



## Pay your self assessment tax monthly or weekly

You can pay your self assessment tax by using Direct Debit to make a single payment or to set up a Budget Payment Plan.

The flexible Budget Payment Plan allows you to make regular payments towards a future tax liability. These advance payments reduce what you have to pay on 31 January and 31 July.

To find out more contact us or visit

[www.hmrc.gov.uk/payinghmrc/selfassessment.htm](http://www.hmrc.gov.uk/payinghmrc/selfassessment.htm)

## Increases in the National Minimum Wage

The rates of the National Minimum Wage (NMW) have increased for pay reference periods starting on or after 1 October 2009.

The new rates are (the figures in brackets apply up to 30 September 2009):

- main rate for workers aged 22 and above: £5.80 (£5.73);
- 18-21 years old: £4.83 (£4.77);
- 16-17 years old: £3.57 (£3.53); and
- accommodation offset: £4.51 a day, maximum £31.57 a week (£4.46 a day, £31.22 a week).

There are also two other changes for pay reference periods starting on or after 1 October 2009:

- Tips, gratuities, service charges and cover charges will not count towards NMW pay in any circumstances.
- There will be two new classes of persons who do not qualify for the NMW. These are workers participating on the European Community Erasmus and Comenius Programmes, part of the European Union action programme in the field of lifelong learning.

The government intend to change the age band for the main rate of NMW to include 21 year olds from October 2010.

## PAYE – Late payment penalties

From May 2010 **all** employers will become liable to financial penalties if they fail to pay HMRC on time.

The new penalties will apply to late in-year monthly/quarterly payments, regardless of employer size, and to payments made once a year such as Class 1A NICs.

The first of the new penalties will apply from May 2010 where an employer's PAYE remittance is not paid on time for tax month 1 ending 5 May 2010. Or, from July 2010 where a quarterly payer does not pay on time for tax quarter ending 5 July 2010.

To see the rate of the new financial penalties and how they will work in practice see HMRC factsheet *Penalties for late payment of employer and contractor PAYE*.

**Link:**

[www.hmrc.gov.uk/payefactsheets/fpl\\_1.pdf](http://www.hmrc.gov.uk/payefactsheets/fpl_1.pdf)

## **Employer annual returns (P35) can only be filed online**

For the tax year 2009-2010 your Employer Annual Return (P14s and P35) **must** be filed online.

Most employers will already have been filing their end of year returns online to take advantage of HMRC's incentive payments so they won't need to do anything different. For those who have not already filed online they must register to file online with HMRC first.

For more information go to [www.hmrc.gov.uk/payonline](http://www.hmrc.gov.uk/payonline) or speak to us.

## **VAT Returns – online filing**

From 1 April 2010 you will need to file your VAT return online and pay electronically if your annual turnover is £100,000 or more, or you are newly VAT registered.

You should have already received a letter from HMRC telling you if you need to file online.

The registration and filing process is simple so don't put it off, make sure you get it done now.

Remember we are here to help. If you need any help with registering or filing your returns online.

## **2009-2010 self assessment tax returns**

The end of another tax year is fast approaching and it is time to start gathering the information needed to complete your tax return.

You will shortly be receiving all those things we always ask you for, like P60s, bank and building society interest, dividend vouchers etc.etc...so make sure you put these together ready to pass onto us along with your completed checklist which we will be sending to you soon.

## **Cheque payments by post for VAT from 1 April 2010**

From 1 April 2010 all cheque payments by post will be treated as being received by HM Revenue & Customs (HMRC) on the date when cleared funds reach HMRC's bank account.

This means that you must allow enough time for the payment to reach HMRC and to clear into HMRC's bank account no later than the due date shown on your VAT return. A cheque takes three bank working days to clear – excluding Saturdays, Sundays and bank holidays.

This change does not affect any cheque payments made by Bank Giro.

If your cheque payment does not clear by the due date shown on your VAT return you may be liable to a surcharge for late payment.

These new requirements will primarily affect small VAT-registered businesses with a turnover of below £100,000. We recommend that, if you need to pay by cheque, the returns and accompanying cheque payments are posted to HMRC at least one week before the due date shown on the VAT return form.

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### **DISCLAIMER:**

The content of this newsletter is intended to inform rather than advise. Taxpayers' circumstances do vary and if you feel that anything we have outlined may be beneficial it is important that you contact us before implementation. If you do or do not take action as a result of reading this newsletter, before receiving our written endorsement, we will accept no responsibility for any financial loss incurred.