

---

## Resolve Newsletter January - February 06

### Contents:

1. Fuel Payments to Employees
  2. Statutory Paternity Pay (SPP) – one for the dads
  3. Limited Company Key Dates for 2006
  4. Referrals
  5. Resolve Golf Day
- 

### 1. Fuel Payments to Employees

We reported a change in the requirements relating to payments to employees for fuel by email on 4 January 2006. These changes are important enough to also cover them in our newsletter.

From 1 January 2006 **all payments relating to mileage to employees must be supported by a fuel receipt.**

Previously we were meant to keep a mileage log and just reimburse or reclaim at 40 pence per mile. The rules were quite relaxed, however, we were a long way from the way they do things in Europe and the latest legislation brings us closer into line.

All payments must now be made only if the employee can substantiate the mileage with a fuel receipt. The employee should present this receipt when he/she makes a fuel claim. These petrol receipts will not form part of the book keeping of the company, the company will show the cost of the mileage at 40p per mile and the receipts will be logged on file only.

For example

The fuel receipt may be for £35 and the mileage claim for 50 miles. The employee will receive £20, the employer will reclaim the VAT based on the CC of the car on the £20. The £35 fuel receipt will also have private mileage in it and could be dated a few days pre or post the journey!

Accountants will need to see these employee receipts as part of the VAT return process and the annual accounting process to substantiate VAT claimed and mileage paid out.

We have heard from HMRC that they will approach this with a light touch in the early days as it has been sprung on us quickly, although, quite what this means we are not exactly sure.

The legislation can be viewed on the HMRC website - see bulleting BB 22/05: 2 December 2005. Public notice 700/64 is also being prepared and this will have additional info in it.

If you have any questions or queries please call Paul Reid (01223 237028) or drop the office an email.

---

## 2. Statutory Paternity Pay (SPP) – one for the dads

Christmas and New Year can be a time of taking stock and making life decisions such as moving house, career plans and of course having babies!

With this in mind we thought it would be a good idea to outline the position relating to both employers and employees on SPP. We will cover SMP in our next newsletter.

### Statutory Paternity Pay (SPP)

#### Paternity Pay Period (PPP)

Leave cannot start before the child has been born. Leave cannot continue later than the 56th day after the date of childbirth or the 56th day after the Sunday of the week in which the baby is due whichever is the later.

SPP cannot be paid by an employer to an employee for any week during which the employee is entitled to be paid SSP.

Leave and PPP can start on any day of the week. Leave can only be taken in whole weeks.

Leave can only be taken as a single period of either one or two weeks' leave.

#### Other Rules and Guidelines

SPP cannot be paid by an employer to an employee for any week during which the employee does some work for that employer.

SPP will end if the employee dies or is taken into legal custody (mirroring SMP).

Unlike SMP a week during the PPP does not start on a Sunday and end on a Saturday but is a period of 7 days. For example if the employee starts their leave on a Tuesday, then the PPP runs from Tuesday to Monday; if they start their leave on a Friday, then the PPP runs from Friday to Thursday.

#### Recovery

**Employers can recover either 92% of the SPP they have paid, or 100% plus compensation if they qualify for Small Employers Relief (SER).**

The qualification for SER, and the amount of compensation are the same as for SMP, **most of our clients will qualify.**

Employers will also be able to apply for funding in advance, as they can now for tax credits.

#### More information

There is a wealth of information available at:

[http://www.hmrc.gov.uk/cbr-smp/sum\\_spp\\_birth.htm#d](http://www.hmrc.gov.uk/cbr-smp/sum_spp_birth.htm#d)

A step-by-step guide to working out SMP, maternity leave, Statutory Paternity Pay and paternity leave for birth parents is available in helpbook, Pay and time off work for parents [E15](#) (PDF 196K) [E15 Supplement](#) (PDF 164K)

IR have provided some answers to [frequently asked questions](#).

Links to the Employment Act 2002, the relevant regulations and DTI publications are available at the [Department of Trade and Industry website](#).



### 3. Limited Company Key Dates for 2006

The following table highlights key dates in 2006 for Limited companies:

Company Year End	Corp Tax Due	Return to HMRC	Filing at Cos House
31-Mar-05	01-Jan-06	31-Mar-06	31-Jan-06
30-Apr-05	01-Feb-06	30-Apr-06	28-Feb-06
31-May-05	01-Mar-06	31-May-06	31-Mar-06
30-Jun-05	01-Apr-06	30-Jun-06	30-Apr-06
31-Jul-05	01-May-06	31-Jul-06	31-May-06
31-Aug-05	01-Jun-06	31-Aug-06	30-Jun-06
30-Sep-05	01-Jul-06	30-Sep-06	31-Jul-06
31-Oct-05	01-Aug-06	31-Oct-06	31-Aug-06
30-Nov-05	01-Sep-06	30-Nov-06	30-Sep-06
31-Dec-05	01-Oct-06	31-Dec-06	31-Oct-06
31-Jan-06	01-Nov-06	31-Jan-07	30-Nov-06
28-Feb-06	01-Dec-06	28-Feb-07	31-Dec-06

With these deadlines in mind, it is our intention to request information earlier for all clients this year.

It is important that these deadlines are met, as there are inevitably fines and penalties for late filing.

New legislation comes into effect soon bringing the filing deadline with Companies House forward to within 7 months of the Company's year-end. We will issue more information on this as it develops.

---

### 4. Referrals

Remember we pay £75 if you refer a client to us. Word of mouth is our best form of marketing and by introducing a client to us we will thank you by **writing a cheque out to you for £75.**

A number of our clients have managed to recoup their annual fee in 2005 by doing this!

---

### 5. Resolve Golf Day

We are hosting a golf day on 26 May 2006 at Royston Golf Club for clients and key contacts.

If you are interested in coming along and meeting other clients and businesses and having a day of fun, please get in touch with Paul at [paul@resolvebusinesssolutions.com](mailto:paul@resolvebusinesssolutions.com)

#### Disclaimer

Resolve Business Solutions are a registered firm of Chartered Accountants and advise that you seek professional advice before making decisions on tax and accounting matters that may be referred to above.