



FISH PARTNERSHIP LLP

FISHPAY AND FISHES PAYROLL & EMPLOYMENT SERVICES

DECEMBER 2009



STATUTORY REDUNDANCY PAY

As reported in our previous Bulletin, the Statutory Redundancy rate has increased from £350 per week to £380 per week. We can now confirm the date the increase was implemented as 1st October 2009.

EXTENDED MATERNITY/PATERNITY PAY

The Government has again delayed the extension of Statutory Maternity Pay from 9 months to 12 months. This is in light of the current economic climate and the impact this will have on small employers.

However, they are still planning to increase Paternity Leave to 6 months from April 2011.

INCREASES TO THE NATIONAL MINIMUM WAGE (NMW)

Effective from 1 October 2009, the new NMW rates are:

£5.80 for those aged 22 years and over

£4.83 for the 18 - 21 age group

£3.57 for the 16 - 17 age group

PAYE LATE PAYMENT PENALTIES

All employers should be aware that from the new tax year, 2010/11, HM Revenue & Customs will be charging interest on late PAYE payments. Currently, this only applies to late Month 12 payments. **You have been warned!**

DBERR NAME CHANGED - AGAIN!

The Department for Business, Enterprise and Regulatory Reform (DBERR) has changed its name once more. It will now be known as the Department for Business Innovation and Skills (BIS). They have re-vamped their website, www.businesslink.gov.uk/employingpeople, with new and updated information.

This is a valuable tool for any business where you can access legally compliant guidance, proforma letters and online tools, all for FREE. Subjects covered include working time regulations, national minimum wage, flexible working, maternity/paternity/adoption leave as well as employment contracts, holiday and redundancy pay.



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Happy to Help





PENSION CHAOS!

Did you know **ALL** employers will be required, by law, to **automatically** place their employees* into a Qualifying Workplace Pension arrangement commencing October 2012 **AND** automatically contribute to the pension?

This is one of the requirements of the Pensions Act 2008. It has the broad support of the three main political parties and is therefore unlikely to be repealed after a General Election.

The scheme will be introduced in stages over a 3 year period commencing October 2012 with staggered contributions, culminating in the following contributions

Employer payment	-	3% of earnings**
Employee payment	-	4% of earnings**
State contribution	-	1% of earnings**

It is therefore vital that you are mindful of these extra business costs during any pay reviews. They should be built into your cash flow forecasts.

Once employees are automatically placed into a Qualifying Workplace Pension arrangement, and after (but not before) receiving their pension account details, they will have the right to opt out. If they do so the Employer will have to refund any monies deducted from their pay and subsequently reclaim it from the Pension Provider. The Employer will need to keep a record of each opt out and automatically re-enrol them again at 3 yearly intervals in order that they can then opt out again!

The DWP estimate there are more than 1 million employers and more than 10 million employees who will be affected by this law. Employers do not have a choice. They **MUST** comply with this law. The law will be enforced against Employers by the Pensions Regulator (tPR) with potential fines up to £50,000 and/or imprisonment.

Potentially, 1 million *reluctant* employers and 10 million *reluctant* savers all seeking help and advice from websites and/or foreign call centres at the same time very clearly cannot be accommodated by any organisation. Hence, **PENSION CHAOS!**

We therefore recommend you act sooner rather than later in reviewing your existing arrangements (if any) and take advice on putting a suitable scheme in place which can be adapted to meet Qualifying status in due course. By this means you will maintain control, gain kudos with your employees, benefit from local advice and avoid the inevitable chaos in 2012.

As your Accountants, we are sufficiently concerned that we have arranged a seminar on this subject. **This is free of charge.** Details are:

10:00am on Thursday, 7 January 2010 at our offices

To reserve a place, please contact Julie Stroud on 01628 527956.

* all employees including contract labour, aged from 22 to State Retirement age, earning more than £5,720 pa

** earnings between £5,720 and £43,888 (2009/10 values)

May we also take this opportunity to wish you season's greetings and a happy and prosperous New Year.



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