

False self-employment – directly or indirectly via an agency or intermediary

Did you know that the HMRC's own internal guidance is available to the public to read in their Employment Status Manual? The manual is available at www.hmrc.gov.uk/manuals/esmmanual/ESM2029.htm

As you are aware, in Finance Bill 2014, the Government introduced legislation to prevent attempts to avoid paying national insurance and income tax. **The new rules apply from 6 April 2014** and must be considered when a worker is engaged through (or by) an employment business or agency. There is a misunderstanding in the minds of some that this legislation was delayed for a year, it was not. Agencies have a year before they need to make monthly returns, but they still have to account for PAYE tax now.

The guidance explains the changes in legislation relating to agency workers and also some changes to PAYE legislation. It outlines when the new legislation applies to workers - and when it does not, giving practical examples to help agencies decide. It also explains the separate rules for workers who provide their services through a service company.

The manual also includes HMRC's views on what constitutes 'supervision, direction and control' with examples – so it is information from the horse's mouth and bang up to date. ■

Late commercial payments

You can claim interest and recovery costs if another business is late in paying for goods and services. If you have not agreed when the money will be paid the law says payment is late after 30 days after either:

- The customer gets the invoice; or
- You deliver the goods or provide the service

Remember that businesses can agree a longer period for payment one business to another but if it is longer than 60 days it must be fair to both businesses.

www.gov.uk/late-commercial-payments-interest-debt-recovery/when-a-payment-becomes-late ■

Senior Accounting Officer guidance

HMRC have published a new brief - Brief 15/2014. It is a must read for Senior Accounting Officers. ■

Interest on late payments of PAYE and CIS to be charged in year rather than once the year has closed

HMRC are getting hotter and hotter on late payment of tax. Remember that HMRC must have cleared funds by 19th of the following month if you pay by cheque; by the 22nd if you pay by BACS or electronically.

What you owe is the difference between what is reported on the Full Payment Submission (FPS) and the Employer Payment Submission (EPS).

Take care if you want to correct an FPS. If you issue the correction after the 19th of the month it will affect the tax payable in the next month – **not** the month you are trying to correct.

PAYE is always hard to explain. HMRC work the tax due for a month with strict cut off date on the 19th. What they know you owe on the 19th is reduced by the amount you tell them (by the 19th) that they owe you. Corrections to an FPS or an EPS which arrive later than the 19th are used to adjust the tax due in the month that the correction report arrives in, usually the next month.

So if you tell HMRC after the 19th that the tax due for a month is less than they have calculated using the FPS and the EPS that they held at close of play on 19th you will still have to pay the higher amount of PAYE or else you will be charged interest.

The dashboard currently charges interest on sums due on the 19th but paid by electronic transfer by 22nd, but then cancels the interest charged as soon as it credits the money received by the 22nd.

The dashboard is also showing interest accruing despite the employer having sent in an EPS that clears the original charge. This is a programming error which HMRC will correct soon. If you see it happening on your account there is no need to contact HMRC, wait and tackle the problem in a couple of months if it hasn't resolved itself.

HMRC have produced a help sheet on this issue - visit www.hmrc.gov.uk/news/payee-interest.pdf

Remember that if you can't pay tax and phone in advance of the due date and offer sensible payment terms you will not be charged a penalty. ■

For firms renting unfurnished residential property

In April 2013 HMRC withdrew Extra Statutory concession B47. This means that the replacement of white goods no longer qualify for tax relief on renewals basis. If the goods are integral in a fitted kitchen they can be claimed as a repair.

The change may come as an unpleasant surprise to landlords of unfurnished houses and flats. ■

CIJC National Working Rule Agreement rates

From 20th June 2014 the subsistence allowance increases to £35.00 per night. There are new rates of travelling and subsistence allowances agreed between employers and union representatives from that date. Copies of the tables of allowances are available from Liz Bridge. ■

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