

EPG Meeting - 8 June 2016

100 Parliament Street - Room 2/39

Elaine Gibson	Co-Chair	CIPP
Maggie Anderson	Co-Chair	HMRC
Nahid Khan	Secretary	HMRC

External Stakeholders

Colin Ben-Nathan	Chartered Institute of Taxation
Colin Broad	British Computer Society
Richard Britten	Institute of Chartered Accountants of Scotland
Glenn Collins	Association of Chartered and Certified Accountants
Helen Harvey	Small Payroll Bureau
Hayley Perkins	Association of Taxation Technicians
Alex Rowson	Business Application Software Developers Association
David Heaton	Institute of Chartered Accountants England & Wales
Jackie Petherbridge	Federation of Small Business
Alison McCrave	Voluntary Action Sheffield
Alison Paling	Community Accounting Plus
Simon Ross	Confederation of British Industry
Shawn Healy	International Association of Book-Keepers
Helen Hargreaves	CIPP
Linda Pullan	Payroll Alliance
Jane Turley	IAB
Simon Parsons	Large Payroll Bureau
Karen Thomson	Armstrong Watson
Charlotte Barbour	ICAS

HMRC

Richard Garth
Michael Baker
Angelia Burke
Joanne Collings
Simon Manclark
Paul Dinsley
Ngozi James Abel

HMT

Angela Brown
Marion Drew

Apologies

David Whitaker	AECOM
Sarah Eason	Hydrock
Tracey Crank	The Compliance Group
Huw Johns	Universal Credits

Agenda Item	Main Points, Conclusions/Discussions, Decisions, Next Steps
1	<p>Welcome: Maggie Anderson</p> <p>MA welcomed Mike Baker from Personal Tax Operations who was attending as an observer.</p> <p>MA highlighted that EPG will be mentioned in the HMRC Annual Report - will provide a link to members once published.</p> <p>Helen Hargreaves from CIPP was welcomed to the meeting. She is to replace Elaine Gibson as co-chair of EPG. MA thanked Elaine and wished her well for the future.</p>
2	<p>Minutes of Last meeting: Elaine Gibson</p> <p>Minutes were agreed.</p>
3	<p>Digital – Your Tax Account: Angelia Burke</p> <p>At the last EPG meeting members requested an overview of the digital service available for businesses. Delivered a presentation, there was some concerns raised around the YTA which have being taken off-line and feedback to the Digital Services.</p> <p>AB also asked if any members were interested in user testing to forward their names to EPG secretary.</p>
4	<p>Consultation on the restructuring of NICs: Angela Brown/Marion Drew</p> <p>AB/MD gave some background on the OTS. It was set up in 2010 to provide independent advice on tax simplification, and is an arms' length body of HM Treasury. Its remit will be formalised by statute in July 2016. In March 2016 OTS published a report into the Closer Alignment of Income Tax and NICs, which made a number of recommendations that would bring the two regimes closer together, primarily by considering the structure of NICs. The government asked OTS to further explore the impact (in terms of gainers and losers, and cost savings) of moving employee NICs to an aggregated, cumulative and annualised system and of moving employers' NICs to a payroll based calculation, looking ahead to 2019-20. OTS briefly discussed</p>

	<p>the terms of reference for this work and invited the payroll community to engage on design and delivery; members were keen help and were asked to contact angela.brown@ots.gsi.gov.uk.</p>
<p>5</p>	<p>Apprenticeship Levy: Joanne Collings/Simon Manclark</p> <p>JC/SM attended EPG as a standing agenda item. They wanted to highlight any changes.</p> <p>HMRC set out that the Finance Bill containing the legislation for the apprenticeship levy was published on 23rd March, and following that, Employer Guidance was published on gov.uk on 21st April. An email has been sent out to EPG members confirming the government’s original proposal that the levy allowance would be allocated on a monthly, cumulative basis. The email also highlighted that connected companies and charities would be able to split their allowance in the way that makes sense for them, rather than the original proposal which allowed just one company or charity in a group to claim the allowance. This was welcomed.</p> <p>An email was sent out last week asking about expectations for a standalone calculator within Basic PAYE Tools for employers without an Employer Payment Summary (EPS) facility, and responses will be received until 14th June, so they can be fed into a workshop looking at this.</p> <p>The draft tech pack is to be shared with the software community imminently for feedback and comment. We hope the final pack will be shared in July.</p> <p>Looking ahead, the Finance Bill will be discussed at committee after the referendum, but dates have not been finalised yet.</p> <p>HMRC reassured the group that an employer would only need to engage with reporting the levy if their pay bill is over £2.8 million for the previous tax year, or they believe the bill will be over £3 million in the current tax year, or if their bill does exceed £3 million in-year. This is still being worked up and HMRC would welcome comment on the threshold of £2.8 million.</p> <p>There was a question raised around calculation of the English fraction, particularly with regard to temporary workers who had addresses abroad. It was felt that disregarding such non-UK addresses when calculating the proportion of funding could result in an unfair outcome. HMRC explained that the address to be used to determine the English fraction would be the address held for individuals on its systems, however it noted the point being made.</p> <p>There was a further question raised around what earnings counted as “pay bill” for the apprenticeship levy. It was clarified that earnings of under 21s and under 25 apprentices were included. There was a further question around the earnings of Embassy employees, where only employee Class 1 NICs is paid on a voluntary basis, but in addition it was said there were other examples of employee’s earnings, where the treatment for apprenticeship levy “pay bill” may not be clear. It was agreed that the treatment could be clarified if the examples were e-mailed to HMRC.</p>
<p>6</p>	<p>Canvassing views of employers re NINO Confirmation: Paul Dinsley</p> <p>PD was canvassing EPG as he saw it as a good opportunity to establish what Employers would do to confirm the NINO of an employee/perspective employee.</p> <p>It seemed apparent to him that the responses at EPG forum that Employers</p>

	<p>(who research shows are the biggest driver to NINO confirmation) would like the ability/functionality to check/confirm a person's NINO. Where possible this being provided digitally would be their preferred option.</p> <p>It was also apparent that Employers do ask employees to confirm NINO using other means such as:</p> <ul style="list-style-type: none"> • Previous P60s, P45s and other documentation available to their employee • Existing RTI/PAYE Tools including FPS submissions. <p>He also intends reaching out to other Industries/Organisations to canvas their views with the aim of enhancing our Customers experience of obtaining a NINO Confirmation.</p>
7	<p>Latest on disputed charges/unallocated credits: Maggie Anderson</p> <p>Update issued to members by email.</p>
8	<p>The P87 and how to claim tax relief for Employment Expenses: Ngozi James-Abel</p> <p>This agenda topic was not discussed at the meeting. Slides shared with attendees separately.</p>
9	<p>AOB</p> <p>Dealt with separately by email.</p> <p>.</p>
10`	<p>EPG dates for 2016</p> <p>Wed 7 Sept 2016: 13:00 - 16:00 (London) Wed 7 Dec 2016: 13:00 - 16:00 (London)</p>