



MUHASIB
CHARTERED CERTIFIED ACCOUNTANTS

BULLETIN
OCTOBER
2021

NEW TRUST REGISTRATION SERVICE ANNOUNCED BY THE GOVERNMENT

Following the launch of a new trust registration service, millions of trustees will need to register the details of their trusts by next autumn.

The service was originally announced in 2017, at a time when it would only have applied to taxable-relevant trusts.

It has since been expanded to cover all UK-resident express trusts, with a few exceptions for pension and charitable trusts. As a result, on or before September 1, 2022, information of up to two million trusts must be registered with HMRC.

Trustees who fail to comply face a penalty, with the possibility of substantial fines if the tax authority believes the behaviour was intentional. Trustees, settlors, protectors, and beneficiaries' information will be required for all trusts in scope.

The nature and scope of the beneficiary's beneficial interest, as well as his or her mental capacity at the time of registration, must be disclosed.

The information on each trust will remain confidential, according to HMRC.

Trusts must be registered by September 1, 2022, or within 90 days of their inception, whichever comes first.

Many trusts are used in estate planning for delicate and complex family financial situations, necessitating great care and subtlety.

Speak with us about your estate planning.

INCREASE IN NICS AND TAX ON DIVIDENDS BY 1.25% TO FUND HEALTH AND SOCIAL CARE

On September 7th, the Prime Minister revealed that the government will implement a new 1.25 percent levy to give an additional £12 billion per year to support the NHS and social care.

From April 2022, both employers and employees will be required to pay a 1.25 percent increase in National Insurance Contributions (NICs). From 2023/24, this will be a distinct levy on earned income, computed similarly to NIC and shown on an employee's payslip.

It's worth noting that the 1.25 percent rise also applies to self-employed people's Class 4 contributions on their profits. Employees' Class 1 NI contributions rise to 13.25 percent of earnings over £9,568 and the rate for self-employed people rises to 10.25 percent.

For the time being, the 3% difference persists, though there is speculation that the rates will eventually converge. The rate will be 3.25 percent above £50,270 in earnings or profits.

From April 6, 2022, the employers Class 1 NIC rate will rise from 13.8 percent to 15.05 percent, but many small businesses will be able to deduct the £4,000 employment allowance from their NIC liability.

The proposed measures will also affect many workers who work through personal service companies and are subject to the new "off-payroll" working rules.

Please contact us if you have any questions about national insurance planning.

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MTD FOR INCOME TAX HAS BEEN RESCHEDULED FOR 2024/25

The government has announced that Making Tax Digital (MTD) for Income Tax Self-Assessment (ITSA) will be implemented a year later than planned, in the tax year beginning April 2024, after listening to stakeholder feedback from businesses and the accounting profession.

This will give self-employed people and landlords an extra year to prepare for the digitalisation of Income Tax, as well as more time for HMRC to test the pilot system with customers.

The deadline for partnerships to join MTD for ITSA has been pushed back yet again, this time to April 2025. The £10,000 gross income threshold has not changed, which means that most self-employed traders and buy-to-let landlords will be required to comply with MTD for income tax from April 2024.

Please contact us if you have any questions about Making Tax Digital (MTD).

SUPPORT FROM HMRC FOR CHILDCARE EXPENSES

As more employees return to work following the termination of CJRS furlough benefits, they must consider childcare options if they have children.

Employees should set up a "Tax-Free" Childcare Account if they haven't already to help pay for childminders, breakfast and after-school clubs, nursery fees, and approved play schemes.

The government will add £2 to every £8 paid into the special account by an eligible family, up to a maximum of £2,000 per year, or £4,000 if a child is disabled. Parents or carers with children aged 11 to 17, or 17 if their child is disabled, can apply for the scheme.

For further information please contact us.

IMPORTANT DATES

OCTOBER 2021

1ST - Due date for payment of Corporation Tax for period ended 31st December 2020

5TH - Deadline for Self-Assessment registration to notify HMRC of Income/Capital Gains Tax for 2020/2021

7TH - Deadline for VAT returns and payments of Accounting Quarter period ending 31st August 2021

14TH - Income Tax due date for CT61 period to 30 September 2021

19TH - Monthly deadline for postal payments of CIS, NICs and PAYE to HMRC

22ND - Monthly deadline for electronic remittance of CIS, NICs and PAYE to HMRC

31ST - Corporation Tax Returns filed by companies with 31st October 2020 as year end

31ST - Deadline for postal submission of Self-Assessment Tax Returns for tax year ended 5th April 2021 to be received by HMRC

NOVEMBER 2021

1ST - Due date for payment of Corporation Tax for period ended 31st January 2021

2ND - Deadline for submitting P46 (Car) for quarter ending 5th October 2021

7TH - Deadline for VAT Returns and payments of Accounting Quarter period ending 30th September 2021

14TH - Due date for Corporation Tax quarterly instalment for large companies with January, April, July or October Year Ends

19TH - Monthly deadline for postal payments of CIS, NICs and PAYE to HMRC

22ND - Monthly deadline for electronic remittance of CIS, NICs and PAYE to HMRC

30TH - Corporation Tax Returns filed by companies with 30th November 2020 as year end

30TH - Due date to file company accounts with Companies House for Limited Companies with 28th February 2021 year end