



DCAS SERVICES:

- * Independent Examinations
- * Payroll Services
- * Advice
- * Training & Support

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<http://derby-community-accountancy.org.uk/>

NEWSLETTER SPRING 2020

NO CHANGES TO INCOME TAX BANDS AND RATES FROM APRIL 2020				
	Tax year 2019-20		Tax year 2020-21	
	Income tax bands of taxable income (£ per year)	Income tax rates	Income tax bands of taxable income (£ per year)	Income tax rates
Basic rate	£-37,500	20%	£-37,500	20%
Higher rate	£-150,000	40%	£-150,000	40%
Additional rate	Over £150,000	45%	Over £150,000	45%
Higher Rate Threshold			£50,001	

NATIONAL INSURANCE CONTRIBUTION THRESHOLDS		
	2019-2020	2020-2021
Weekly Lower Earnings Limit	£118	£120
Weekly Primary Threshold	£166	£183
Weekly Secondary Threshold	£166	£169
Weekly Upper Earnings Limit	£962	£962

Unless otherwise stated, these figures apply from 6 April 2020 to 5 April 2021

Statutory Payments

The weekly rates for **Statutory Adoption, Maternity, Paternity and Shared Parental Pay** increase to **£151.20pw** for payment weeks beginning on 5th April 2020

Statutory Sick Pay increases to **£95.85** from 6th April 2020

Employment Allowance

From 6th April 2020 for the 2020/21 tax year, the Employment Allowance is increasing to £4,000 for smaller businesses only (ie with an employer NI bill below £100,000)

Employee Personal Allowance remains at **£12,500 per year**

FREE PAYROLL SOFTWARE

If you decide to run payroll yourself, you need payroll software to report to HMRC. The software will help you with tasks like:

- recording your employees' details
- working out your employees' pay and deductions
- reporting payroll information to HMRC
- working out how much you need to pay HMRC
- calculating statutory pay, for example maternity or sick pay

HMRC has tested and recognised this **free** payroll software for businesses with fewer than 10 employees. You should consider which features you need, and make sure that the software you choose has those features, as some software will not let you, for example,

- produce payslips
- record pension deductions
- make pension payments
- pay different people over different periods (for example both weekly and monthly)
- send an Employer Payment Summary (EPS) report or Earlier Year Update (EYU) to HMRC

	SUPPLIER	PRODUCT
	1 2 Cloud Payroll https://www.12cloudpayroll.com/	Free Cloud Payroll, Free Cloud Bureau Payroll
 12Pay Payroll Made Easy	12Pay https://www.12pay.co.uk/	Express
	Accentra Technologies https://primopayroll.co.uk/	Primo Payroll with Auto Enrolment (up to 10 employees)
	Capium https://www.capium.com/	Capium Payroll (up to 3 employees)
	EnrolPay https://www.enrolpay.com/	Small Payroll
	Hartigan Software Design https://www.hartigan.co.uk/	RTI Lite
	HMRC https://www.gov.uk/basic-payee-tools	Basic PAYE Tools
	IRIS Software https://www.iris.co.uk/	IRIS Payroll Basics
	Kashflow https://www.iris.co.uk/products/kashflow-payroll/	Kashflow Payroll
	Shape Payroll https://www.shapepayroll.com/	Shape Payroll (up to 3 employees)
	Stansoft http://www.stansoft.org/index.html	Stansoft Linux

PLEASE NOTE HMRC CANNOT RECOMMEND ONE SOFTWARE PRODUCT OR SERVICE OVER ANOTHER AND IS NOT RESPONSIBLE FOR ANY PROBLEMS YOU HAVE WITH SOFTWARE THAT YOU'VE BOUGHT.

Margaret's Page

WHY DO ORGANISATIONS NEED TO HAVE AN INDEPENDENT EXAMINATION OR AN AUDIT?

This is a question that we are often asked, and hopefully this article will help to clarify the reasons why this is essential for all charities



- ◇ The fundamental principles of charity and philanthropy are deeply ingrained in this country's culture. The oldest charity in England is believed to be the King's School Canterbury, which was established in 597.
- ◇ The Statute of 1601 set out the first definition of charity that existed in English law, one that remained unchanged until the Charities Act 2006, laying out the purposes for which charities could be established. It is by drawing on that definition, and applying its principles to the modern world, that the concept of 'charitable purposes' has developed since, and continues to do so now.
- ◇ As a result of a series of scandals in the mid 19th Century, the focus of charity law reform moved on from what charities ought to be doing, to how they ought to be doing it!
- ◇ Following the introduction of the Welfare State, to help marshal the process and bring more effective oversight to the voluntary sector, the Charities Act 1960 introduced the first register of charities, extended the jurisdiction of the Charity Commission over charities that were not trusts and gave the Commission powers to investigate charities.
- ◇ By 1992 there were 170,000 charities with a turnover of £17 Billion. The government at the time decided that to maintain public confidence in the voluntary sector, stricter controls were necessary.
- ◇ Over time, the Charity Commission's role and remit has been further strengthened. Public confidence is essential to the charity sector. It is the belief that charities operate in the best interest of the public that allows them to continue to operate.
- ◇ It is essential that the financial records of every organisation be audited/ examined by an independent auditor/examiner. This independent certification of the accounts is evidence to the Trustees, Management Committee, Members and Funders that the finances of the organisation are in order and that the annual accounts agree with the underlying records.
- ◇ The certified accounts should then be presented and approved at the AGM of the organisation. This ensures transparency for all those involved in the financial control.

NO VOLUNTARY ORGANISATION OR CHARITY IS SAFE WITHOUT ONE!

Workplace Pensions

Managing your pension

Your pension provider will send you a statement each year to tell you how much is in your pension pot. You can also ask them for an estimate of how much you'll get when you start taking your pension pot.

What you see on your payslip

You do not need to do anything to get tax relief at the basic rate on your pension contributions. There are 2 types of arrangements:

- * net pay
- * relief at source

Check with your employer or pension provider which arrangement your workplace pension uses. This determines what you'll see on your payslip.

'Net pay'

Your employer takes your contribution from your pay before it's taxed. You only pay tax on what's left. This means you get full tax relief, no matter if you pay tax at the basic rate, higher or additional rate..

The amount you'll see on your payslip is your contribution plus the tax relief.

You will not get tax relief if you do not pay tax, for example because you earn less than the tax threshold.

'Relief at source'

Your employer takes your pension contribution after taking tax and National Insurance from your pay. However much you earn, your pension provider then adds tax relief to your pension pot at the basic rate.

With 'relief at source', the amount you see on your payslip is only your contributions, not the tax relief.

You may be able to claim money back if:

- * you pay higher or additional rate Income Tax
- * you pay higher or top rate Income Tax in Scotland

Tracing lost pensions

The Pension Tracing Service could help you find pensions you've paid into but lost track of. You need the name of an employer or a pension provider to use the service.

Online <https://www.gov.uk/find-pension-contact-details>

By telephone: 0800 731 0193, Monday to Friday, 9.30am to 3.30pm

By post

The Pension Service 9
Mail Handling Site A
Wolverhampton
WV98 1LU



Foundation
Derbyshire

***DCAS would like to thank
Foundation Derbyshire
and Garfield Weston
Foundation for their
support for our
organisation's work***



Garfield Weston
FOUNDATION