

CHANCERY MANAGEMENT NEWS UPDATE

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1st September 2009

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On This Day In Previous Years

1715 King Louis XIV of France dies after a reign of 72 years.

1864 American Civil War: Confederate General John Bell Hood evacuates Atlanta, Georgia after a four-month siege by General Sherman.

1946 The birth date of British-Australian singer Barry Gibb of the Bee Gees.

1905 Alberta and Saskatchewan join the Canadian confederation.

1951 The United States, Australia and New Zealand signed a mutual defense pact, called ANZUS treaty.

1985 The wreck of the Titanic was found.

The National Minimum Wage Rises Effective From 1st October 2009

Age 22 and over - increases from £5.73 to £5.80

Age 18 to 21 - increases from £4.77 to £4.83

Age 16 to 17 - increases from £3.53 to £3.57

Electronic Payroll And Payslips

In November 2007, we introduced the availability of electronic payroll reports available for the employer to access, view and check the payroll. At the same time we also made available access for each employee to access, view and if required print their payslips 24/7.

Between November 2007 and January 2008 two customers were using the facility. This has recently increased considerably and more customers are now showing an interest in this service. We have recently updated the site.

It is user friendly and the benefits are numerous. The site is 100% secure. The employer can access the site 24/7. Different levels of security are available to enable various members of the employer HR team to access different reports in accordance with their authorization level.

There are no additional charges unless paper facilities are required in addition to the electronic facilities. If you would like any further information please contact your payroll manager.

Planning Ahead For Major Changes To National Insurance Calculations

The Chancellor announced his intention to change the National Insurance primary threshold and align it to the weekly equivalent of the income tax personal allowance. This change is likely to result in the primary National Insurance threshold being different to the secondary threshold.

As we understand it, there is no intention to change the way in which National Insurance is reported on the end of year returns.

Under the current proposals we understand the primary threshold will be the one to be reported.

This could cause confusion because the employer's National Insurance contributions will be due on a larger amount of insurable pay. Although the percentage of employer National Insurance has been considerably higher than that for the employee, after numerous years of using the same threshold for calculating the employee and employer National Insurance it will no doubt take some getting used to.

We will have to wait and see how these proposed changes work out and will update you in due course.

Increase In Pension For Some Divorced Women

According to recent articles in the national press divorced people can use their ex-spouse's National Insurance contributions to obtain an increased pension.

Although women can claim their pension when they reach age sixty years it is often the case that they receive a reduced pension because many have not paid enough in National Insurance contributions for long enough to be entitled to receive a full pension.

However it is possible for many women to claim some of their ex-husbands contributions and have their existing pension increased and the arrears backdated to age sixty.

If a woman divorces, she is able to use her ex-spouse's contributions as if they were her own from the day she reached age seventeen years to the year the divorce took place. However, if the woman remarries before pension age this right is lost.

Conversely, if a woman divorces, reaches pension age and claims the pension based on her ex-spouse's contributions, it will not be reduced if she remarries. This does get more complex if there are multiple divorces and remarriages.

Divorced women that claim the ex-spouse's contributions to increase their pension do not affect their ex-spouse's pension and they will not even be aware of the claim.

The above may be affected depending on historical dates and the number of divorces and remarriages and the dates that these occurred.

Very Local Currency

In recent years some local communities have introduced local banknotes to encourage shoppers to spend their cash within their community.

The Totnes pound was introduced in March 2007, followed by the introduction of the Lewes pound launched about this time last year.

On September 17th the Brixton pound will be launched at the borough's town hall in south London.

The local currencies work by people in the community exchanging pound sterling notes for the local bank notes which can then be used only in the shops, cafes and any other local trader signed up to the scheme.

The idea is to encourage people to spend their money in locally owned businesses.

Some outlets will offer a further discount to customers who use the local currency. National retailers with local branches are not allowed to join the scheme.

In Lewes in Sussex the local council claims that the scheme has been an overwhelming success to the extent that in July the £1 was reissued with new designs and higher denominations of £5, £10, and £21 notes. For every £1 issued 5p is given to the Live Lewes Fund, which supports community projects.

The total number of traders signed up to the scheme to date is 130 and some people claim to do all their shopping using the local money.

Brixton have planned to issue B£40,000 and they have security features very similar to the Bank of England notes. Brixton also have plans in place to enable pound sterling notes to be exchanged for Brixton pounds at larger outlets in the area that will also change them back to pounds sterling at the same one for one rate. Not everyone is convinced local currencies work and some traders will have to keep substantial amounts of cash because local currency is not accepted by the high street banks.

For more information you can obtain more details at: thelwespound.org or brixtonpound.wordpress.com or totnes.transitionnetwork.org/totnespound/home

The Saving Gateway

The majority of people aged over sixty will be excluded from the above Government scheme due to be launched next year to encourage savings.

The scheme is planned to be open to anyone who gets means tested benefits such as Jobseeker's Allowance, Income Support or Employment Support Allowance. It will also include people getting incapacity benefit or severe disablement allowance and some people receiving tax credits. However, people claiming pension credit that are over 60 and people claiming attendance allowance that are over 65 are excluded.

Those people who wish to take part will agree to save up to £25 each month for two years.

The money will earn interest on a tax free basis and at the end of the two year period the Government will give them a tax free bonus of half of what they have saved up to a maximum of £300.00.

Winter Payment

People born before or on 27 September 1949 are entitled to a winter payment for fuel in the sum of £250. People born before or on 27 September 1929 are entitled to a winter payment for fuel in the sum of £400.

The majority of people born before or on those dates should not have to claim if they are receiving a pension or a pension credit because they should be on the system.

For people that are eligible but do not receive a pension or pension credit or for whom it is the first year of entitlement it is a good idea to claim by 25 September to ensure payment is received by Christmas.

Some people are not entitled to the total amount. If one is the only occupier of the home the full amount should be paid. If two or more people live in the home the payment will probably be split equally for each person.

If one person is over 60 and one person is over 80 then the person under 80 should receive £125.00 and the person over 80 should receive £275.00.

Individuals receiving a pension credit will receive the winter fuel payment they are entitled to. A married couple receiving pension credit will receive a full winter fuel payment to share.

People in a care home who get a pension credit will not receive a winter fuel payment.

However, people who do not receive a pension credit and are in a care home paying the fees

themselves, should receive 50% of the winter fuel allowance in the sum of £125.00 for those aged 60-79 years and £200.00 for those aged 80 years or over.

From 2010 the qualifying age for receiving a winter fuel payment will increase in line with the increase in pensionable age.

The qualifying date of birth for 2010 will be people before or on 5 July 1950 and for 2011 the qualifying date will be for people born before or on 5 January 1951.

The current intention of the Government is to gradually increase the qualifying age to 65 years by the winter of 2020.

A New Bank

Tesco recently announced it plans to take on Britain's high street banks by opening its first call centre in Glasgow. According to comments in the city and financial journalists in the media the high street banks consider the competition a serious threat. Tesco's financial business is already worth £2bn and it represents 7.5% of the UK credit card business.

Statistics of the Month

The total cost to the UK of the Iraq war to 2009 was £8.4bn. Source: The Treasury.

For every 1,000 CCTV cameras in London, less than one crime is solved per year. Source: Metropolitan Police.

45% of Britons believe the economy will not start to recover until next year. Only 7% believe it has already started to grow. In an election tomorrow, 42% would vote Conservative, 28% Labour and 18% Lib Dem. Source: YouGov/The Sunday Times.

49% of those aged between five-ten years are never allowed to play in the street. By contrast, just 12% of those aged over 65 say they were forbidden to play out as children. Source: Living Streets/Daily Mail.

Despite the disappointing summer, 54% of Britons are planning to take next year's summer holiday in the UK, more than double the 26% that say they are doing so this year. Only 11% have their heart set on a foreign holiday. Source: YouGov/The Sunday Times.

Source: The CML collection

Quotations of the Month

Sit, walk or run, but don't wobble.

Imagination is the highest kite one can fly.

Prejudice is the child of ignorance.

You will never win if you never begin.

Wise men don't need advice and fools won't take it.

Worry is like a rocking chair, it keeps you going but gets you nowhere.

Source: The CML Collection.

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