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# NEWSLETTER SPRING 2014

## HELP! AUTOMATIC ENROLMENT IS COMING!

### LEGAL DUTIES UNDER AUTOMATIC ENROLMENT

The Pensions Act 2008 places a duty on employers to enrol all employees into a pension scheme and contribute towards this scheme. The time to get ready for it is now! Don't leave it till later!!

#### THINGS TO DO

##### Find out your staging date

The new duties for employers are being introduced over a 6 year period which started in 2012. The date when the law is "switched on" for you is known as the **STAGING DATE**. To find out when your staging date is visit the website [www.thepensionsregulator.gov.uk/employers/staging-date-timeline.aspx](http://www.thepensionsregulator.gov.uk/employers/staging-date-timeline.aspx)

##### Assess the workforce

You will need to identify any workers who are eligible for the pension scheme. These workers are known as **ELIGIBLE WORKERS**.

##### **What to assess**

Is the member of staff over 22 and under state pension age?

Do they earn over £9,440 a year?

If the answer is **yes**, you will have to automatically enrol them into a pension scheme and make contributions towards it.

##### **Staff earning £9,440 or less**

Staff aged 16 to 74, earning over £5,668 up to and including £9,440 a year have the right to opt in to your automatic enrolment pension scheme. This is a similar process to automatic enrolment, and you will have to contribute to their pension.

Those aged 16 to 74 who earn £5,668 a year or less have the right to join a pension scheme. If an employer has an existing pension scheme they will need to work with their pension provider to ensure it meets the qualifying criteria. If an employer does not have a pension scheme then it must access one. It is the employer's responsibility to establish membership of a pension scheme.

##### Communicate the changes to all your workers

Employers are required by law to write to all workers (except those under 16 or over 75) explaining what automatic enrolment means to them.

##### Automatically enrol eligible jobholders

An employer must automatically enrol all eligible jobholders who are not already a member of a qualifying pension scheme with you.

##### Register with the Pension Regulator and keep records

Employers are required to register shortly after their staging date. This can be completed online.

##### Contribute to your workers' pensions

Employers will be required to make minimum contributions to their worker's pension schemes

#### HELP.....!

To set up a **pension scheme** you will need the help of a **financial adviser**. It could well be that you already have one, in which case they should be consulted about auto enrolment.

**AND TALKING OF *HELP*, BUSINESS IN THE COMMUNITY IS STILL OUT THERE WANTING TO HELP DERBY GROUPS**

**.....FOR FREE!.....**

*How is the current economic climate affecting you and your organisation?  
Would free professional help be useful to you just now?*

**Business in the Community** can help you with:

Developing your business plan

Planning for setting up consortia

Discussing any concerns over \***TUPE** requirements if you are merging with another charity

Considering the legal structure of your organisation

Advice on how to promote yourselves more effectively in the market place

\* **TUPE** is an acronym for the Transfer of Undertakings (Protection of Employment) Regulations

*If you are a Derby City based voluntary or community organisation in need of FREE professional services or mentoring, Business in the Community wants to hear from you*

**ProHelp** is a network of professional firms who undertake one-off projects, which could include feasibility studies, structural surveys, developing PR & marketing strategies and business plans, general legal and accountancy advice and property valuations.

**Business Champions** are independent business volunteers, committed to sharing their knowledge and expertise with social and community enterprise organizations and new start up businesses.

*Do you need help from Business in the Community?*

Please contact **Ann Hilton** at **Business in the Community**

 **0115 924 7408**

 [ann.hilton@bitc.org.uk](mailto:ann.hilton@bitc.org.uk)



[www.prohelp.org.uk](http://www.prohelp.org.uk)

# NEWS FROM THE REVENUE

## TAX AND NATIONAL INSURANCE THRESHOLDS FOR 2014/2015

BANDS OF TAXABLE INCOME AND CORRESPONDING TAX RATES		
	2013/14	2014/15
Basic Rate	20%	20%
Higher Rate	40%	40%
Basic Rate Band	£0 -£32,010	£0 - £31,865
Higher Rate Band	£32,011 - £150,000	£31,866 - £150,000
Personal Allowance	£9,440	£10,000
NATIONAL INSURANCE CONTRIBUTION THRESHOLDS		
Weekly Lower Earnings Limit (Below which earnings do not accrue entitlement to SSP, SMP, and SPP)	£109	£111
Weekly Primary Threshold	£149	£153
Weekly Secondary Threshold	£148	£153
Weekly Upper Earnings Limit	£797	£805

NATIONAL INSURANCE RATES				
	Employee (Primary)		Employer (secondary)	
Weekly earnings	Ni Rate (%)		Weekly earnings	Ni Rate (%)
Below £111 (LEL)	0		Below £153 (ST)	0
£111 -£153 (PT)	0		Above £153 (ST)	13.8
£153 - £805 (UEL)	12			

## ANYTHING ELSE?

*When I read about this, I could not believe it!*

### Employment Allowance

The Chancellor announced at Budget 2013 that from April 2014 every business and charity will be entitled to a £2,000 Employment Allowance to reduce their employer National Insurance bill.

The allowance will be simple to claim. It will be delivered through standard payroll software and HMRC's Real-Time Information system. Employers will only need to confirm their eligibility through their regular payroll processes.

# Conflicts of Interest

*If a trustee's decision-making is influenced by their personal circumstances or their involvement with another organisation, they are in a conflict of interest*

## ***Why conflicts of interest are a problem***

Trustees have a duty to always act in the best interests of the charity and its beneficiaries. When issues outside the charity conflict with a trustee's duties, they are in a conflict of interest which could affect their decision making. For example, a trustee's decisions could be influenced if they:

- receive payment for some work they do for the charity
- work for a local authority that is thinking of funding the charity
- are a charity beneficiary and the trustee board is considering increasing its services

If a conflict of interest isn't managed properly, it can create problems for your charity, including:

- invalidating your decisions in the eyes of the law
- calling into question the motives behind trustees' decisions
- risking the charity's reputation
- preventing trustees from speaking freely at meetings

## **Trustees benefiting from charity decisions**

A common conflict of interest charities face involves trustees receiving some sort of benefit from their charity. These situations include trustees receiving:

- direct financial gain - for example if the charity awards a contract to a business the trustee owns
- indirect financial gain - such as a trustee's partner being employed by the charity
- non-financial gain - this could happen when a trustee is a user of the charity's services

If you have identified a conflict of interest in which a trustee has benefited personally, you should find out if they are allowed to receive the payment or benefit.. This will usually be stated in your charity's governing document. The law also allows trustees to be paid in certain circumstances.

If your governing document and the law does not cover this, you may need to contact the Charity Commission for permission.

If you are recruiting a new trustee, you might want to think about possible conflicts that would make it hard for them to contribute fully to your charity

## **Managing a conflict of interest**

If a trustee has a conflict of interest, they need to declare this to the other trustees straight away and not be part of any meetings or discussions on that subject.

## ***Have a policy and keep a register***

A good way to manage conflicts is to have a written policy on how to deal with conflicts and keep a register of interests.

You should keep the register of interests up to date and make sure you review it regularly, for example when a trustee leaves or a new trustee is recruited.