



PAYROLL NEWSLETTER

JUNE 2011

OFFICE MATTERS

Although some of you will already be aware, we need to advise you that Shirley will be leaving us on 30 June as she is emigrating to Australia.

Shirley has managed our client payroll service for more than 15 years over her two spells of employment with us. She has enjoyed an excellent relationship with clients throughout that time and we view this as an extremely important part of the role. We wish Shirley and her family much happiness in Australia.

Shirley's replacement is Julie Perrin, who starts with us on 20 June. Julie has worked in payroll for many years and has been running a similar payroll service for another firm of Chartered Accountants. Her e-mail address is JPerrin@EdmundCarr.com



PERSONAL ALLOWANCE

On 6 April the personal allowance increased to £7,475 per annum. All "L" tax codes from the previous tax year should have been increased from that date by 100 points, so that 647L in 2010/11 becomes 747L in 2011/12. If you have not already made these changes you should do them prior to your next pay calculations.

CHILDCARE VOUCHER SCHEME

From 6 April, changes were made to the annual amount that can be claimed free of deduction for new scheme members. For anyone joining a scheme after 6 April 2011, you are required to carry out a basic earnings assessment. This must be retained and provided in the event of an inspection by HMRC. We therefore recommend these are held for 6 years.

The assessment must be based on anticipated basic salary/regular payments, net of any pension contributions, but plus the equivalent value



of any P11D benefits. Assessments once made are valid for the entire year and must be renewed annually. Existing members returning from long leave, such as maternity leave, can re-join the scheme within 12 months without being subject to the restricted relief conditions.

The new levels for relief are as follows:

Basic rate tax payer earnings up to £42,475:
£2,915 annually, £243 per month, £55 per week.

Higher rate tax payer more than £42,475 but less than £150,000:
£1,484 annually, £124 per month, £28 per week.

Earnings at or exceeding £150,000:
£1,166 annually, £97 per month, £22 per week.



NATIONAL MINIMUM WAGE

In preparation for the change due 1 October 2011, the rates will be as follows:-

21 and over: £6.08 per hour (from £5.93)

18-20: £4.98 per hour (£4.92)

16-17: £3.68 per hour (£3.64)

Apprentice rate £2.60 per hour (£2.50)



PENSION REFORM and NEST (National Employment Savings Trust)

New legislation will see the introduction of compulsory

enrolment into approved work place pension schemes between 1 October 2012 and 1 September 2016, depending on the size of the employer. Visit the timetable at the link below to see when you will be required to comply, but DWP will give you 12 months notice of your start date:

<http://www.dwp.gov.uk/docs/staging-dates-by-employer.pdf>

The requirements of the legislation are as follows and all employers will have to automatically enrol staff who are:

- Aged between 22 and state pension age.
- Earning more the £7,475 per annum.
- Not currently in a qualifying pension scheme.

It is envisaged that the statutory minimum contribution will be 8%, of which the employer must pay 3% and the employees 5% (of which, 1% will be tax

relief).

The formation of NEST will give employers access to a low cost pension scheme to meet their responsibilities, with minimal administration requirements. Employers can still provide their own scheme, providing it meets the new requirements.



DISCLAIMER

This newsletter is intended to give general guidance only and no liability can be accepted for any action taken based on the information given.

**Edmund Carr LLP
June 2011**

If you think this information is of use to a friend or colleague, why not forward it

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