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NEWSLETTER JANUARY 2009

HEALTH IN PREGNANCY GRANT

From April this year if you are pregnant you may be able to claim a one-off, tax-free payment known as a "Health in Pregnancy Grant". Claims can be made from 1 January 2009 provided that your expected delivery date is on or after 6 April 2009.

The purpose of the grant is to assist mothers-to-be to stay healthy and to help in meeting any additional costs during the later stages of pregnancy.

In order to claim the grant you must satisfy a number of criteria, as follows:

- You must be 25 weeks pregnant or more.
- Your expected date of delivery is on or after 6 April 2009.
- You have received health advice from either a midwife or a doctor to help you and your unborn baby to stay healthy during your pregnancy.
- You must have the right to reside in the UK and your main home is in the UK.

The grant is in the form of a one-off payment in the sum of £190 for each pregnancy. If you are expecting more than one baby eg twins, you can only claim one payment of £190. The grant will not affect any other payments to which you are entitled, eg tax credits. The grant is not means tested.

The grant is paid directly into your bank or building society account from April 2009 onwards.

To make a claim for the grant you will need to obtain a grant claim form which must be signed by either your midwife or doctor before you have your baby. Once the claim form has been signed by your midwife or doctor it must be received by the Health in Pregnancy Grant Office within 31 days.

You can obtain the grant claim form from your midwife or doctor and this will usually be done at the next ante-natal appointment after your 25th week of pregnancy. The midwife or doctor will complete and sign their part of the form before giving it to you. If your midwife or doctor do not have a claim form telephone the Health in Pregnancy Helpline on 0845 366 7885.

The authorities offer a useful reminder service which is free of charge and which will remind you when you are 25 weeks pregnant and the fact that you should make a claim. You can register for this service either online at <http://campaigns.direct.gov.uk/dg/hipg/money4mum2be/alerts.jsp> or by texting your due date to 83377. Your text message should be the expected date of your baby's birth. For example, if you are due to give birth on 5 May 2009 you should text the message 050509.

IDENTITY CARDS FOR FOREIGN NATIONALS

The UK Border Agency (an agency of the Home Office) has announced that it has begun to issue identity cards to certain foreign nationals.

It is important that those employers that employ foreign nationals are aware as to the requirements relating to identity cards and their obligations in relation to requesting and checking these cards.

Set out below is an extract from the announcement made by the UK Border Agency:

"From 25 November 2008 we will begin to issue identity cards to foreign nationals applying for further leave to remain in the United Kingdom under certain categories. The first cards will be issued to migrants applying as:

- a student; or
- the husband, wife, civil partner or unmarried partner of someone holding permanent residence in the United Kingdom.

The identity cards for foreign nationals is the first part of the national identity scheme and it will be phased in over the next three years. It will apply to those individuals who come into the UK for more than six months or who are extending their stay in the UK."

The UK Border Agency has published guidance in relation to the checking of identity cards and specifically what information is contained on the card. Their website can be found at www.bia.homeoffice.gov.uk.

BUSINESS PAYMENT SUPPORT SERVICE

In his Pre-Budget Report delivered at the end of 2008, the Chancellor of the Exchequer announced a new dedicated Business Payment Support Service which is designed to assist businesses who are experiencing difficulties in paying tax liabilities in these difficult economic conditions.

Set out below is an extract from H M Revenue & Customs website:

“From 24 November 2008, we have introduced a new, dedicated Business Support Service designed to meet the needs of businesses affected by the current economic conditions.

If you're worried about being able to meet tax, National Insurance, VAT or other payments owed to HM Revenue & Customs (HMRC), or you anticipate that payments coming due will cause you problems, you can call our Business Payment Support Line below seven days a week.

Our staff will review your circumstances and discuss temporary options tailored to your business needs, such as arranging for you to make payments over a longer period. We will not charge additional late payment surcharges on payments included in the arrangement, although interest will continue to be payable on those taxes where it applies.

When to contact the Support Line

If you have payments due now or in the near future, the sooner you get in touch, the sooner we'll be able to see how we can help. If your payment isn't due yet, you can ring the Support Line nearer the time once you are clear about whether you will be able to pay us or not. But remember that you need to get in touch with us in advance. Don't wait until your payment is overdue.

Giving you a quick decision

In most cases we should be able to give you a decision in about ten minutes. For larger payment debts and those that are more complicated we may need to have a longer, more detailed discussion with you and may need to call you back before finalising payment arrangements.

Information we'll need

To help us deal with your call as efficiently as possible, please have the following information to hand:

- your tax reference number
- details of the tax that you are or will have trouble paying
- basic details of your businesses income and outgoings

Our advisers will only ask for the information we need to make a decision.

HMRC Business Payment Support Line

Tel 0845 302 1435. Open Monday - Friday 8.00 am to 8.00 pm, Saturday and Sunday 8.00 am - 4.00 pm.

Please note: The Support Line is intended for new enquiries only. If we've already contacted you about an overdue payment, or if you already have a payment arrangement with us please see below for what to do next.

If we've already contacted you about an overdue payment or if you already have a payment arrangement with us

If we've already contacted you about an overdue payment it's important that you call the original office that contacted you. They will be ready to discuss payment arrangement options with you and explain how to avoid legal action being taken. If you already have a payment arrangement with us but have additional concerns about what you can pay, the office you've been dealing with will be able to discuss further options with you. You'll find the contact details you need on the correspondence sent to you.

If you've received a warning letter about court action

If you've received a warning letter about court action and can't get through to the office that sent it, you can call the Business Payment Support Line number and our advisers will try to help.

If we are already taking court proceedings against you

We are always ready to enter into realistic time to pay arrangements rather than go to court. But there will sometimes be cases where our assessment is that we should go ahead with court action, and in those circumstances we will explain why. Please get in touch with the office named on the correspondence we have sent you to discuss your concerns.

If you have recently made a payment to us and are now experiencing cashflow problems.

We cannot repay amounts that you have previously paid to us - unless your tax bill changes. You may however want to get in touch with the Business Payment Support Line to discuss time to pay arrangements for any further payments when they are due.

If you are already the subject of a tax enquiry and are having difficulty paying your agent.

This is a matter between you and your agent; however, we suggest you to talk to the office responsible for the enquiry.

If you are waiting for a repayment from us and this is causing you cashflow problems

You should contact the office who advised you that a repayment was due. You will find the telephone number on the correspondence sent to you.”

INCREASE IN LATE FILING PENALTIES FOR COMPANIES

Those clients who operate their businesses through companies or limited liability partnerships should be aware of the new late filing penalties which commence from 1 February this year.

The *Companies (Late Filing Penalties) and Limited Liability Partnerships (Filing Periods and Late Filing Penalties) Regulations 2008* amend, with effect from 1 February 2009, the schedule of penalties which apply to limited companies and limited liability partnerships who file their accounts after the time period specified in the Companies Act.

The following changes to the existing regulations have been made:

- All penalties to be increased to take account of inflation between 1992 and 2007.
- A faster rate of increase in penalties for companies who file more than one month late.
- A doubling of the penalty for any company which files late having also filed late in the previous year.

The new table of penalties is as follows:

How late are the accounts delivered	Private Company	Public Company
Not more than one month	£150	£750
More than one month but not more than three months	£375	£1500
More than three months but not more than six months	£750	£3000
More than six months	£1500	£7500

In addition, where there was a failure to comply with filing requirements in relation to the previous financial year (and that the previous financial year had begun on or after 6th April 2008), the penalty will be double that shown in the table.

ⁱ *The articles in this newsletter are of necessity summaries of the topics covered. The publisher has taken all due care in the preparation of this publication. No responsibility for loss occasioned to any person acting or refraining from action as a result of any material in this publication can be accepted by the authors or the publishers. The publisher accepts no responsibility for the content of any material provided by third parties or for the content of any hypertext site referred to in this publication. The Publisher accepts no responsibility for the content of any website of other document referred to in this publication.*