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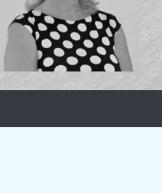


National Living Wage to increase to over £11 per hour HMRC apologises for miscalculating student loan repayments

Changes on the way for Automatic Enrolment New law gives workers more power over their working hours

Charging company electric vehicles

PayrockPayroll update



RSS 3

Our summer holidays are over, the kids are back at school, the weather forecasters say that we're in for a mini heatwave, and we

Hi

now hear that food prices have dropped for the first time in two years. Let's enjoy October! But how is it that Christmas cards, mince pies and Quality Street are now piled high on the supermarket shelves? What is going on? Let's enjoy what's happening right now, which leads me nicely into the first item of this month's newsletter, as the Chancellor announces that the lowest paid will get a pay increase of up to £1,000 from next April. National Living Wage to increase to over £11 per hour

Chancellor announced in his speech at the Tory party conference, that the government has accepted the Low Pay Commission's recommendations that the National Living Wage should increase to

over £11 an hour from April 2024, meaning that the annual

Although we won't get to know all the details until November, the

earnings of a full-time worker on the National Living Wage will increase by over £1,000 next year. There are currently more than 2 million people aged 23 and over who are eligible for the National Living Wage and are likely to benefit from the increase.

HMRC apologises for miscalculating student loan repayments HMRC has revealed that around 16,000 taxpayers may have been

overpaying their student loan due to a miscalculation in the

(BIKs) which have been processed through the payroll.

following criteria:

return.

on GOV.UK

Specifically, affected taxpayers are those who meet all of the

repayments due. The problem arises in a very specific set of circumstances and only affects employees who have received certain benefits in kind

 Repaying a student loan, and Receiving payrolled BIKs that are not subject to Class 1 NICs

though their employer, and Complete a Self Assessment return The error dates back to 6 April 2016 when the payrolling of BIKs was introduced on a voluntary basis. The problem occurs when

total PAYE income has been used to calculate student loan

amounts, including payrolled BIKs when they should have been

excluded from this calculation. HMRC estimates that the average

over-repayment of the student loan is £104 in total for all affected

These taxpayers now have a choice between receiving a refund or

leaving the overpaid amount in their student loan account, reducing

the outstanding balance and any interest that may be due. HMRC has written to all affected student loan borrowers to apologise for the error and explain their options and what steps they need to take. HMRC is working to fix the error and allow the relevant BIKs to be entered separately from total PAYE income on the Self Assessment

Changes on the way for Automatic Enrolment

If you think that you may be affected you can find more information

pension and start saving sooner has cleared Parliament and been granted Royal Assent. The Bill introduces powers to reduce the age

for Automatic Enrolment from 22 to 18, and starts pension saving from the first pound earned.

for Work and Pensions will be launching a consultation on

implementing the new measures.

recently received Royal Assent.

conversations with their employers.

A Private Members' Bill to help millions save more into their

These changes, along with changes to Defined Contribution pension schemes announced by the Chancellor in July, could see the average earner's pension increase by nearly 50% if they save throughout their entire career, while a minimum wage earner could see their pension pot increase by over 85%. However, these changes won't happen just yet as the Department

New law gives workers more power over their working hours Workers will be given more say over their working patterns thanks

The new law will give millions of workers the legal right to request a

to the Workers (Predictable Terms and Conditions) Bill which

predictable working pattern encouraging workers to begin

important part of the UK's flexible labour market; however, the government has long said that it wanted to tackle unfair working practices. This Bill gives individuals on atypical contracts - including

predictable working pattern, intending to redress the imbalance of

power between some employers and workers in atypical work,

those on zero hours contracts – the right to request a more

Zero hours contracts - and other forms of atypical work - are an

encouraging workers to begin conversations with their employers about their working patterns. If a worker's existing working pattern lacks certainty in terms of the hours they work, the times they work or if it is a fixed term contract for less than 12 months, they will be able to make a formal application to change their working pattern to make it more predictable. Once a worker has made their request, their employer

will be required to notify them of their decision within one month.

Subject to parliamentary approval, all workers and employees will

have this new right once it comes into force, however, they must first have worked for their employer for a set period before they make their application. This period will be set out in regulations and is expected to be 26 weeks. Given that the proposals aim to support those with unpredictable contracts, workers will not have had to have worked continuously during this period. It is expected that this legislation will come into force in September 2024. The government has asked Acas to prepare a new statutory Code of Practice to help workers and businesses understand the law and to provide guidance on how requests should be made and considered.

The PayrockPayroll support helpdesk has received several queries

costs for electric company vehicles and how this should be treated

for tax and NIC purposes, so I thought you might be interested to

hear that HMRC has updated its guidance after it was challenged

on its position by the Institute of Chartered Accountants in England

over the past few months about the reimbursement of charging

HMRC's previous guidance said that, where an employer reimburses their employee for the cost of charging a company-

and Wales (ICAEW).

private use.

Charging company electric vehicles

owned, wholly electric car that is available for private use, the reimbursement was taxable as earnings. However, ICAEW's Tax Faculty contested this, saying that it considered HMRC's guidance and tools for the tax treatment of the reimbursement of electricity costs did not reflect the law. HMRC has now updated its guidance and agreed that no taxable benefit arises where an employer reimburses their employee for the cost of

charging a company-owned, wholly electric car that is available for

HMRC has advised that employers will need to ensure that the

reimbursement made towards the cost of the electricity is solely for the company car and has also issued guidance confirming that the same applies for National Insurance. As yet HMRC's tool Check if you need to pay tax for charging an employee's electric car has not been amended to reflect this change.

Keep up to date with all things MBKB There is so much going on at MBKB right now. Keep up to date on

Facebook Instagram X (formerly twitter)

PayrockPayroll Update

these social media platforms:

LinkedIn

Tik Tok

Payroll support helpdesk available to PayrockPayroll members As payroll processing gets ever more complicated, we know that, much as we would like to, none of us can know everything, and here at PayrockPayroll we want to help. As a PayrockPayroll member you have access to our payroll support helpline. Several of you have already used this service, all you need do is email your

query to payrollsupport@mbkbgroup.com but please remember to write your membership number in the subject line, it was included in your membership pack email. As a reminder, your Tier 2 PayrockPayroll membership includes:

 Payroll Update sessions – Online PayrockPayroll e-newsletter – Monthly Payroll helpdesk / support - 10 queries

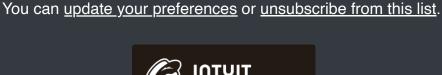
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