

Welcome to your July newsletter. This month, the country goes sporting event mad! With Euro 2012 football, Wimbledon and the Olympics all taking place, we take a look at HMRC's warning to employers hiring temporary workers over the busy period – are they here legally and is PAYE being correctly applied? We also explore the relaxed Sunday trading laws during the Olympic and Paralympic Games, and what this means for you as a business.

Elsewhere, HMRC launches six new taskforces to tackle those who may be evading tax and we review the Chancellor's Budget U-turns to find out what you will, and won't, be taxed on.

Taking on extra staff to cover the Olympics?

Businesses across the UK are anticipating busy trading activity during the Olympics and it is expected that many will take on temporary staff to cope with increased demand. With that in mind, HMRC is reminding business owners to be extra cautious when employing temporary staff through labour agencies for any kind of work during seasonal and market demand.

Businesses operating in the leisure and construction sectors, including catering, food processing, hotels, security and builders, are being warned that they could inadvertently be hiring employees who are working illegally in the UK, or who are earning below the national minimum wage. Agencies who supply such temporary staff, known by HMRC as 'gangmasters', may also fail to pay the correct, if any, VAT, national insurance contributions and PAYE deductions.

As a precaution, HMRC has said that businesses should avoid involvement in supply chains by remaining alert and consulting with agencies. Where possible, businesses should

check that agencies have, or require, a Gangmaster Licensing Authority (GLA) licence, and that they are paying VAT and other taxes by checking for false invoices.

We can advise on issues regarding contracting staff. Please contact us to find out more.

Relaxed Sunday trading laws – what it means for you as a business

The Government has suspended UK Sunday trading laws for eight weekends over this year's Olympics, not only to help visitors, but in a bid to boost sales and employment in the economy.

Worker's rights

Employees can only be made to work on Sundays if it is written into their contract of employment. Businesses wanting to take advantage of the temporary trading hours must change an employee's written contract, which must be agreed by both employee and employer. Workers retain the right to opt out if they wish, and the employer is not allowed to treat these staff unfavourably. The usual notice period in which employees of large shops must give their employers if they wish to opt out of Sunday working was altered in the Sunday Trading (London Olympic Games and Paralympic Games) Act 2012, from three to two months. Although the minimum wage still applies, it is decided between the employer and employee as to how much pay a worker will receive for working on a Sunday, as there are no statutory rights in this area.

Which businesses are affected?

At present, shops with a floor space of more than 280 square metres are restricted to Sunday trading hours between 10 am and 6 pm. However, the temporary legislation means that larger shops with this floor space, such as supermarkets will be able to trade for longer hours on Sundays from the 22 July to the end of the Paralympic games on 9 September.

We can advise on employment regulations. Please talk to us to find out more.

Six new taskforces launched

HMRC won't be taking a break over festivities this summer; it is instead launching six new taskforces in the hope of recovering up to £23 million from traders who are paying the incorrect amount of tax. Its taskforce programme specifically targets those they deem as 'high risk' sectors and areas of the

country. The specialist teams will investigate businesses with powers allowing them to carry out spot checks and examine business records. The latest scheme will particularly focus on:

- Indoor and outdoor market traders in London
- Taxi firms in Yorkshire and East Midlands
- Property landlords in East Anglia, London, Yorkshire
- Restaurants in the Midlands.

These taskforces – of which HMRC plans to launch 30 more over the coming year – will also run alongside its various campaigns, allowing those to come forward and settle their affairs. The three future campaigns in 2012 will target direct sellers (i.e. door-to-door sales), missing self-assessment tax returns and those operating in the home improvement sector.

We can help you to get your tax affairs in order, please contact us to find out more.

YOUR MONEY

Budget U-turns: Pasties, caravans and charities – what will and won't be taxed

Chancellor George Osborne made a series of Budget U-turns regarding tax and VAT, following concerns raised by charities, businesses and the public. So what changes have been made?

Charitable donations

Tax avoidance featured heavily in March's Budget, but proposals to introduce a cap on income tax relief for charitable donations met strong opposition from charities, fearing it would damage philanthropic giving. Plans to limit the amount a person can donate tax-free to £50,000 or 25 per cent of their income (whichever was higher) have now been dropped.

Hot food

The Government's 'pasty tax' had originally planned to charge VAT at 20 per cent on all hot foods. However, the change means that foods such as pasties and baked goods which are sold cooling-down (as opposed to being kept in hot cabinets) will now not be charged.

Static caravans

Plans to charge 20 per cent VAT on static caravans, bringing them in line with mobile ones, have also been dropped. The implementation of a new five per cent VAT charge has also been delayed from October to April next year.

July's Money Facts

Current bank rate	0.5%
Quantitative Easing Scheme	£325 billion
Current inflation	2.8%