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NEWSLETTER SUMMER 2015

NEW MINIMUM WAGE RATES COME INTO FORCE IN OCTOBER

The Government has announced the following National Minimum Wage Rate changes from 1st October 2015

Age	Current Rate	Rate from 1 October 2015
Workers aged 21 and over	£6.50 an hour	£6.70 an hour
Development rate for workers aged 18-20	£5.13 an hour	£5.30 an hour
Young workers rate for workers aged 16-17	£3.79 an hour	£3.87 an hour
Apprentices under 19, or over 19 and in the first year of the apprenticeship	£2.73 an hour	£3.30 an hour

Failure to comply with the NMW legislation can result in the first instance in the issuing of an enforcement notice requiring the employer to pay the difference between what was actually paid and what the worker was entitled to under the legislation. Further non-compliance could result in the issue of a penalty notice and financial penalties.

People and Skills

The Trustee Board – The Role of the Treasurer

*A key role in the effective governance of most charities is that of the **Honorary Treasurer** as an 'office-holder' among the charity trustees. While financial matters are the responsibility of all trustees, it is often the Honorary Treasurer that the other trustees look to on all aspects of the charity's financial management and reporting.*

AN OVERVIEW OF THE ROLE

The role of the treasurer can be summarised as follows:

- ⇒ monitoring the financial administration of the charity and reporting to the board of trustees, in compliance with the governing document
- ⇒ overseeing the charity's financial risk-management process
- ⇒ acting as a counter signatory on cheques and applications to funders
- ⇒ liaising with the external auditors

The extent of the Honorary Treasurer's duties will vary with the size and complexity of individual charities but they might include:

- * overseeing and presenting budgets, internal management accounts and annual financial statements to the board of trustees
- * ensuring that proper accounting records are kept, financial resources are properly invested and economically spent
- * liaising with relevant members of staff
- * chairing any finance committee and reporting back to the trustees
- * monitoring and advising on the financial viability of the charity
- * overseeing the implementation of and monitoring financial systems
- * advising on the financial implications of the charity's strategic plan

CRITICAL AREAS OF INVOLVEMENT FOR THE TREASURER

Budgeting and strategic financial planning

The treasurer must ensure that all strategic plans are fully financially appraised and that the budget is in line with the plan's short-term objectives as set for each year.

Management Reporting

The treasurer should ensure that management accounts are prepared on a regular basis and that there is a target timescale for their production.

Statutory financial reporting

The treasurer should guide and advise fellow trustees in the board's formal approval of the annual report and audited accounts. The Trustees' Annual Report and of course the statutory accounts themselves are important examples of the expected transparency and accountability of charities.

If you need any help or further advice about the role of the treasurer, please contact us at the office. ☎ 01332 364784 ✉ casbitderby@hotmail.com

Look out for our training courses which will resume in the Autumn.

FROM THE PENSIONS REGULATOR

PLANNING FOR AUTOMATIC ENROLMENT

You should already know your '**Staging Date**' - the actual date on which your workplace pensions will begin. **9 months before** your Staging Date, you need to work out whether or not any of your employees need to be enrolled in the scheme.

- * Carry out a quick review of your staff to work out whether it's likely you'll need to automatically enrol anyone.
- * It may be that you don't have to automatically enrol anyone, but you'll still have other duties outlined throughout your action plan.
- * There are three different categories of staff to consider as illustrated in this table and explained below:

Monthly gross earnings	Age	Age	Age	Weekly gross earnings
	From 16 to 21	From 22 to State Pension Age	From State Pension Age to 74	
£486 and below	Has a right to join a pension scheme ¹			£112 and below
Over £486 up to £833	Has a right to opt in ²			Over £112 up to £192
Over £833	Has a right to opt in	Automatically enrol ³	Has a right to opt in	Over £192

¹ **Has a right to join a pension scheme**

If they ask you to, you must provide a pension scheme for them, but you don't have to pay contributions.

² **Has a right to opt in**

If they ask to be put into a pension scheme, you must put them in your automatic enrolment pension scheme and pay regular contributions.

³ **Automatically enrol**

You **must** put these members of staff in your automatic enrolment pension scheme and pay regular contributions. You don't need to ask their permission.

It is against the law to try to influence your staff into opting out of your pension scheme

What you need to do

- ⇒ Find the age and salary of every member of staff.
- ⇒ Work out who it is likely you'll need to automatically enrol.
- ⇒ Work out who will be able to choose to opt in to an automatic enrolment pension scheme.
- ⇒ Work out who will have a right to join a pension scheme.

PENSION FREEDOMS: WHAT DOES IT MEAN FOR YOU?



Oh YES! Now where do I buy my Lamborghini?

When George Osborne announced pension reforms last year, the response of the sceptics was that it left the way open for people to 'waste' their pension pot on frivolous purchases - well we can all dream, can't we?



But what choices do we really have?

FLEXI ACCESS DRAWDOWN

The main thrust of these reforms is to

- ◆ give freedom and choice in the way retirees can access their pension benefits
- ◆ reduce and remove some of the tax charges when taking pension benefits or bequeathing them

*For example - from April 6th 2015, those aged 55 or over will have total freedom as to how they take income from their pension, over and above any tax-free cash they are entitled to. They could even take the whole pot in one go, although any amount above the tax-free cash would still be subject to income tax, and taking more from the pension fund could mean a lesser income in retirement. They will also have increased choice as to the way in which they take their tax-free cash. They could take this in one lump sum or make a series of withdrawals, a proportion of which would be tax-free and the rest subject to income tax, as and when they choose. This is known as **flexi access drawdown***

Other Changes — these apply to:

- ⇒ **Pension Lump Sum**
- ⇒ **New Death Benefit Rules**
- ⇒ **Tax on Death Benefits**
- ⇒ **Annuities**

*You will have the option of purchasing a **Flexible Annuity**, to give a guarantee of an income for life, but the rules are flexible and far reaching, so you need to seek professional advice from **Citizens Advice & Law Centre Derby** who have two specialist advisors in pensions.*

Contact ☎ **01332 228700** www.calcderby.org

But if you prefer, you can contact **Darren Wheatcroft**, a local Independent Financial Advisor, of **Derwent Financial Planning**

☎ **01332 913060** or **07805 940846**
www.derwentfinancialplanning.co.uk

