

GP Money Matters



Making Tax Digital – An Update



Key Contract Changes 2018/19

- Global sum increases from £85.35 to £87.92 per weighted patient
- QOF increases from £171.20 to £179.26 per point, but average list increases from 7,732 to 8,096, meaning no additional income generated
- Certain vaccination and immunisations rates increased to £10.06 from £9.80
- Indemnity funding doubles to £1.017 per raw patient for 2017/18 payable in March/April 2018.
- Practices contractually obliged to use the electronic referral service with £10m of investment to support practices.
- Improvement grants of up to 100% (previously 66% maximum) for improving/updating premises. Able to use grants to purchase land
- Clarification over removal of violent patients.

HMRC changed their schedule regarding the planned implementation of MTD and initially this will only apply for businesses that are VAT registered, with Vatable turnover exceeding the registration threshold (currently £85,000), with effect from April 2019. This will only cover the quarterly reporting of VAT figures, which is therefore not likely to create much additional work, since VAT registered businesses already report their figures quarterly or monthly in any case.

For GP practices, this is therefore initially mainly likely to impact on dispensing practices, with other businesses not required to comply until at least April 2020.

HMRC are fully expecting software providers to upgrade software to support MTD in time for the April 2019 deadline and practices will need to check the position with their software provider in due course.



Platinum Certified ProAdvisor

Lentells are running a series of QuickBooks Online training sessions throughout the year at both our Chard and Taunton offices for our medical clients.

Each session will run from 9.30am to 1.00pm and will cover:

- Navigation through QuickBooks Online
- Performing bank reconciliations and using the bank feed
- Amending the QuickBooks Chart of Accounts
- Entering data from GMS/PMS statements

QuickBooks Online training

- Generating QuickBooks Reports
- Preparing Budgets (Plus version only)

Wednesday 2 May	Taunton
Wednesday 27 June	Chard
Tuesday 25 September	Taunton
Wednesday 28 November	Chard

There will be a maximum of 6 delegates on each session and the cost will be £100 + VAT. For more information, or to book a place, please go to the Events page of our website: www.lentells.co.uk/quickbooks-online-training-2018

How the employment landscape will change in 2018

2018 is a key year with four big legislative changes coming into play. In this article Katharina Kidd, of Ibx Gale, looks at these four key areas.

1. Gender Pay Gap Reporting

Gender Pay Gap reporting law was passed in April 2017 and this requires employers with over 250 employees to publish their gender pay gap data annually with the deadline for this being 4th April 2018 (or 30th March 2018 for public sector employers). It all kicked off last year when the BBC came into the news for the wrong reasons with male presenters, such as Chris Evans, being paid significantly more than female presenters. However, the BBC has published a gender pay gap of 9%! A sample of others that have published so far are as follows: Tesco: 8.7%, HSBC: 29%, Barclays: 43%, Easyjet: 45.5%, TUI: 47%, Bank of England: 24%, Phase Eight: 64.8%. There are two employers so far who have published no gender pay gap, being the British Museum and the Armed Forces. This legislation is unlikely to affect most GP Practices on the basis that they do not have over 250 employees, but this may apply to merged Practices.

2. General Data Protection Regulations (GDPR)

The implementation date is 25th May 2018 and the key changes are:

- Accountability – GP Practices are going to have to show that they are complying with the GDPR by providing actual evidence.
- Transparency - GP Practices will have to tell their employees how they are using their data and for how long they will be

processing that data.

- Consent – GP Practices will need consent from their employees to process the employees' data, but there are other ways you can lawfully process without consent, for example where processing is necessary to perform obligations under the employment contract (pay details).
- Enhanced rights for employees to gain access to their data held on them or to request that data be “forgotten”
- Tougher penalties – if a GP Practice is found to be in breach the fine can be up to 4% of worldwide turnover and up to 20 mill euros for breach of data principles.

3. BREXIT

The UK is scheduled to leave the EU on 29th May 2019 and whilst it is all still up in the air as to how this is going to work, there are some pieces of legislation in draft form that are being considered by parliament.

The Great Repeal Bill looks at consolidating all EU legislation into UK legislation and once this has happened the government will then consider what EU laws we will retain, discard or amend. However, the likelihood is that there will be no big changes – the government would face a mutiny if it discarded EU laws on discrimination and working time, which are probably the biggest EU employment driven laws in the UK.

And what about immigration? We have many EU nationals working and living in the UK and still, 13 months away from BREXIT there is still no clear decision as to what the UK immigration laws will be. What the government has done is reach a non-binding agreement with the EU which sets out the following:

- For those EU employees who work in the UK and have lived in the UK for 5 years or more as at 29th March 2019, they will be able to apply for a “settled status” permit, which will allow them to remain in the UK.
- For those EU employees who work in the



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UK and have lived in the UK for less than 5 years as at 29th March 2019, they will be able to apply for a “residence” permit, which will allow them to remain working in the UK until they can apply for a “settled status” permit.

The registration scheme for such workers is likely to be ready at the end of 2018. If this all falls down, on the basis it is not yet legally binding, then GP Practices who have EU nationals working for them will need to grant a Tier 2 sponsorship, which is based upon employing skilled individuals to fill gaps in the workforce.

4. Annual increase in Employment Tribunal Awards

2017 saw Employment Tribunal (ET) fees being abolished by the Supreme Court. When fees were introduced, ET claims dropped significantly and therefore it is no surprise that single ET claims have increased by 70% since fees were abolished last year. So, if a GP Practice were to find itself having to make redundancies or being faced with an ordinary unfair dismissal claim, what maximum awards could be made?

- Statutory redundancy pay / basic award for unfair dismissal: these sums are based on a formula which takes a factor for the employees age (0.5, 1 or 1.5), which is multiplied by complete years' service (up to 20 years maximum), multiplied by a maximum weekly sum. That maximum weekly sum is set by law and this year rises from £489 to £508 per week.
- Maximum compensatory award: this is the award that is given to the employee for them losing their job and is based on their wage. This award is capped at one years gross salary or £83,682 (whichever is the lowest).

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Change To Locum Reimbursements For 2018/19

Parental Leave

	2018/19	2017/18
Weeks 1-2	£1,143.06	£1,113.74
Weeks 3 – 26	£1,751.52	£1,734.18

Sick Leave

	2018/19	2017/18
Weeks 1-2	£0.00	£0.00
Weeks 3 – 26	£1,751.52	£1,734.18
Weeks 29-54	£875.76	£867.09





Self-Employed Maternity Allowance

Locum GPs and partners may be eligible to claim tax free maternity allowance of £145.18 or £27 per week for 14 or 39 weeks, depending on circumstances. Applications for this can be made by completing form MA1 on the gov.uk website.

To qualify for maternity allowance, class 2 NIC payments must be up to date, and HMRC will advise on completion of the claim form, any shortfall that needs to be paid to bring matters up to date. For 2016/17 onwards, class 2 NIC contributions have been incorporated in self-assessment tax liabilities, and it is therefore important that individuals inform their accountant of any separate payments made, in order that their self-assessment liability can be adjusted accordingly.

New secure Client Portal

We are pleased to announce the launch of our new Client Portal which will change the way we communicate with clients in regards to the exchange of confidential information.

The security of all client information has always been a top priority, especially with the introduction of GDPR (General Data Protection Regulation) which becomes law in May this year.

We have therefore developed a new Client Portal with docSAFE, a secure website portal where we upload your information such as Accounts, Tax Returns, VAT Returns etc. for you to access anytime. There is no cost to use the Client Portal.

Main features

- Easy to use
- Electronic signatures
- Secure and GDPR compliant
- Safe way to share documents/information with 24/7 access
- Historical information (from the date you start using docSAFE) will also be stored and accessible on the Client Portal
- Access via your PC, laptop, iPad, smart phone, Lentells website and App.

We will be contacting all our clients over the next month with details of how to set up their docSafe account.



More pressure on staff costs

A further increase in the national minimum wage applies from 1 April 2018 as follows:

25 and over	£7.83 p/h
21 – 24	£7.38 p/h
18 – 20	£5.90 p/h
Under 18	£4.20 p/h
Apprentices – year 1	£3.70 p/h

There are also increases in the minimum pension contributions for employees that are auto-enrolled for pension purposes as follows:

To 5/4/18

Employer rate 1%
Employee rate 1%

From 6/4/18

Employer rate 2%
Employee rate 3%

From 6/4/19

Employer rate 3%
Employee rate 5%





Confusing PAYE Codes

HMRC have introduced dynamic PAYE codes meaning more frequent changes to reflect any information as soon as they become aware of it, such as changes in employment

posts, tax return submissions etc. Whilst this may help some individuals to pay the correct amount of tax throughout the year, for GPs with more complex affairs, such changes are not always helpful as HMRC are not necessarily in receipt of the full details. Accountants are not provided with copies of PAYE coding notices and we suggest clients forward them to us to review if there are any queries.

Tips For Dealing With Staff Perks

Practices wishing to reward staff should take care to ensure that they, and staff, do not end up with unexpected tax bills as a result. The tax treatment of common items is as follows:

- Cash payments are always taxable and should be put through the payroll.
- Non cash vouchers, such as high street vouchers, costing more than £50 are taxable through the payroll or a PAYE settlement agreement (where the practice pays the tax)

- Gifts costing more than £50 are taxable on the individual via an end of year P11D form
- Non cash vouchers and other gifts costing the practice less than £50 are not taxable if they qualify as a trivial benefit

Trivial benefits costing £50 or less are not taxable providing they are:

- Not cash
- Not contractual
- Not a reward for service

There is no specific annual limit on the number of trivial benefits that can be provided to staff, providing HMRC do not judge that the system is being abused.

EMPLOYEE BENEFITS



How to contact us



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An employer is also allowed to spend up to £150 per person on entertaining each year (e.g. Christmas party) without the staff member being subject to any additional tax.

The employer will be able to receive tax relief on the costs of the above, which for most partners, will be at the rate of 42% (income tax at 40% and NIC at 2%).

If a practice is in any doubt about the tax treatment of items, they should take advice from their accountant.