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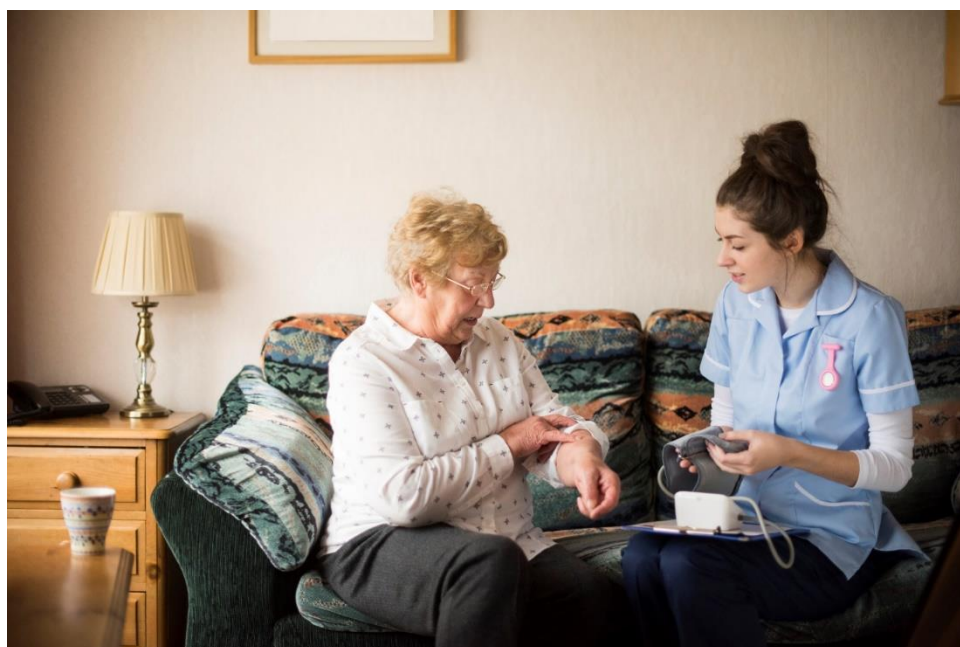
BUSINESS NEWS SCOTLAND

Welcome to our round up of the latest business news for our clients. Please contact us if you want to talk about how these updates affect your business. We are here to support you!

National insurance increase and new Health and Social care levy

Last week the UK government announced tax changes to fund the NHS and social care across the UK.

National Insurance contributions (NICs) will increase by 1.25% for one year only for employees, employers and the self-employed from April 2022. This will cover both Class 1 (employee and employer), Class 1A and 1B and Class 4 (self-employed) NICs. Those above State Pension Age are not impacted by the April 2022 changes.



From April 2023, a new ringfenced Health and Social Care Levy of 1.25% will be introduced which will apply to those who pay Class 1 (employee and employer), Class 1A and 1B and Class 4 (self-employed) NICs and will also be extended to those over State Pension age who are in work. When the new levy comes into effect, National Insurance rates will revert back to current levels.

The levy will also apply to individuals above State Pension age with employment income or profits from self-employment above £9,568. The levy will be administered by HMRC and collected through the current reporting and collection procedures for NICs – Pay As You Earn and Income Tax Self-Assessment. Like National Insurance, levy contributions will apply UK-wide, people will pay the same in England, Scotland, Wales and Northern Ireland. From 2023-24, levy contributions will need to appear as a separate item on payslips. The government will also increase by 1.25% from April 2022 the rate of income tax which is paid by people who receive dividend income from shares.

The 1.25% additional levy doesn't just apply to national insurance contributions, it is proposed that the income from share dividends, earned by those who own shares in companies, will also see a 1.25% tax increase. This would mean that after the £2,000 dividend allowance the rate of tax would be 8.75% for basic rate taxpayers, 33.75% for higher rate taxpayers and 39.35% for those with income in excess of £150,000 a year.

Many workers operating through personal service companies to whom the new "off-payroll" working rules apply will also be caught by the proposed measures.

Claiming back Statutory Sick Pay paid to employees due to coronavirus (COVID-19)

The Coronavirus Statutory Sick Pay Rebate Scheme will repay employers the Statutory Sick Pay paid to current or former employees.

HMRC have updated the guidance to confirm that employers can only claim for employees who were off work on or before 30 September 2021.

The online service you could use to claim back Statutory Sick Pay (SSP) is now available.

See: [Check if you can claim back Statutory Sick Pay paid to employees due to coronavirus \(COVID-19\) - GOV.UK \(www.gov.uk\)](https://www.gov.uk/guidance/check-if-you-can-claim-back-statutory-sick-pay-paid-to-employees-due-to-coronavirus-covid-19)

Free Statutory Sick Pay (SSP) Webinar

This webinar from HM Revenue & Customs (HMRC) is designed to help employers understand Statutory Sick Pay Payments.



HMRC will look at who qualifies, how to calculate statutory sick pay and when to pay it, explain terms such as qualifying days and linking periods and highlight some of the differences in the rules about payments to employees who are sick or self-isolating because of coronavirus. This webinar takes place on 26 October 2021.

To register see: [Registration \(gotowebinar.com\)](https://gotowebinar.com)

Audience of the Future funding for early-stage projects

Apply for a share of up to £800,000 for early-stage, human-centred design projects in creative or immersive experiences. Innovate UK, as part of UK Research and Innovation, will invest up to £800,000 to fund early-stage, human-centred design projects through the [Audience of the Future Challenge](#) Fund. The aim of this competition is to support early-stage projects to generate ideas that meet customer needs, using research and human-centred design principles. Fast, low-cost prototyping and user testing of those ideas is also within scope.

Your proposal must deliver well-defined, user-validated ideas ready for further technical research and development (R&D) and discover insights about the problem space, consumer motivations and behaviours.

Projects must explore innovation opportunities in one or more of the following themes:

- designing for Net Zero
- design for Build Back Better
- design for Cross Sector Immersive Projects

Projects must include activities or work packages that:

- discover customer perceptions, motivations, and behaviour
- define the problem statement and pinpoint the characteristics necessary to make any solution desirable and fit for purpose
- deliver clearly communicated ideas that have been validated through fast, low-cost prototyping and user-testing and are ready for further technical R&D

The competition is open to single applicants and collaborations for projects with total eligible costs between £25,000 and £50,000. To lead a project, your organisation must be a UK registered business of any size. You must involve at least one micro, small or medium-sized enterprise (SME).

See: [Competition overview - Audience of the Future – Design Foundations 2 - Innovation Funding Service \(apply-for-innovation-funding.service.gov.uk\)](#)

Red Diesel Replacement competition

The Red Diesel Replacement competition aims to accelerate the commercialisation of low carbon red diesel alternatives. The £40 million Red Diesel Replacement competition aims to support the development and demonstration of low carbon fuel and system alternatives to red diesel for the construction, and mining and quarrying sectors. The competition will support the decarbonisation of these high-impact sectors that will be affected by the partial removal of the entitlement to use red diesel and rebated fuels from April 2022. The competition is being run by the Department for Business, Energy & Industrial Strategy, and is part of the £1 billion [Net Zero Innovation Portfolio](#).

The purpose of the expression of interest is to raise early awareness of the competition and to gauge the level of interest. You can express your interest by following the steps below.

- Read the [scope of call document](#) for further information about the proposed competition.
- Complete the [Red Diesel Replacement competition expression of interest form](#) by midday on 24 September 2021.

See: [Red Diesel Replacement competition: scope of the call - GOV.UK \(www.gov.uk\)](#)

Gender Pay Gap – Reporting deadline for larger employers approaching

The extended deadline for reporting Gender Pay Gap data is approaching, with all companies with over 250 employees required to report their data by 4 October 2021.

The Equality and Human Rights Commission provide a guide on doing an equal pay audit for larger organisations. The guide provides a step-by-step approach and useful templates to do an equal pay audit. It is designed to make it easy for larger businesses to examine their pay systems and decrease the risk of an equal pay claim.

An equal pay audit compares the pay of men and women doing equal work in your organisation to:

- identify any differences in pay between men and women doing equal work
- investigate the causes of any differences in pay between men and women doing equal work
- eliminate instances of unequal pay that cannot be justified

Doing an audit demonstrates your commitment as an employer to remove unfair pay practices.

See: [Equal pay audit for larger organisations | Equality and Human Rights Commission \(equalityhumanrights.com\)](#)

Live Events Reinsurance Scheme

On 5 August, the UK government announced that it is partnering with insurers to offer a cost indemnification insurance scheme which will make cover available against the cancellation, postponement, relocation or abandonment of events due to new UK Civil Authority restrictions in response to COVID-19.

The Live Events Reinsurance Scheme will support live events across the country — such as music festivals, conferences and business events — that are at risk of being halted or delayed due to an inability to obtain COVID-19 cancellation insurance. Cover will be available to purchase alongside standard commercial events insurance for an additional premium.

In order to be eligible, event organisers must purchase the relevant cover from participating insurers within the scheme. Event organisers must also have or purchase a standard events cancellation policy (or a policy which includes event cancellation coverage) provided at least in part by a participating insurer – the cover backed by the scheme will not be offered on a standalone basis.

- Premium is set at 5% of the total value of insured costs (plus Insurance Premium Tax).
- Claims will be subject to an excess of 5% of the value of the insured costs or £1,000 (whichever is higher) per policy.
- Event organisers can purchase cover up to the full cost of their event, irrespective of when those costs are incurred.
- Cover must be purchased at least 8 weeks prior to the event taking place. This requirement will however not apply for the first 12 weeks of the scheme.

The Scheme will run to 30 September 2022 with a review point in Spring 2022. Cover will be available to purchase through participating insurers. A number of prominent insurers in the Lloyd's market, including Arch, Beazley, Dale, Hiscox and Munich are supporting the scheme, and the government expects more to follow. Event organisers can now start approaching these insurers to discuss their cover.

See: [Live Events Reinsurance Scheme - GOV.UK \(www.gov.uk\)](https://www.gov.uk/live-events-reinsurance-scheme)

UK Transition help for businesses

The Department for International Trade (DIT) have launched a new service for exporters. If you are a UK business and you want to sell goods or services abroad, use this service to ask the DIT export support team a question.

You can ask any question for your business, including on:

- exporting to new markets
- paperwork you need to sell your goods abroad
- rules for a specific country where you want to sell services

See: [Ask the export support team a question - GOV.UK \(www.gov.uk\)](https://www.gov.uk/ask-the-export-support-team-a-question)

Check how to import or export goods

There is a new government tool check on how to import or export goods, which provides step by step tailored guidance. Use this service to get information about importing and exporting, including:

- how to register your business for trading
- which licences and certificates you need for your goods

- paying the right tax and duty for your goods
- how to make declarations for your goods to clear the UK border
- which paperwork you need to keep

You will need to know:

- where the goods are coming from or going to
- the [commodity code](#) for the goods

See: [Check how to import or export goods - GOV.UK \(www.gov.uk\)](#)

Coronavirus Job Retention Scheme update (CJRS)

Please talk to us about any issues you have with making a claim or preparing for the end of the scheme.

August furlough claims must be submitted by the deadline of Tuesday 14 September.

For August and September, employers can claim 60% of furloughed employees' usual wages for the hours not worked, up to a cap of £1,875 per month per employee. They'll need to contribute 20% from their own funds so that furloughed employees continue to be paid at least 80% of their usual wages in total, for the hours they do not work (up to a cap of £2,500 a month).

What you need to do now:

- work out how much you can claim, and the contribution you will need to make to reach 80% of usual wages
- submit any claims for August, no later than Tuesday 14 September
- keep records supporting the grants they claim, in case HMRC need to check them
- make sure you continue paying CJRS-related employee tax and National Insurance contributions to HMRC, and contact them if you are struggling to pay
- prepare for the scheme closing on 30 September. Final claims for September must be submitted by Thursday 14 October.

See: [Claim for wages through the Coronavirus Job Retention Scheme - GOV.UK \(www.gov.uk\)](#)

CJRS - Support available for employees if you are unable to bring them back to work.

There is UK Government support available for employees through the JobHelp website, offering a range of support, training and advice, to help people find their next opportunity. This includes the Kickstart scheme and other Plan for Jobs support measures, along with advice on learning new skills and sectors which are recruiting.

See: [Plan for Jobs: skills, employment and support programmes for jobseekers - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/news/plan-for-jobs-skills-employment-and-support-programmes-for-jobseekers)

Self Employed Income Support Scheme (SEISS) update

If you are eligible for the latest SEISS grant you have until 30 September to apply.

Reporting SEISS grants on tax returns:

SEISS grants are taxable and subject to National Insurance contributions, you should report any SEISS grants received on or before 5 April 2021 on the 2020-21 Self-Assessment tax return (filing deadline of 31 January 2022).

For most people, this means you need to report the first, second and third grants on the 2020-21 Self-Assessment if they were paid on or before 5 April 2021. The fourth and fifth grants should not be included in 2020-21 returns, as these were paid after 5 April 2021, and should instead go on the 2021-22 return (filing deadline of 31 January 2023).

Calculating turnover as a member of a partnership:

HMRC have been asked about customers who joined a partnership between April 2020 and April 2021. If you are in this situation, you need to work out the percentage share of the partnership's turnover. It will be the same percentage of profit you took from the partnership in the 12-month period from April 2020 to April 2021. If you have other businesses, you should add the percentage share of the partnership to the turnover from these.

What not to include when calculating turnover for the fifth grant:

Anything reported as 'any other income' on tax returns should not be included when calculating turnover for the fifth SEISS grant. This includes things such as Universal Credit, maternity allowances, retirement income and foreign income.

You should also not include any previous coronavirus (COVID-19) support payments in the turnover, even though the payments may be taxable when calculating profit. COVID-19 support payments include:

- previous SEISS grants
- Eat Out to Help Out payments
- local authority or devolved administration grants

See: [Work out your turnover so you can claim the fifth SEISS grant - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/news/work-out-your-turnover-so-you-can-claim-the-fifth-seiss-grant)

Backing for staff facing abuse

Abuse directed at retail and bar staff who ask customers to comply with the law and wear face coverings will not be tolerated, Justice Secretary Keith Brown has said.

It continues to be a legal requirement to wear face coverings in places such as shops and pubs and on public transport unless exempt - and Mr Brown said any form of abuse, threats

or violence faced by workers as a result of simply doing their job is “completely unacceptable”.

It comes as new powers came into force in Scotland last month, making assaulting, threatening or abusing certain staff a new standalone offence. Previously such conduct would be dealt with under more general offences.

Face coverings are important in the fight against COVID-19 as they create a physical barrier that helps stop the virus spreading from an infected person, while providing a degree of protection to the wearer against exposure to the virus. Mr Brown urged people to follow the rules and treat staff with respect as Scotland continued to face high infection levels.

See: [Backing for staff facing abuse - gov.scot \(www.gov.scot\)](https://www.gov.scot/news/2020/04/23/2020-04-23-backing-for-staff-facing-abuse/)