

## News story: Employers need to provide details for all Benefits in Kind

Employers need to report all Benefits in Kind (BiKs), including those under the Optional Remuneration Arrangements (OpRAs), to HMRC on form P11D from today (6 April 2018), unless they are registered to voluntarily payroll benefits.

OpRAs are where an employee gives up the right to an amount of earnings in return for a Benefit in Kind (BiK) and includes flexible benefit packages with a cash option, cash allowances and salary sacrifice.

The Income Tax and employer National Insurance contributions (NICs) advantages of BiKs – and employee NICs advantages where a charge exists – have mainly been withdrawn due to new rules that took effect in April 2017.

From today, the rules will cover all OpRAs, apart from those for cars with emissions above 75g CO<sub>2</sub>/km, school fees and accommodation – these will be included from 6 April 2021.

If a BiK is provided under OpRA rules, the taxable value is now the higher of the cash foregone or the taxable value under the normal BiK rules. This applies to all BiKs, including those that were previously exempt, such as workplace parking.

However, pensions, pension advice, childcare, cycle-to-work schemes and cars with emissions of 75g CO<sub>2</sub>/km or less are not affected by the rules.

Employers need to ensure that they complete their P11D accurately, including all the details of cars and loans provided.

Common errors in P11Ds received by HMRC include inaccurate recording of car emissions, time apportionment and free use of fuel, and the incorrect classification of 'making good'.

The closing date for employers to send P11Ds to HMRC is 6 July 2018.

You can read [general guidance on salary sacrifice](#) as well as [technical advice](#).

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## News story: New rules for taxation of

# termination payments

Employers will need to pay Income Tax and Class 1 National Insurance contributions (NICs) on an element of all termination payments from today (6 April 2018), whether or not they are contractual payments.

The element that is now chargeable to Income Tax and NICs is the amount of the termination payment that represents payment in lieu of notice (PILON).

This change applies to payments, or benefits received on, or after, 6 April 2018 in circumstances where the employment also ended on, or after, 6 April 2018.

This follows an announcement at Budget 2016 that government would introduce rules to prevent employers from manipulating the system.

## **Fairness and clarity**

This measure is intended to bring fairness and clarity to the taxation of termination payments by making it clear that all PILONs, rather than just contractual PILONs, are taxable earnings.

All employees will pay Income Tax and Class 1 NICs on the amount of basic pay that they would have received if they had worked their notice in full, even if they are not paid a contractual PILON.

This means the tax and NICs consequences are the same for everyone and are no longer dependent on how the employment contract is drafted or whether payments are structured in some other form, such as damages.

## **Foreign service relief**

In addition, foreign service relief on termination payments will be removed for all UK residents, apart from seafarers, from today.

UK residents whose employment ends after today who receive a payment or benefit in connection with that termination made after 13 September 2017 will not be eligible for tax relief for any period of foreign service as part of that job.

## **Class 1A NICs and sporting testimonials**

Class 1A NIC employer charges on termination payments of more than £30,000 and on sporting testimonials of more than the £100,000 lifetime exemption had also been due to be included, but due to a delay in legislation, these are now due to come into effect in April 2020.

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## **News story: IoH and AI surrender Ofqual recognition**

The Institute of Hospitality (IoH) has surrendered its status as an Ofqual recognised awarding organisation. IoH informed Ofqual in October 2017 of its intention to surrender its recognition in early 2018. Following a period of engagement the surrender has taken effect as of 28 February. From this date, no qualifications offered by the IoH are regulated by Ofqual. The IoH previously offered three regulated qualifications which have been subsumed into another regulated awarding organisation, the Confederation of Tourism and Hospitality (CTH). IoH has exited the regulated market in an orderly manner.

Accountants Institute (AI) has surrendered its status as an Ofqual-recognised awarding organisation. AI informed Ofqual in mid-February of its imminent intention to surrender recognition. The surrender took effect as of 28 February. From this date, no qualifications offered by AI are regulated by Ofqual. AI previously offered one regulated qualification which has never had any certificated learners in England. We understand no learners are affected by this surrender.

When awarding organisations are considering surrendering their recognition, our recognition team stand ready to discuss the options for proceeding whilst ensuring learners are protected.

A full list of currently recognised awarding organisations and regulated qualifications can be found on the [Register of Regulated Qualifications](#).

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## **Press release: New rules will protect fans from ticket touting**

- New rules will require ticket resellers to provide more information around resold event tickets, protecting consumers from rip off prices
- Resellers now have to supply any unique ticket numbers (UTN) to the buyer to identify the ticket's seat, standing area or location
- Changes build on government's action to increase transparency for consumers in the secondary market

Fans of live events are set to benefit from new rules coming into force today (6 April) which will demand more information from sellers on secondary ticket

websites to better protect fans from rip-off prices.

For the first time resellers will have to quote the 'unique ticket number' (UTN) to a buyer, if the event organiser specifies one, helping to identify the ticket's seat, standing area or location.

Current guidance requiring the disclosure of any restrictions and the original price of tickets have also been clarified today in order to improve compliance from businesses, ensuring better deals for customers.

Consumer Minister Andrew Griffiths said:

Fans have a right to know exactly what they're signing up to on ticket resale websites, but all too often people are left feeling ripped off when the ticket doesn't match expectations.

We are already taking steps to crack down on touts using "bots" to bulk buy tickets for resale and today's new rules will also improve transparency in this market.

Adam Webb, Campaign Manager, FanFair Alliance said:

So-called secondary ticketing sites should now have complete clarity of their legal obligations.

Combined with enforcement action, these welcome updates and additions to consumer law will result in greater protection for audiences and help development of a more transparent and fan-friendly ticket resale market.

Margot James, Minister for Digital and the Creative Industries, said:

We want real fans to get the chance to see their favourite stars at a fair price and we are clamping down on touts using bots to buy huge numbers of tickets, only to sell them on at rip-off prices.

These new measures will give consumers even greater protection and transparency in the secondary market, helping Britain's live events scene to continue to thrive.

From today ticket resellers must:

- identify the location to which the ticket provides access – such as the particular seat or standing area of the venue
- disclose any restrictions around who can use the ticket or how it must be used (e.g. alongside ID of the original buyer)
- disclose the original price of the ticket
- reveal the details of connections they have with either the online

facility on which they are selling, or the organiser of the event for which the ticket is being sold

- supply the unique ticket number (UTN) to a buyer if the event organiser specifies one.

Today's rules demonstrate a further commitment from government to improve conditions for consumers in the secondary market. The [Competition and Markets Authority](#) is taking enforcement action against secondary ticketing websites suspected of breaking consumer law, whilst the [Advertising Standards Authority](#) has acted to clamp down on misleading prices and charges on secondary ticketing websites.

[New guidance](#) was published last month to help prepare business for these changes, providing clarity to ensure they comply while also securing a better deal for consumers.

Citizens Advice provide [information for consumers](#) about buying event tickets and how to make sure a ticketing site is genuine.

Citizens Advice consumer helpline: 03454 04 05 06

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## [News story: New independent appeals process to protect passengers issued with penalty fares](#)

New rules coming into force today (6 April 2018) will offer a greater level of protection for rail passengers issued with a penalty fare, where they make an honest mistake, Rail Minister Jo Johnson has announced.

Fare dodgers will continue to receive tough penalties, but those with a genuine reason for not having a valid ticket will now be able to challenge a penalty with an independent committee, not connected to the rail companies. Once an appeal is received, the clock will stop on the 21 day deadline for the payment of a penalty fare, until the outcome is resolved.

The process will also give greater consideration to circumstances of how and why the penalty was issued, to ensure people are not unfairly penalised.

Rail Minister Jo Johnson said:

Rail users should make every effort to get the right ticket for their journey, but if you make an honest mistake, you should feel confident that the appeals system will recognise this and treat you fairly.

We are simplifying the rules around penalty fares and introducing an independent appeals process to help those who make a genuine error when using the railway.

The penalty fares guidance was last updated in 2002 and the new regulations will make the appeals system more consistent and clearer across rail companies. This includes reducing the existing 3 documents of guidance on penalty fares down to one simple document.

[Penalty fares promotional video](#)

Jac Starr, Managing Director of Customer Experience at the Rail Delivery Group, said:

Customers sometimes make genuine mistakes and the changes to the penalty fares system, which is meant to deter fare dodgers, will help those who feel they have been mistreated and ensure there is enough time to deal with their appeal.

Fare dodgers deprive the railway of about £200 million every year, money which would otherwise be invested to improving Britain's railway for customers, communities and the economy.

A penalty fare can be issued where an individual travels without a valid ticket, or is unable to produce a railcard on a discounted ticket, stays on the train beyond the destination they have paid for or travels in the wrong class.

Passengers receive a charge of either £20 or twice the full single fare from the station where they got on the train to the next station at which the train stops.

The Rail Delivery Group is today publishing new [best practice guidance on the new penalty fare regime](#)

For information about the penalty appeal services, visit the [penalty services](#) and [appeal services](#) websites.