

**EPG Meeting - 7 December 2016**  
100 Parliament Street - Room 2/39

**Maggie Anderson**      **HMRC Co-Chair**

**External Stakeholders**

<b>Helen Hargreaves</b>	<b>CIPP Co-Chair</b>
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 Perkin	Association of Taxation Technicians
Alex Rowson	Business Application Software Developers Association
Sarah Eason	Hydrock
Jackie Petherbridge	Federation of Small Business
Alison Paling	Community Accounting Plus
Simon Ross	Confederation of British Industry
Linda Pullan	Payroll Alliance
Frauke Golding	IAB
Sarah Eason	Hydrock
Alison McCrave	Voluntary Action Sheffield
Tracey Crank	The Compliance Group
Shawn Healey	Confederation of British Industry
Ian Whyteside	Association of Accounting Technicians
Steve Wade	Institute of Chartered Accountants England & Wales
Suzanne Gallagher	External
Jon Henderson	External
Simon Parsons	Large Payroll Bureau
Justine Riccomini	ICAS

**HMRC**

Nahid Khan  
Richard Garth  
Tony Charlton  
Alex Raisen  
Mark Frampton  
Jackie McCarthy  
Barry Desaleux  
Nathan Thomas  
Shailesh Makwana

**Apologies**

David Whitaker	AECOM
Michael Parker	National Farmers Union
Huw Johns	DWP

<b>Agenda Item</b>	<b>Main Points, Conclusions/Discussions, Decisions, Next Steps</b>
1	<b>Welcome / Agree Previous minutes</b>

	Helen Hargreaves welcomed everyone to the meeting and previous minutes were agreed.
2	<p><b>Autumn Statement 2016 Measures - Maggie Anderson</b></p> <p>MA gave an overview of changes of changes which affect PAYE/payroll. The main updates would be in the Employer Bulletin. Some of the measures are to be legislated in the Finance Bill 2017 where as others were for future Finance Bills.</p>
3	<p><b>Student Loans - Shailesh Makwana</b></p> <p>SM attended EPG to help employers understand key changes in 2016/17. He gave some stats on the current state of play. He then went on to talk about the introduction of plan 1 and plan 2 thresholds.</p> <p>Further detailed guidance is available at:  <a href="http://www.gov.uk/new-employee/student-loans">www.gov.uk/new-employee/student-loans</a></p> <p>The Employer's Helpline 0300 200 3200 can assist employers who do not have access to online information.</p>
4	<p><b>Tax Free Childcare - Jackie McCarthy</b></p> <p>Tax-Free Childcare which launches for parents from early 2017 is a new Government scheme to help working families with their childcare costs. It is replacing Employer Supported Childcare (ESC), which will close to new applications from April 2018.</p> <p>The scheme will allow eligible parents to open online childcare accounts to make payments direct to their registered childcare providers. For every £8 parents pay in to these accounts, the Government will add £2, and the total amount in the account can only be spent on childcare. Parents can receive up to £2,000 in Government support per child, per year, or £4,000 for disabled children. When you receive a payment from a parent, it will incorporate both their payment and the Government contribution, and should only take two to three working days to arrive in your bank account.</p> <p>You should keep up to date with information on the Childcare Service to help advise parents on their options. Go to <a href="http://www.childcare-support.tax.service.gov.uk">www.childcare-support.tax.service.gov.uk</a> to learn more.</p> <p>All parents will be able to continue to apply for vouchers until April 2018. In April the scheme will close to new entrants but those who are already in the voucher scheme will be able to continue. However, parents cannot claim both TFC and vouchers so will need to decide which offer is best for their situation and can get help making this decision at: <a href="http://www.gov.uk/childcare-calculator">www.gov.uk/childcare-calculator</a></p> <p>.</p>
5	<p><b>Salary Sacrifice - Alex Raisen</b></p> <p>At Autumn Statement 2016 the government announced that as of April 2017 any new arrangement where the employee can choose between cash and a BiK, would be taxed at the higher of the current taxable value and the cash foregone. This includes cash allowances, flexible benefit packages with a cash alternative and salary sacrifice and salary exchange. This applies to income tax and employer's NICs (and employee's NICs where there is already a charge).</p> <p>In recognition that many employees made decisions based on the tax treatment at the time, there are grandfathering provisions. Arrangements entered into on or before 5 April 2017 will retain their current tax treatment until the earlier of:</p> <ul style="list-style-type: none"> <li>· the variation or renewal of the contract, or</li> <li>· April 2018 (extended to April 2021 for cars, accommodation and school fees).</li> </ul> <p>The main challenges raised were:</p> <ul style="list-style-type: none"> <li>· That HMRC should be clearer in the naming of the policy as 'salary sacrifice' as many did not realise it applied to cash allowances and flexible benefit packages.</li> </ul> <p>In response, we have changed how we refer to it, and are putting out a set of</p>

	<p>comms to widen understanding.</p> <ul style="list-style-type: none"> <li>. That the implementation date was extremely challenging short notice for employers with regards to employee communications and relations, updating guidance and updating IT systems, which currently have little human intervention and run on complex, pre-programmed benefit calculations. It was noted that in some ways grandfathering helped and was welcomed, but this would not alleviate the IT issues for many employers who will resort to more human intervention to correct IT outputs. HMRC recognised that for the one year transitional period this may result in an increased administrative burden on employers due to IT and recording requirements. It was noted that grandfathering was very welcome, but this would not alleviate all problems.</li> <li>. That the meaning of arrangements was unclear, and thus the grandfathering was also unclear. We are putting out further information at the end of January to clarify these areas</li> </ul>
6	<p><b>Disputed Charges - Maggie Anderson</b></p> <p>MA gave a quick overview of facts and figures. Since the last EPG meeting the business area and have notified our customers that their disputes are now resolved. A further 5k cases have been identified and our aim is to clear-down these cases in the New Year. The successfully reconciliation of these accounts is reducing the numbers of disputed charges on hand. We will continue to progress all cases internally to ensure we provide the best level of customer service to employers whilst continuing to provide help and support via You Tubes and Webinars to reduce the number of disputes</p>
7	<p><b>Making Tax Digital - Tony Charlton</b></p> <p>TC attended the meeting to provide an update on the six consultation documents that went out Aug 2016. He confirmed that the consultations closed on the 7 November and more information would be available in Jan 2017. He also provided the group with the latest stats on user who have signed up to the PTA as well as the benefits of going paperless. He spoke about other key services in PTA and what is coming. His update included making better use of third party information- PAYE refresh benefits included</p> <ul style="list-style-type: none"> <li>• Improving PAYE so that more customers pay the right amount of tax in the year – dynamic coding</li> <li>• Using information and new functionality to keep the customer on track to pay the right amount of tax in year and be able to see that through an in-year calculator</li> <li>• Fewer customers will have paid too much or too little tax at the end of the year – fewer P800 calculations</li> <li>• Easier for the customer to understand their tax position if it's all dealt with in-year by dynamic coding</li> <li>• Repayments are paid in year and there is no or less debt at the end of the year</li> </ul>
8	<p><b>Apprenticeship Levy - Barry Desaleux</b></p> <p>Comms Lead on the Apprenticeship Levy (AL) Project provided overview of AL Comms activity. He spoke about the package of products and activities over next few months providing customers with calculating, reporting and paying information. The products and activities are aimed at delivering key messages that vast majority will not be affected, will not have to do anything and simply be aware of changes in apprenticeship aspects</p> <p>Those affected will be provided with guidance and support and GOV.UK guidance will be available w/c 12 December covering the key elements;</p> <ul style="list-style-type: none"> <li>- When you need to pay</li> <li>- How much you need to pay</li> <li>- How to calculate your allowance</li> <li>- Calculate what you owe</li> <li>- Report how much you owe</li> </ul>

	<ul style="list-style-type: none"> <li>- How to pay</li> <li>- Apprenticeship levy in specific sectors, such as schools</li> </ul> <p>Employer Bulletin and Agents Update signposting GOV.UK guidance will be published later in December.</p> <p>Forthcoming activities include the following</p> <ul style="list-style-type: none"> <li>- Email alerts Employers, Payroll Reps &amp; Agents – rolling programme signposting guidance and providing bespoke information.</li> <li>- Dept for Education/Skills Funding Agency email programme to Levy payers which will include HMRC content</li> <li>- Ongoing payroll forum representation</li> <li>- Dept for Education/Skills Funding Agency &amp; HMRC Webinars</li> </ul>
9	<p><b>Risk and Intelligence Service - Nathan Thomas</b></p> <p>NT attended EPG to talk about some activities that the business area were planning in the coming months specifically aimed at New Employers.</p> <p>He explained the aim of those activities will be to increase awareness and help educate new employers about their obligations, particularly in relation to the accurate operation of PAYE and timely and accurate reporting. They are still at an early stage of planning but wanted to seek early engagement with the group as wanted their insight into plans as critical to success.</p> <p>He appreciated that becoming an employer can be a busy and challenging time and were being careful not to duplicate information that is already provided by HMRC.</p> <p>There are already a number of educational packages provided by HMRC including e-learning packages, YouTube videos and webinars. Their focus at present is identifying what support is currently available, which are most effective in helping new employers, what communication channels would be most effectively used in signposting these and when would be the most beneficial point to invite new employers to explore these.</p> <p>They want to be able to explain to new employers where the most common errors occur, what the impact of these are and how best these can be avoided. Where possible looking to refine existing material and guidance to ensure that it is as clear and relevant as possible for the employer. He will keep the group updated on our progress and would welcome their input going forward.</p>
	<p><b>IR35/Intermediaries- Mark Frampton</b> - attended the group to advise the forum of latest developments- this will be on the March agenda.</p>
	<p><b>AOB</b></p> <p>Dealt with separately by email.</p>