days to absence last year, with each employee taking an average of 6.5 days off sick. This is an increase on 2009's figures, which showed employee averages of 6.4 sick days, despite the introduction of fit notes in 2010.

Fit notes were introduced in April 2010 and allow GPs to advise the employer whether the employee could return to work sooner if certain changes were made. Some examples of the changes which could be made would be a temporary reduction in hours or duties (such as lifting, driving etc). See the link below regarding fit notes for more information.

According to the survey employers have been disappointed by their experience of fit notes so far. With 66% of employers saying that fit notes had not yet helped their rehabilitation policy. More than 70% 'were not confident that GPs were using the fit note differently from the old sick note'.

Katja Hall, CBI Chief Policy Director, said:

'The substantial costs of absence to the economy put a premium on managing longer-term absence well. The fit note is a great initiative, which could play an important role in helping people back to work and stopping them slide into long-term absence. But employers are far from convinced that the scheme is working properly and don't think doctors are getting the necessary training.'

The government is still planning to introduce electronic fit notes and although these were originally expected in autumn 2010 this has been delayed and is now expected in autumn 2011. Katja Hall said:

'The launch of the electronic fit note should be an ideal opportunity for the Department for Work and Pensions to extend the reach of its training

programme and address GPs' engagement. There can be no room for complacency in addressing the so-called sick note culture.'

If you would like any advice on sick pay and managing sickness absence please do get in touch.

**Internet links:** [Press release](#) [Survey Fit Notes](#)

### **HMRC WARN OF EMAIL REBATE SCAM**

HMRC are warning that taxpayers are being emailed stating that they are entitled to a tax rebate. These emails are being sent from a number of bogus email addresses. They inform recipients that they are entitled to a tax rebate and invite them to complete an online form to receive a rebate of tax.

HMRC are advising that taxpayers should not visit the website contained within the email or disclose any personal or payment information.

Email addresses used to distribute the tax rebate emails include:

#### **New addresses**

noreply@hmrc.gov.uk  
svcs@hmrc.gov.uk  
secure@hmrc.gov.uk  
message@tax.co.uk  
Ref@hmrc.gov  
info@hmrc.gov.uk  
confidential@hmrc.gov.uk  
securemail@hmrc.co.uk  
refunds@hmrc.org.uk  
Support@hmrc.gov  
svshm@hmrc.gov.uk  
services@hmrc.gov.uk

#### **Historical addresses**

no\_reply@ir-efile.gov.uk  
officer.robinson@hmrc.co.uk  
refunform@hmrc.gov.uk  
success@gov.co.uk  
irs@egroup.com  
info@hmrc.co.uk  
HM\_R&C@HMRC.GOV  
Tax.refunds@hmrc.gov.uk  
helpdesk-hm@hmrc.gov.uk  
notice@hmrc.gov.uk  
help-centre@hmrc.gov.uk  
refunds@hmrc.gov.uk

HMRC have confirmed that they do not send out emails using these email addresses.

**Internet link:** [HMRC scam email examples](#)

## **FLEXIBLE WORKING CONSULTATION**

The government has launched a consultation on plans to introduce a new system of flexible parental leave from 2015. This is part of the government's plans to 'create a modern workplace for the modern economy.'

According to the press release:

'Under the proposals, once the early weeks of maternity and paternity leave have ended, parents will be able to share the overall leave allowance between them. Unlike the current system this leave could be taken in a number of different blocks and both parents could take leave at the same time. Crucially employers would have the ability to ensure that the leave must be taken in one continuous period if agreement can not be reached. They will be able to ask staff to return for short periods to meet peaks in demand or to require that leave is taken in one continuous block, depending on business needs.'

The Modern Workplaces consultation includes the following proposals:

- flexible parental leave
- 18 weeks maternity leave and pay – in one continuous block around birth
- four weeks of parental leave and pay exclusive to each parent to be taken in the first year
- 30 weeks of additional parental leave available to either parent - of which 17 weeks would be paid and can be broken in blocks between parents
- flexible working - extending the right to request for all workers who have been with their employer for 26 weeks

Business Secretary Vince Cable said:

'Our proposals will encourage greater choice by giving employees and their employers the flexibility to find arrangements to suit them both. New parents should be able to choose their childcare arrangements for themselves, rather than being dictated to by rigid Government regulation as is currently the case. And employers should be encouraged to come to agreement with employees on how work and family responsibilities can be met simultaneously.'

'These measures are fairer for fathers and maintain the existing entitlements for mothers – but crucially give parents much greater choice over how to balance their work and family commitments.'

'Of course I'm mindful of the need to minimise the costs, bureaucracy and complexities on businesses. This has been at the forefront of my mind

throughout the development of our proposals. So we will ensure that businesses will still be able to take into account their needs when agreeing how leave can be taken. But I'm also confident that we have a good case to make on the wider benefits to business - not least from a motivated and flexible workforce and we will be making this case to employers over the next few years before these changes are introduced.'

We will keep you informed of developments.

**Internet links:** [Press release](#) [BIS consultation modern workplaces](#)

### **HMRC'S NEW TASK FORCE TO TACKLE 'TAX DODGERS'**

HMRC are introducing specialist teams which will undertake intensive bursts of compliance activity in specific high risk trade sectors and locations across the UK.

HMRC state that the first task force will focus on the restaurant trade in London over the coming weeks, with the restaurant trade in Scotland and the North West later.

Mike Eland, Director General Enforcement and Compliance, said:

'These task forces are a new approach which uses HMRC's resources to identify and tackle rule-breakers and evaders swiftly and effectively.'

'Only those who choose to break the rules, or deliberately evade the tax they should be paying, will be targeted. Honest businesses have absolutely nothing to worry about.'

'But the message is clear – if you deliberately seek to evade tax HMRC can and will track you down, and you'll face not only a heavy fine, but possibly a criminal prosecution as well.'

HMRC are planning a further nine task forces in 2011/12, with more to follow in 2012/13.

To read more about HMRC's plans visit the link below.

**Internet link:** [HMRC news release](#)

### **AGENCY WORKERS GUIDANCE**

The government has published guidance to help employers and the recruitment sector prepare for the introduction of the Agency Workers Regulations.

The Regulations which implement the EU Agency Workers Directive come into force in the UK on 1 October 2011. These regulations give agency

workers the right to the same basic employment and working conditions as if they had been recruited directly by the hirer. These employment rights will apply when they complete a 12 week qualifying period in a job.

As detailed in the press release the rights include key elements of pay, duration of working time, night work, rest periods and breaks, annual leave and paid time off for ante - natal appointments. The Regulations also include new entitlements for agency workers from 'day one' of their assignment with regards to access to facilities at the workplace and the right to be notified of any relevant vacancies.

The Directive states that rights should apply from 'day one' of an agency worker's assignment. However Member States are allowed some flexibility as to how this principle is applied including the possibility of a qualifying period before the right to equal treatment arises. The UK, following agreement between the government CBI and TUC, has agreed a qualifying period of 12 weeks.

Employment Relations Minister Edward Davey said:

'The agency sector is a key part of the UK's flexible labour market. It provides the flexibility needed for employers to meet surges in demand, cover temporary absences or cope with seasonal fluctuations and provides a route into employment for thousands of individuals.'

'The Agency Workers Regulations have been on the statute book since January 2010 and followed negotiations between the CBI and TUC. We looked carefully at the possibility of amending the Regulations to address employers' concerns but were forced to conclude that we could not do so without putting the 12 week qualifying period at risk. This qualification period is something that is a key flexibility that we know is vital to business.'

'Our focus therefore has been providing the best possible guidance to help everyone affected understand these regulations. We have collaborated with key organisations including employment agencies, employers, trade unions and representative bodies to develop this guidance and I believe the resulting document will help prepare everyone for the forthcoming changes.'

Separate guidance is to be published for the agency workers themselves.

**Internet links:** [BIS press release](#) [Business Link Agency workers guidance Regulations](#)

### **HMRC'S BASIC PAYE TOOLS UPDATE**

HMRC have released a new version of the Basic PAYE Tools which reflect the Budget 2011 changes. These tools replaced the Employers CD-ROM and give employers access to PAYE guidance. The latest version is 3.1.0.15205.

It is possible to check which version of the tools you are using by selecting the 'Options' icon and then the 'Application Settings' tab.

It is possible to sign up for automatic updates and the link gives details of how to do this.

**Internet link:** [Business link update PAYE tools resource](#)

### **HSE LAUNCH HEALTH AND SAFETY MADE SIMPLE**

The Health and Safety Executive have launched a new microsite for businesses, Health and Safety Made Simple. The aim of the site is to make it easier for businesses to comply with the law and manage health and safety in their business. The site takes users through the steps required to ensure that they have done all that is required by the law.

**Internet link:** [HSE website](#)