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DETAILS OF LATEST CJRS "FURLOUGH" GRANTS

The fourth version of the CJRS "furlough" grant scheme started on 1 May 2021 and will run until 30 September with employees affected continuing to be supported such that they are entitled to be paid at least 80% of their "usual pay" subject to a limit of £2,500 a month for hours not worked. The government, via HMRC, will continue to provide support up to this 80% figure for the months of May and June. The government support then reduces to 70% for July and the 60% for August and September with the employer being required to make up the difference. The employer is also required to pay national insurance contributions and pension contributions on the full amount paid to the employee.

Eligibility from 1 May 2021

In order to be included in a CJRS "furlough" grant claim for periods after 1 May 2021 an employee must have been on the payroll and subject to an RTI (real time information) submission between 20 March 2020 and 2 March 2021.

The claim calculation continues to be complex with care required to compute the employee's "usual pay" and "usual hours" particularly where the hours and pay varies. Furloughed hours for the grant claim continues to be the difference between the employee's usual hours and hours worked in the claim period.

"Usual pay"

In order to qualify for the first and second CJRS "furlough" support grants an employee needed to be included in an RTI submission for 2019/20 by 19 March to be included. If that employee continues to be employed their "usual pay" for the next version of CJRS continues to be that same amount, even where they have had a pay rise.

Those who failed the original eligibility test but were on the payroll and subject to an RTI submission before 30 October 2020 were eligible for the third version of furlough that started on 1 November 2020. If that employee continues for to be employed their "usual pay" for the next version of CJRS continues to be that same amount, again even where they have had a pay rise.

For employees on fixed pay who were first reported through RTI between 31 October 2020 and 2 March 2021 the "usual pay" is based on the last pay period ending on or before 2 March 2021. For those on variable pay calculate 80% of the average wages payable between 6 April 2020 (or, if later, the date the employment started) and the date before they were first furloughed on or after 1 May 2021. Note that HMRC may impose penalties on employers that have over claimed, even for careless errors.

The grant calculations don't get any simpler! If we can be of assistance in helping you with your claims please get in touch.

DETAILS OF FOURTH SELF-EMPLOYED INCOME SUPPORT GRANT

Please note that this grant closes on 31st May

Like the CJRS scheme for employers the Self-Employed Income Support Scheme (SEISS) has been extended to September 2021 and details of claims for the fourth grant have now been released. This fourth grant covers February, March and April 2021. There will then be a fifth grant covering May to September 2021.

The latest grant allows the self-employed to claim 80% of their average profits for the period up to 2019/20, and is again limited to £2,500 a month.

Like CJRS there are lots of conditions that need to be satisfied such as being self-employed in 2019/20 and continuing to trade in 2020/21 or would be doing so if it the business had not been impacted by coronavirus.

In order to be able to make a successful claim the self-employed profits in 2019/20 must not exceed £50,000 and must be more than 50% of the individual's total income. If that test is not met, then the same £50,000 and 50% tests are applied to average profits and total income over the four years (or shorter period) to 5 April 2020. This means that those who commenced trading in 2019/20 will now potentially be eligible for SEISS grants, having not previously qualified for the first three grants.

Although we cannot make the claim on your behalf we can help you determine whether you are eligible and assist you with your claim if required.

Conditions for the fifth grant will be linked to a reduction in business turnover. Self-employed individuals whose turnover has fallen by 30% or more will continue to receive the full grant worth 80% of three months' average trading profits, capped at £7,500. People whose turnover has fallen by less than 30% will receive a 30% grant, capped at £2,850. We are still awaiting further details of the fifth grant calculation.

MAKING TAX DIGITAL EXTENDED TO MORE BUSINESSES

Currently only VAT registered businesses making taxable supplies in excess of the £85,000 VAT registration threshold are mandated to comply with Making Tax Digital (MTD) rules. Those rules require the business to keep digital business records and send VAT returns using MTD-compatible software.



MTD for VAT is now being rolled out to all VAT registered businesses from April 2022 which may cause some traders who are VAT registered but below the threshold to consider deregistering to avoid having to comply with MTD for VAT. If you decide to do so you will need to complete Form VAT7 and account for output VAT on the market value of stock and assets still owned at the date of deregistration. This is where input VAT has been reclaimed on those assets.

There is however a £1,000 de-minimis which means that output VAT does not need to be accounted for where the combined market value of the assets is less than £6,000.

Unfortunately, deregistering for VAT will not necessarily sidestep MTD as the requirement to keep business records digitally will be introduced for income tax from April 2023. From then MTD for income tax will apply to businesses with gross income in excess of £10,000 a year which will include property landlords as well as traders and professionals.

“OFF-PAYROLL WORKING RULES

BE AWARE OF THE NEW “OFF-PAYROLL” WORKING RULES

Where large or medium-sized organisations are paying workers via personal service companies (PSC) or agencies they now need to operate new procedures from 6 April 2021.

The new rules apply to partnerships, LLPs and larger charities as well as limited companies. Only those organisations that would be classed as “small” under the Companies Act criteria are be outside of the new rules. From 6 April 2021 the end user organisation is required to determine whether or not the worker would be an employee of the organisation if directly engaged. That determination will need to be communicated to the worker and the agency supplying the worker, if relevant, and is referred to as a Status Determination Statement. The determination notifies the fee-payer that income tax and national insurance is to be deducted from payments to the PSC.

HMRC recommend that the end user organisation should use the Check Employment Status for Tax (CEST) software on the HMRC website to carry out the determination but that isn't obligatory.

WHAT IF THE WORKER DISAGREES?

Where the worker disagrees with the employment status determination they should contact the end user straight away setting out their grounds for disagreement. The end user must provide a response within 45 days of receiving the disagreement. During this time tax should continue to be deducted in line with the original determination.

WOULD THE WORKER BE BETTER OFF AS AN EMPLOYEE?

The new “off-payroll” working rules mean that the worker pays the same amount of tax and national insurance as if they were an employee, but without the same employment rights.

Where possible the worker should consider renegotiating a higher rate of pay to compensate them for the additional tax and national insurance deducted. They may also need to consider what they do with their personal service company going forward.

END USERS CAN BE LIABLE FOR THE TAX NOT DEDUCTED

Where the agency or fee payer lower down the labour supply chain fails to deduct tax from payments to the worker's company the liability passes up the supply chain such that the end user may be liable. This rule was introduced as HMRC have allegedly been defrauded by some structures set up by employment agencies.

Workers need to be aware of a number of schemes under investigation by HMRC. End users should carry out due diligence and consider the wording of contracts with agencies supplying workers via personal service companies.

CURRENT IR35 RULES STILL APPLY WHERE END USER IS “SMALL”

The new “off-payroll” rules do not apply where the end user organization is “small” under the Companies Act rules. Thus, the current IR35 rules will continue to apply, with the onus on the worker's personal service company to determine whether the worker would have been an employee if directly engaged.

ADVISORY FUEL RATE FOR COMPANY CARS

These are the suggested reimbursement rates for employees' private mileage using their company car from 1 March 2021.

Where there has been a change the previous rate is shown in brackets.

Engine Size	Petrol	Diesel	LPG
1400cc or less	10p		7p
1600cc or less		9p (8p)	
1401cc to 2000cc	12p (11p)		8p
1601 to 2000cc		11p (10p)	
Over 2000cc	18p (17p)	12p	12p

Note that for hybrid cars you must use the petrol or diesel rate. You can continue to use the previous rates for up to 1 month from the date the new rates apply.

ASSOCIATED COMPANIES COUNT FOR NEW CORPORATION TAX RATES

A 25% rate of corporation tax will apply to all of a company's profits if they exceed £250,000 from 1 April 2023. The 19% rate will continue to apply where profits are below £50,000. The marginal rate that applies between those limits will be 26.5%.

Those upper and lower limits are divided by the number of "associated companies" in the accounting period. This is not merely companies in the same 51% group but also includes companies under common control, for example where the same individual controls two standalone companies.

So, if Fred controls Bloggs Trading Ltd and also Bloggs Lettings Ltd the limits become £125,000 and £25,000. If Bloggs Trading Ltd has profits of £200,000 in year ended 31 March 2024 then the 25% rate will apply to all of that company's profits.

In a group situation you may wish to consider restructuring the businesses by the transfer of trades to a single operating company, leaving the other companies dormant as those companies would not normally be counted as associates.

NO EMPLOYERS NICs FOR A YEAR IF YOU HIRE EX-MILITARY STAFF

The Government have announced a one-year exemption from paying employers national insurance contributions (NICs) where military veterans are recruited by civilian employers.

Employers can claim relief if they employ a veteran during the qualifying period. The qualifying period starts on the first day of the veteran's first civilian job since leaving the regular armed forces and ends 12 months later. For 2021/22 employers will be required to pay the NICs and then claim back the amounts paid at the end of the tax year. From 6 April 2022 a new zero NIC rate will apply.

MORE DETAILS ON THE NEW SUPER- DEDUCTION FOR EQUIPMENT

In the Budget on 3rd March the Chancellor announced a new 130% tax relief for expenditure on new plant and machinery incurred between 1 April 2021 and 31 March 2023. It turns out that this new tax relief is only available to limited companies and the latest Finance Bill reveals a nasty sting in the tail when the equipment is sold, as the clawback on disposal is potentially at the same 130% rate. So, if a new item of plant cost £100,000 the company would be able to deduct £130,000 in arriving at taxable profits thus saving £24,700 in corporation tax at 19%. However, if the plant was sold for £80,000 on 1 April 2023 130% of the proceeds would be clawed back and £104,000 added to taxable profit which could result in up to £26,000 corporation tax payable at the new 25% rate. The claw-back rate reduces on a time basis from 1 April 2023 onwards so it would be advisable to retain the asset long term.

The 130% rate does not apply to equipment such as air conditioning and central heating that normally qualify for a 6% writing down allowance. Such "integral features" qualify for a special 50% first year allowance for the same two-year period.

Please contact us to discuss the tax implications of major capital expenditure decisions.

EUROPEAN PROPERTY OWNERS FACE HIGHER TAX BILLS



Now that the UK has finally left the EU some taxpayers will start to see additional tax costs. One example is where UK residents own holiday homes in EU countries that they rent out for part of the year.

Owners of EU rental properties may now be required to pay more tax in those countries, having previously benefited from a lower rate of tax for EU nationals. Those renting out Spanish properties for example will see the rate of tax they pay in Spain increase from 19% to 24%. There would be double tax credit relief for the overseas tax suffered against the UK tax liability on the rental income, but those who pay UK tax at 20% will see their overall tax bill increase as a result. The UK leaving the EU may also have the effect of increasing the amount of capital taxes and social security taxes payable by property owners.

The property tax rules vary from country to country, so contact us if you are likely to be affected by these changes.



PODCASTS AS A MARKETING TOOL

Businesses can use podcasts as an effective digital marketing tool.....

Podcasts are recordings of an audio discussion on a specific topic or theme such as business, travel or current affairs. They tend to consist of a series of episodes that listeners can download and listen to via a smartphone or computer.

Podcasts are effective marketing tools because they can help businesses to reach a specific target audience. The very best podcasts create value for listeners by being informative, relevant and educational. This can help listeners to feel connected to a particular brand because they tune in regularly to listen to the latest updates.

With an estimated 5 billion people around the world owning a mobile device, the potential audience for a podcast is huge. There are around 800,000 active podcasts worldwide.

The best podcasts are the ones with the most engaging content. Your audience can download episodes to listen to in the future and they can share their favourite ones with friends and colleagues. When creating a podcast, consider what content would be interesting and relevant to your customers. Your podcast shouldn't be about selling your products or services. Instead, focus on creating brand awareness. For example, if your customers are in the logistics sector, then maybe they would be interested in listening to a podcast that focuses on the business issues, trends and developments in their sector.

As you create new content, you can reach out to your target audience and notify them that a new episode or series is now available to download. This gives you a reason to make contact with your customers, thereby keeping your firm's brand front of mind.

Podcasts are inexpensive and easy to produce. All you need is a quiet room, a microphone and a computer. There are various software packages available for recording a podcast and some are available to download free of charge.

If you want your podcast to stand out, give it a catchy title and include a brief description which summarises what your podcast is all about.

Once you start producing your podcast, try to update it with new content at least once a month. You can then promote the series on your company website, e-newsletters, on LinkedIn, Twitter and so forth.

As a final tip, try to invite guest speakers to join you on different episodes of your podcast. Perhaps you could have a tax expert join one episode, a cyber security consultant on the next one, and so on.



WHAT CAN BUSINESSES LEARN FROM JEFF BEZOS?

As Jeff Bezos steps down as CEO of Amazon, his legacy continues to inspire business leaders across the world.

Jeff Bezos started Amazon as a loss making online book store and has built it into one of the largest and most successful businesses in the world.

Amazon is a business that is known for having high standards. How do you stay ahead of ever-increasing customer expectations in a fast-paced industry? The key for Amazon was to lead from the top down and instill a culture of high standards throughout the entire company. Amazon has had a few failures along the way, but it has taken the time to learn from those in order to improve different aspects of its service proposition and drive innovation across all levels of the organisation.

One key to Jeff's successful leadership of Amazon was his ability to make decisions quickly. To be decisive, it is important to learn how to manage risk and make decisions without having 100% of the relevant information. Business decisions often have to be made with around 75% of the information that you wish you had. If you wait to have 100%, you could end up deliberating, moving slowly, and being overtaken by your competitors.

In one of his annual letters, Bezos wrote about his aim to surprise and delight customers in order to build long-term trust. His note went on to talk about being internally driven to improve services, add benefits and new features before having to do so. You can apply this concept to your own business by thinking about how you can increase value for your customers, through innovation or improvements to your products and services.

Jeff Bezos focused on inputs because, in his view, the outputs would take care of themselves. Amazon does, of course, take financial outputs seriously, but by focusing their energy on the controllable inputs, setting smart objectives and putting detail-oriented plans in place, the management team set the business up for success.

Jeff and his management team focused on customer needs and worked backwards from there, in order to identify opportunities to build the next product or service offering. This approach drove the team at Amazon to develop new skills in order to deliver innovative offerings that satisfied the needs of their customers.



REDDIT

What is Reddit and how can you use it?

Reddit has been in the news a lot recently, due to the Gamestop share price boom that was largely driven by an investment forum on the site. So what exactly is Reddit?

Reddit is a hugely popular online forum. It allows users to create their own forums and chat groups. Registered users can talk about anything and there are forums for everything from news, history and travel through to business, technology and investing. These forums are called subreddits. A subreddit is basically a micro-community within Reddit and is based on a certain topic. There are around 140,000 active subreddits on the site.

Users can read and participate in all of them freely, except private Reddits, which require admission from the users, who have set up and manage that particular forum.

Users can subscribe to their favourite Reddits, so that their most popular feeds appear on their personal Reddit home page.

Reddit is a good platform for businesses to use if they want to interact with people who have an interest in a particular industry or market sector. For example, if your customers are in the auto trade, then you could interact with them on a Reddit group that is focused on running an automotive business.

Reddit combines web content, social news, a social network and a forum into one platform. Registered users of Reddit can contribute to forums with content such as text, video, links or images. All content on Reddit can be voted up or down by other members. This means that the best and most relevant content tends to be voted to the top of news feeds.

With the right approach, you can use Reddit as a tool to build an online network. Once you have built up a good following of users on Reddit, you can announce new product launches, special offers and updates on your Reddit group.

You can also use Reddit groups to undertake market research. You could post questions to users on your forum regarding industry trends, their view on what would add value or even discuss challenges that are being faced by particular industry sectors.

If you plan to use Reddit as a marketing tool, it is best to start out as a member. Choose the groups that are relevant to you and your business and start participating in those groups. This will help you to build credibility in your chosen community, before you start your own forum.

As with all social media, posting original content that engages with your target market in a genuine way is the key to success. Give more than you take and don't spend too much time promoting products or services. Share helpful tips and ideas with people in your industry sector or target market in order to build your brand .



IS GOOGLE WORKSPACE SUITABLE FOR BUSINESS USE?

Google Workspace is a low cost, web-based platform for creating documents, spreadsheets and presentations.....

For decades, Microsoft Office has been the most popular software for business users around the world. Most businesses need a word processor, spreadsheets, presentations and email, and Microsoft Office was the first to offer all of this, in one package.

However, over the last few years, software applications have been moving off desktops towards software hosted in the cloud, where they can be accessed by any device that has an internet connection. Google Workspace is Google's answer to Microsoft Office. It offers hosted email, collaboration tools and similar productivity apps to Microsoft Office. In addition, users get cloud-based storage on Google Drive, calendar functionality, video meetings, instant messaging and real-time collaboration on documents, spreadsheets and presentations.

Users can access Google Workspace from any computer as long as it has a web browser and internet connection. Businesses no longer have to spend big money on software licenses for every user. So, the big question is, can Google Workspace replace Microsoft Office as the go to software for most businesses?

From a pricing perspective, Google Workspace is a compelling option. Basic business packages are priced from £4.60 per user per month.

Larger firms that require more advanced controls, shared drives and advanced auditing or reporting can upgrade to the Business Standard package which costs £9.20 per user per month. There are business plus and enterprise packages available at extra cost for businesses that require higher levels of security, compliance and management functionality.

Other reasons to choose Google Workspace are that you can access your documents from any web browser, you can collaborate in real time on documents with colleagues and you get a complete record of all versions of your documents, so you can restore pretty much anything you want, if needed. However Microsoft office still remains the top choice - if only because most users are familiar with using it.

ATTRACTING TALENT IN TODAY'S MARKET**Great businesses are made up of great people**

Everyone knows that it's the people that make a business what it is. However, in many sectors, the job market leans in favour of the candidates. Good people are in short supply and a lot of the really talented people have been swept up by tech businesses, startups and private equity backed firms that have large cheque books and aren't afraid to use them.

Create an employer brand

If employers don't market themselves, sell their company culture and shout about their achievements, how will good candidates know to look for a job there? Your employer brand should differentiate your firm from its competitors, show top talent how working at the firm can help them to develop and reach their careers goals, etc.

Create an ideal employee profile

If you could clone your best performing team member, you probably would. Why? Is it that they always deliver, have great communication skills and keep customers happy? Do they spot opportunities, come up with new ideas and find ways to create new sales leads? Write all of this down and use the key points to create a written profile of the type of people that you want to hire. This is your ideal employee profile. You can use it to filter out candidates who won't fit within your business, allowing you to focus your time on the potential recruits who are worth pursuing.

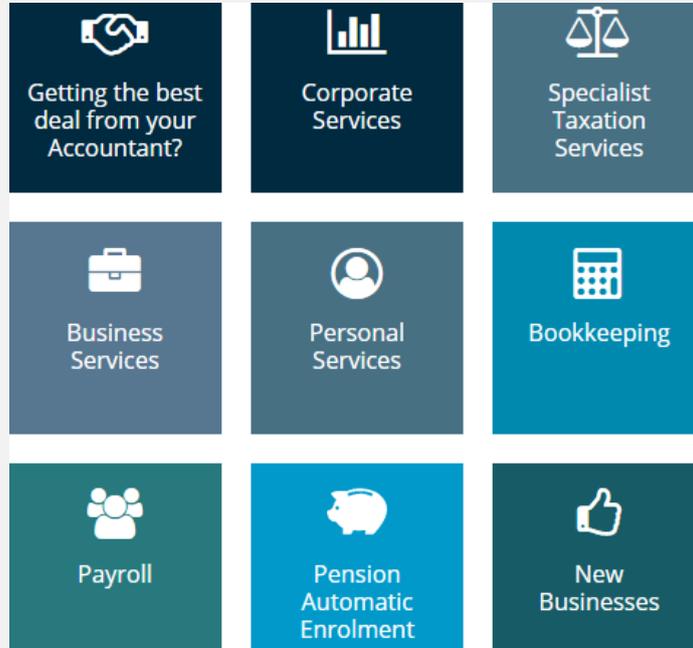
Ask your team to refer potential candidates

Recruitment agencies are great at helping businesses to find new candidates. They sift through candidate profiles saving you time and effort. However, this comes at a cost and not all businesses have the budget to engage a recruitment agency.

That's where your team comes in. Your own people have the inside knowledge of your firm and they will know what type of person will fit well with the culture in your business. An existing employee is also highly unlikely to recommend a bad candidate as this would reflect badly on them. You can help to motivate your staff by offering a reward for referring successful candidates. If you have the budget, you could offer say £500 as a bonus to the staff member who referred in the new recruit. If the budget doesn't stretch that far, perhaps you could reward your employee with a meal or a bottle of wine.

Finally - take your time to identify the right candidates. But, when you find the right person for a job, be prepared to move fast. Have the offer letter ready to go (always have a template to hand), have the financial package agreed and once the candidate accepts the offer, ensure that you get them signed up there and then. In today's remote environment, using e-signatures can help you to sign up a new joiner via email if necessary.

MNA WEBSITE



LATEST MARSLAND NASH ASSOC. COVID -19 SUPPORT FOR BUSINESS UPDATE [HERE](#)

Remember we have a comprehensive website at <https://www.marlandnash.com> which contains full details of all of our services, as well as:-

- ⇒ Latest accounts and tax news
- ⇒ Downloads section which includes all our newsletters
- ⇒ Filing deadlines pages
- ⇒ Current tax rates and information pages

Plus much more!