

# HARGREAVES & Co NEWSLETTER

MAY 2017

## Welcome to the May Newsletter

In this issue we will be looking at Limited company contractors working for government related bodies, P11D's and Tax Returns for 2017.

## *With Summer around the corner what do we need to be looking out for in the new tax year..?*

### One-Man-Band Companies contracting to government bodies like the MOD & NHS

The new rules governing the taxation of limited company operators working through agencies for the Government (effectively) came into force a month ago. If you are receiving information from your contracting agent regarding the IR35 rules and the taxation of your company please let us know. HMRC have a very helpful checklist that we can guide you through to see whether you comply as a fully independent operator. One of the key questions is whether you have a substitute. In some cases, like secure sites, this may be impossible in which case we would encourage you to review any other works the company does and where costs and expenses might apply to that. In any case, please call if this is the case and we can review your situation on a case by case basis. If you fall under IR35 you may have to declare this and reduce your claims accordingly whereby most of your company income will fall under PAYE or the agency may tax you differently for that work directly.

### P11D's (Please ignore if you have been sent a checklist.)

Thank you to those responding with their P11d declaration. In case you have not been invited to this particular 'party' the payment of expenses and benefits in the fiscal year to 5 April 2017 by your company to you or your team needs to be declared. In the old days we had the £8,500 limit on

earnings before declaration. This changed last year. We need all of the benefits information by the middle of May such as:

- Car
- Van
- Fuel
- Subsistence
- School fees
- Gym memberships
- Other benefits paid for by the company
- Expenses
- Loans

Not exhaustive but a good start!

### Tax Returns 2017

A lot of our clients have family members receiving dividends. The limit before declaration for 16-17 was £5k. This is the same in this tax year moving to £2k in the 2018-2019 tax year. This valuable tax relief is being eroded and so you do need to ensure you avail yourselves of it as soon as possible if applicable. If you or your fellow shareholders are not completing a tax return and received over £5k in dividends last year we must register that income by way of a tax return quite shortly. Given it does take a while to get unique tax references from HMRC (in some cases) please let us know soon. We will also be contacting anyone we feel may have need of this, (that we are aware of), quite shortly but we encourage you to review your tax position and that of your family members as it is their responsibility.

*If you have any queries on the enclosed or any other matters pertinent to your affairs, please do not hesitate to contact us and we can book you a telephone appointment or meeting.*



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