

### High Earners – Pension Tax Relief Gap

*“Over 180,000 high rate taxpayer are losing out to the tune of nearly £230m in total by not utilising the tax reliefs available on pension contributions”*

Pension contributions attract an automatic 20% tax relief but if you are a higher rate tax payer you can claim relief at 40% but only if you claim the extra 20% through your self-assessment tax return. More individuals are subject to higher rate tax this year as the threshold has been reduced to £41,451. The report by the Prudential found that based on ave. salary of approx. £63,000 with a 10% contribution rate to a DC scheme, the value of unclaimed relief amounted to nearly £1,300/ year.

If this has set alarm bells ringing with you, don't worry too much as it's possible to backdate a claim up to 3 years. Visit our [Business & Tax Zone](#) for lots of useful guides for both business & the individual. We're adding new stuff all the time, so keep checking us out.

### Payday Loans – Tougher Regulation

*“April 2014 sees the Financial Conduct Authority take over the regulation of the Consumer Credit Industry”*

The new regime promises tougher regulation & stronger protection for borrowers, the regime is under consultation until December & the cover those that offer:-

- Personal loans and/or credit cards
- Services or goods on credit
- Goods for hire
- Debt management services

New provisions will include the following:-

- Obligatory affordability reviews
- Loan rollover restricted to two
- Continuous payment instructions can only be used twice.
- Greater restrictions on advertising content with FCA powers to ban misleading adverts.
- Fit & proper tests for lenders with supervision & enforcement teams to crack down on standards etc.

Which? Has called for the FCA to take a tough approach to any transgressions & impose sky-high penalties.

### Health & Safety – The Insurance Burden

*“The perception of health & safety as a major burden is partly driven by issues with the insurance industry”*

Health & safety was blamed for poor service, reluctance to provide work experience & event cancellations in recent reviews. Insurance company stipulations were a contributory factor, such policy & risk assessment requests by insurers from employers with less than five staff (not a legal requirement). The Assoc. of British insurers (ABI) has issued guidance [“Health & Safety for small/medium sized businesses”](#) to address the issue of public & employer's liability insurance. It contains a number of clear statements on claim payment & cover commitment in relation to health & safety matters and relaxes requirements on PAT testing, it also gives advice on record keeping. The document is also available from our [Business & Tax Zone](#) along with a basic health & safety guide.

### Small Businesses Burdened by Tax Rules

*“The Federation for Small Businesses (FSB) reports that 50% of small businesses up to 8hrs/month on completing tax returns, time spent ranges from 2 to 8hrs/month”*

Of the over 2,000 businesses surveyed 11% reported spending 2 to 6 days a month on tax system obligations. Others findings include:-

- 77% incur professional fess/software costs of up to £5,000 just to stay in tune with their tax responsibilities.
- 30% report late payments due to cash-flow issues.
- 66% incur ave. costs of £3,651 tax return completion.
- Nearly 20% pay late because they either don't understand the rules or don't know when they should pay.

Don't miss those important deadlines, use our [business & tax calendar tool](#).

Commenting the FSB said there are long-running issues for sole-traders/incorporated businesses, creating one new tax system would simplify obligations & free up valuable time which could be spend growing businesses.

### New Minimum Wage from 1<sup>st</sup> October

*“The 1<sup>st</sup> of October saw the introduction of the latest minimum wage rates as per Low Pay Commission (LPC) recommendations”*

The rates are as follows:-

- Adult rates £6.31/hr
- 18-20yr olds £5.03/hr
- 16-17yr olds £3.72/hr
- Apprentice rate £2.68/hr

The Dept for Business, Innovation & Skills, reports that nearly 900,000 low paid UK workers will benefit. Vince Cable (Business Secretary) sees the NMW “as a vital safety net for the low paid” but “as the recovery takes hold the low paid need to share in the rewards”.

Vince Cable has further tasked the LPC to help business & government to tackle the low pay issue & to identify what conditions would be needed to allow an advancement of the NMW over and above current levels of increment.

### HSE Cashes in on Intervention Fees

*“Figures show that the HSE generated over £1m in fees in February/March 2013 from its intervention scheme”*

The figure has increased by over £230,000 on the previous period. Sectors with a high risk profile have fared the worst, particularly construction which has seen a near 70% increase in fees generated, manufacturing saw a 28% increase. However sources indicate that HSE inspectors believe the scheme impacted small businesses unfairly. Large companies see the £124/hr fees as very reasonable for advice from an expert inspector, which was not the aim of the scheme at all.

If a breach of the law is highlighted any contact with HSE is best kept to short & concise e-mails and/or letters, as fees are chargeable after six minutes on each contact.