



January - February - March 2024

connect

The Institute of Accountants and Bookkeepers

**THE IAB
2024
AWARDS
ARE OPEN**

**BUSINESS
RESILIENCE
FOR SMES**

**WHAT DOES
OUTSTANDING
COMPLIANCE
LOOK LIKE?**

**PAYROLL: THE IMPACT
OF THE AUTUMN
STATEMENT 2023**

The year ahead at the IAB:

**PIONEERING
CHANGE AND
CHALLENGING
MINDSETS**



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IAB



The Institute of Accountants and Bookkeepers



Welcome



In my first 'welcome' as CEO, I would like to acknowledge the remarkable health and stability of the organisation I am now privileged to lead. Under the distinguished leadership of Janet,

the IAB Group has emerged as a global pioneer in educating, inspiring, and guiding finance professionals. Janet's unwavering commitment to fulfilling her ambitious vision set out five years ago has propelled us to the position we find ourselves in today.

As the CEO of the IAB, my overriding goal is to equip our members with the necessary tools and mindset to prepare them for the future. We have a robust growth strategy in place, with ambitious plans to bolster all aspects of our offerings, boosting our

mission to elevate the standards of business and finance. Priority areas of focus include enhancing our member benefits, fostering growth in our ambassador programme, seamlessly integrating the AML Complete platform for unrivalled compliance excellence, and advancing our education offerings through the relaunch of our learning platform, IAB Education.

The year ahead brims with excitement, as we have a strong and capable team ready to make significant strides. Together, we will continue to soar to new heights, solidifying the IAB Group's status as a trailblazer in the business and finance industry.

Sarah Palmer
Chief Executive Officer

Need Support with AML Complete?

Book an AML Complete discovery call today!

www.calendly.com/sujayp/aml-complete-discovery-call

amlcomplete



You can also visit the AML Complete support site www.support.amlcomplete.co.uk for video tutorials and FAQs



IAB Awards 2024

Honouring Excellence

Finance Education Business



CELEBRATING ACHIEVEMENT AND HONOURING EXCELLENCE

On the 20th of June 2024, the prestigious 51st Annual IAB Awards ceremony will take place at the House of Commons. This event is a celebration of the remarkable achievements of IAB members and the wider communities in the fields of business, education, and finance. As an organisation, the IAB is dedicated to supporting our members and acknowledging their outstanding contributions, it genuinely is a fantastic occasion for all involved and we urge you to be a part of it.

Acknowledging the Backbone of our Industry

The IAB Awards encompass traditional categories that we have long recognised as the pillars of our industry. These categories have been chosen to honour and appreciate the efforts of individuals that have consistently raised the bar for professional excellence.

Embracing Change with new categories

In addition to the well-established categories, the IAB Awards 2024 introduces new categories that reflect the evolving landscape of our industry. These categories have been carefully curated to acknowledge the importance of upskilling and diversification in the face of rapid technological advancements. By recognising those who are future-proofing their business and career, the IAB demonstrates its commitment to staying ahead of the curve.



**BE A
2024 AWARD WINNER
ENTRIES OPEN FROM
TUESDAY 2ND JANUARY 2024**

IAB 2024 Award Categories



IAB Excellence in Client Service Award

Recognises individuals or organisations that excel in delivering comprehensive and forward-thinking client service, that drives business growth and fosters meaningful client relationships.



IAB Accountant of the Year

Individuals that demonstrate exceptional service, comprehensive assistance, impactful support, and make a significant contribution to their business development through a dedication to professional growth and education.



Bookkeeper of the Year

A bookkeeper who consistently exhibits exceptional skills and dedication in providing invaluable financial services, leading to tangible improvements in their client's or employer's business.



Payroll Professional of the Year

Recognises a payroll professional who has truly excelled in their field, demonstrating exceptional dedication and outstanding services to clients or their employer. The professional's skills should have significantly improved the effectiveness and/or the efficiency of the payroll operations they are involved with.



Innovation in Business

This award aims to identify businesses that have effectively leveraged technology and automation, drove tangible benefits, and fostered a culture of innovation and growth.



Innovation in Education

The Award for Innovation in Education aims to recognise an individual, a centre or a business who has confidently embraced innovative practices, resulting in positive changes in IAB educational delivery.



Impact through Finance

This award will be evaluated based on the nominee's ability to display talent in 4 key areas - Diversification of Services, Upskilling, Business Growth, and Impact. As well as their overall contribution to creating a positive change through finance.



Young Adult Learner (18-30)

Recognising the exceptional achievements and unwavering commitment of a young adult who has demonstrated remarkable progress in their professional life as a consequence of their IAB learning journey.



Life Change and Progression through Education (30+)

This award evaluates criteria such as Educational Achievement, Career Progression, Personal Growth and Development and Overcoming Challenges. Individuals who have demonstrated exceptional life change and progression through their IAB education after the age of 30.

Investing in Recognition: Benefits for Businesses and Individuals

Being recognised for your work and efforts holds immense value and serves as a powerful form of self-motivation. The IAB Awards not only benefit businesses, but also individuals who have dedicated their time and expertise to achieving excellence. The reputation and accreditation associated with winning an IAB Award can be transformational, opening doors to new opportunities and establishing a solid foundation for success.

**ENTRY OPENS
2ND JANUARY 2024
WWW.IAB.ORG.UK/
2024-IAB-AWARDS**





Sarah Palmer
Chief Executive
Officer

The year ahead at the IAB:

Pioneering Change and Challenging Mindsets

Through my own experience I have always believed that accountants, bookkeepers, and finance professionals have long occupied a privileged position within organisations, both in terms of their expertise and their influence. It's well documented that as we move into the future where fintech software and artificial intelligence (AI) become standard practice, the demands of our role are set to undergo a significant transformation.

As a visionary organisation evolving to successfully transcend the business and finance space the guidance, support, and education the IAB offers will reflect the demands of a broad skill set to include financial acumen, strategic thinking as well as both sustainable and ethical decision-making, the metrics of which are likely to be measured and compared on an international level.

Throughout 2024 we will focus around 7 key themes that will shape our content and support. These themes are not only relevant to finance professionals but also reflect the broader industry and the challenges faced by organisations across multiple sectors. By focusing on these themes, the IAB ensures that our members receive the most comprehensive and up-to-date support available.

Throughout 2024 we will focus around **7 key themes** that will shape our content and support. These themes are not only relevant to finance professionals but also reflect the broader industry and the challenges faced by organisations across multiple sectors.

Compliance

Regulatory Compliance and Risk Management: Financial regulations are becoming more stringent and finance professionals will need to stay updated with evolving compliance requirements – particularly around AML.

Technology

Technology and Automation: The finance industry is embracing technologies like artificial intelligence (AI), machine learning, smart software and blockchain. This will speed up processes and enable more accurate delivery of services.

Data

Data Analytics and Business Intelligence: As businesses generate vast amounts of data, finance professionals will play a crucial role in analysing and interpreting this data to extract actionable insights. This could include sales and marketing data.

Strategic Advice

Strategic Financial Planning and Advisory Services: With automation taking over routine tasks, finance professionals will have more time to focus on strategic financial planning, forecasting, and even business advisory services.

Social and Environmental Impact

Ethical and Sustainable Finance: The importance of environmental, social, and governance (ESG) considerations in finance is growing. Therefore, finance professionals will need to integrate these into their decision-making processes and assess sustainability risks.

Education

Education and Financial well-being: To tie all of these together is the overriding theme of education. Finance professionals need to be constantly upskilling in order to remain relevant, compliant and solvent. This will feed into the self-worth of our members and ultimately the value they place on their services to clients.

Globalisation

Globalisation and International Finance: As businesses expand globally, finance professionals will need to have a deep understanding of international financial markets, cross-border transactions, foreign exchange management, and global regulatory frameworks.



Janet Jack
Global President

Growth of the IAB Group overseas

As Janet moves into her new role as Global President, she is working hard to further develop strong international relationships across the IAB Group, utilising the strengths of each of the businesses to meet the emerging demands in new markets.

The combination of the group companies allows us to deliver Accessible Education at Scale.



India

As a heritage brand the IAB is well known and well respected for offering high quality, regulated qualifications. With the explosion of financial outsourcing the IAB are working with the Indian Government and business to ensure that their employees are educated to a required standard to make outsourcing a viable and trusted option for businesses in the UK.



Beijing

In November 300+ established finance professionals were successful in achieving an accredited IAAP qualification in conjunction with our associated centre in Beijing. These people are already established in their career but actively seek out additional qualifications to keep their skill set up to date and desirable within the market.



Malaysia

The acquisition of the London Chamber of Commerce (LCCI) provides a natural fit with IAB qualifications in that each aligns with business and finance, respectively. The combination of these two brands offers a clear career pathway for students regardless of the route they choose. The recruitment of new centres in Malaysia allows them to offer a broader choice to their students with the added credibility of a combined 170-year heritage of the LCCI and the IAB.



Jordan

PDI offers corporate finance qualifications in the areas of banking and compliance. Janet has now successfully signed up a number of centres in Jordan and across the MENA region which is a reflection of the region's structural development in these areas.

Introducing new IAB Ambassadors

The IAB Ambassador Programme: Broadening Success and Support

We are delighted to introduce five new Ambassadors who will be joining our esteemed flagship programme. By welcoming new individuals into this role, we can expand our offering across the organisation, allowing more members to benefit from the invaluable support and guidance of these experienced professional people.

Our Ambassador groups provide a platform to share successes and tackle challenges, all while gaining crucial insights for business growth.

In becoming an Ambassador, you not only become a member of an elite group but also a visible representative of the IAB brand. This role requires you to embody the high standards and values associated with our organisation. You are an Ambassador not just for your own success, but for the success of the entire IAB community.

We are incredibly proud of our Ambassador programme and appreciate the time and commitment that our Ambassadors give, not only to their groups but to the collaboration with the team at the IAB in helping us shape the organisation for the future.



Sharon Carter

With the family dog Robbie snuggled up beside me, I run my small bookkeeping practice from a log cabin, in the garden

of my home in rural Dorset.

At the end of 2020, my husband and I left the construction company that he had started back in 2003 and where, for those 17 years, I had been the 'One Stop Shop' for finance, admin, HR and Health and Safety. Prior to this I enjoyed a 14-year career with HSBC, moving around branches in various roles including a 4-year stint in a Business Banking team. I also spent many years volunteering as a school governor and a Trustee for a local Multi Academy Trust, currently I am a volunteer for SHOUT, the UK's 24/7 text service for anyone in crisis.

Gradually setting up and running the practice, has been challenging but building relationships with my clients, learning about their businesses, and helping to keep them on track with the finance side of things, is extremely rewarding.



Karen Balloch

Having been a member of the IAB for many years and seen how much it and the industry has changed when the

Ambassador Groups were set up, I applied and was lucky enough to be allocated to the Bijou Coffee Group run by Elaine Pearce. Within the Group we have been a huge support to each other through AML Inspections and general day-to-day bookkeeping and accounting queries. It really is like having work colleagues without having the office.

I recently took over from Elaine as leader of the Group and we are currently looking forward to a new member joining us and continuing to support each other.



Helen Ghosh

I am based on the West Sussex/Surrey border and have been trading since 2010, and prior to

that was employed for 10 years in a variety of accounting/finance roles.

I work on Xero, Quickbooks and Sage Business Cloud, with clients including a pub, a monastery, a roofer, and a transportation company! I take pride in my dynamic, colourful and puzzle-solving outlook! I love to streamline procedures to make the accounting function run smoothly with as little human intervention as possible.

I am married to David, have 3 daughters, a stepson and a stepcat, play saxophone, and am a proud vegan and tree-hugger.



Deborah Halliday

I am thrilled to accept the invitation to become an Ambassador for the IAB. With over 30+

years of experience in business I bring a broad range of skills and knowledge to the table.

Having qualified with an IAB Diploma in 2008, and worked within practice since then, I have always been passionate about promoting the importance of education and support for accounting and bookkeeping professionals. I am a member of The 6 Figure Bookkeepers and a Profit First Professional. My diverse background in Retail Management, Accounts, Sales, Marketing and Business Development Leadership has given me a unique perspective on the challenges that small businesses face.

As an Ambassador for the IAB, I am committed to promoting the importance of the accounting and bookkeeping industry in supporting small businesses. I am also eager to share my expertise and insights with other professionals in the industry to help them better serve their clients.

Having founded The Accounts Ladies, a team of Business financial Coaches, Accountants and Bookkeepers. We have helped many small business owners achieve

their financial and personal goals. I am excited to extend this impact by serving as an Ambassador for the IAB, and I look forward to contributing to their mission to provide high-quality education and support to accounting and bookkeeping professionals.



Amanda Webb

I live in Crawley, West Sussex, with my husband, 2 grown up daughters and my dog, a fox

red Labrador called Harvey. I have had a few different careers, including a personal and commercial lines insurance underwriter, a childminder, a Children and Family Centre Manager and a Business Manager in a children's day nursery. It was during Covid that I realised that I wanted to learn some new skills and decided to do my Level 2 and 3 Bookkeeping with AAT.

In April 2022, Amanda Webb Accounts was started, alongside my full-time job at the nursery. I quickly started to get enquiries about my bookkeeping services and was so successful that I was able to leave the nursery in October 2022 and go full time on the business.

I am lucky to have a great mix of clients, some, I am onsite for, providing weekly services, others who require a monthly package and the rest who just need my pay as you go service.

My true passion lies with supporting micro businesses, I really enjoy helping people set up their business, most of whom it has been a hobby that they have developed into making them a living. I enjoy helping small business owners to be super organised when it comes to their finances. I encourage them all to use software and my preference is FreeAgent, although I have clients on Sage, Xero, QuickBooks, and Landmark.

Could you be an Ambassador?

One of the primary duties of an Ambassador is to foster a supportive and inspiring environment within your group.

Do you have the breadth of experience to create a space where members feel comfortable sharing their triumphs and struggles, knowing that they will receive guidance and support. By nurturing such an environment, you enable individuals to learn from each other, grow together, and ultimately achieve their goals.

Would you benefit from being part of a group?

The Ambassador programme is designed to encourage open dialogue and knowledge sharing. When you join a group, you gain access to a wealth of expertise and experience not only from your Ambassador lead but a network of likeminded individuals.

By sharing your own successes and lessons learned, you contribute to a rich pool of collective wisdom that benefits everyone involved. Similarly, by discussing and overcoming challenges together, you help pave the way for smoother journeys towards success.

Many members who are part of a group benefit in support with their AML responsibilities learning from shared experiences of their peer group.

For more details in becoming an Ambassador or joining a group please contact

marketing@iab.org.uk



Why accountants and bookkeepers are the key to small business resilience

Article by Matthew Chapman
Commercial Director,
Company Protection

Few people appreciate the true value of a good financial expert or what they bring to a small business operation. In that respect, accountants and bookkeepers are unsung heroes.

You don't just provide accounting or bookkeeping services. You are often expected to act as financial guides, sounding boards, personal counsellors, problem solvers and facilitators of other professional services.

You do all this, and much more, in the hope of helping your clients to succeed and thrive.

Within your role, you gain unparalleled insight into how each of your clients' businesses are run. You get to understand how they manage cash, what their liabilities are, who is critical to the business and where they are most at risk, operationally speaking.

You share their vision, and you understand what is needed to achieve it. You also understand where things could go horribly wrong. On that basis, the advice that you give to your clients, at various stages of their business lifecycle, can genuinely make the difference between them succeeding or failing.

In today's unpredictable economic climate, this knowledge and insight has become a veritable superpower. But, as we all know, with great power comes great responsibility.

Latest statistics show that around 62% of new small businesses fail within the first 5 years. This is important to note, because no one is better equipped to assess the financial risks within a small business than their accountant or bookkeeper. Your

innate knowledge, your privileged access and your inherent financial acumen allows you to spot vulnerabilities and recommend potential solutions.

More importantly, the close trusted relationships you have with your clients means that any suggestion you make regarding the risks you've identified and what the client ought to do to boost their financial resilience is much more likely to be adopted.

As their primary source of financial guidance, small business owners naturally look to you for help in navigating the world of business and finance. They often assume that you will make them aware of any risks they face and expect you to be the one to equip them with the right tools to mitigate those risks effectively.

Let me put this into context. According to a recent study by Legal & General, 60% of small business owners claimed that they would be forced to stop trading within 12 months if they were to lose a key member of the team. Increase that to two years, and 7 out of 10 owners admit that they would expect their company to fail.

Most worryingly of all, a staggering 94% of small business owners openly recognise that they employ, at least, one key person within their organisation who is critical to its success.

The problem is that many small business owners significantly underestimate the true cost impact of losing a key member of their team. In fact, the majority have no provision or financial protection in place for when this happens.

So, what can you do to help? The key is to firstly recognise the integral role that

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The problem is that many small business owners significantly underestimate the true cost impact of losing a key member of their team.

you play in making your small business owner clients aware of the potential risks they face and to encourage them to act. You may be surprised at how receptive your clients are to the idea of becoming more financially resilient right now.

Accountants and bookkeepers are the key to building more resilient businesses – because if you don't have these conversations with your clients, then who will?

In fact, the same Legal & General survey showed that 97% of business owners actually preferred to learn about business resilience solutions from professional advisers such as their accountant or bookkeeper – so the power really is in your hands.

The real danger is to do nothing at all.

At Company Protection, we specialise in business resilience. We help businesses to build greater financial resilience and put plans in place to mitigate the risks of losing key team members to illness, injury or even death. If you need assistance or supportive material to broach these issues with your clients, simply email me on matthew@companyprotection.co.uk and I'd be more than happy to help or visit www.companyprotection.co.uk/iab you can earn £100 for every referral.



Behold the Workflow Wizard

92% of accountants and bookkeepers believe Xero Tax streamlines their workflow for accounts and tax returns*. Shazam!



*UK survey commissioned by Xero 04/22 of 128 accountants and bookkeepers who use Xero Tax for accounts production, company tax or personal tax

What does outstanding compliance look like?

AML compliance is not only a legal obligation for finance professionals, but also a critical component of ethical business practices that help protect against financial crimes, maintain trust and contribute to a stable economic environment here and abroad.

As an established Professional Body Supervisor (PBS), the IAB understands the vital role that it plays in ensuring that its members are all AML compliant and kept fully updated on any developments related to anti money laundering.

We've worked incredibly hard over the last few years to improve the knowledge and levels of compliance of our members. This is reflected in the number of practices who are now being marked as outstanding in inspections.

Jody Newman, the IAB's Head of Compliance & Professional Standards, explains that a member must achieve either good or outstanding gradings across each of the seven sub-sections of the inspection report.

"They must be technically compliant and show effectiveness in their process – going above and beyond the bare minimum requirement to be compliant. For example, they will have demonstrated that they have really understood the requirement and chosen an effective solution that is suitable for their business.

"This doesn't mean that they need to have spent lots on extra technology or even innovated new solutions themselves, but the processes they use must have been really well considered and appropriate."

One of our Members from Scotland who was recently inspected and marked as outstanding, has a fully tailored approach to AML with regular check-ups on clients, a fully updated file containing procedures and documentation as well as a proactive approach to compliance.

She said that AML was simply an intrinsic part of the job of being a bookkeeper and had to be done properly, given all that is going on in the world.

This was mirrored by IAB member Kim Nilsson who also scored incredibly highly with her AML inspection. "I really didn't see it as a test and very much welcomed the visit from the inspector as they gave me some new ideas which I could employ in my business. Ultimately, as a bookkeeper you need to be constantly moving forward and AML compliance is part of that."

She went on to say how supportive her Ambassador group had been in helping her become more AML compliant. "My colleagues in Angie Fiskens group have been really helpful so much of the credit for getting an outstanding rating must go to them!"

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So how will a top rating at an inspection help someone's accountancy or bookkeeping practice?

So how will a top rating at an inspection help someone's accountancy or bookkeeping practice? In today's increasingly complex and uncertain world, getting on top of AML is now part and parcel of being a competent and efficient finance professional.

In short, it ensures that members will successfully lower the risk they could be unwittingly used as an enabler to facilitate money laundering. They will also be actively supporting the overall goal of building a strong UK-wide AML regime which aims to detect and frustrate criminality.

Jody goes on to say that by having appropriate and effective processes in place it will also mean that the time members spend on AML will be effective, proportionate, and efficient - thus bringing worth to their business. This contrasts with squandering time on meaningless tick box compliance that brings little to no value.

If you want to learn more about anti money laundering or would like to ensure that your business reaches a higher level of AML Compliance, then as an IAB AML supervised member you can access AML Complete - our very own free AML practice management tool which will be rolled out to all our members by the end of 2024.

If you are interested in AML supervision from then contact our membership team at membership.org.uk or go to www.iab.org.uk/aml-supervision





Thriving in business, defying Fraud

Deep within the heart of the United Kingdom's bustling business landscape lies a story of innovation and success. Yet, among this vibrant tapestry of commerce, there exists a looming threat: fraud. It seeks to tarnish the essence of entrepreneurial triumph. This article is a call to arms, addressing the need to celebrate success while combating fraudulent activities.

We delve into the hidden threats endangering businesses, particularly SMEs. Insights from the Business Fraud Network shed light on current risks and the challenges ahead. In February alone, 3,164 business fraud reports totalled a daunting £32.6 million in losses. Bank-related frauds and cybercrime, especially affecting SMEs in sectors like construction, remain prevalent.

New tactics like social media hacking and ransomware attacks are on the rise, alongside concerning trends of insider fraud, ranging from personal expenses disguised as legitimate costs to misconduct by dissatisfied staff.

Looking ahead, the workforce faces changes that could breed more insider fraud due to staff turnover and cultural shifts. Rising living costs may push employees to make unethical choices, including falsifying records. The allure of AI brings efficiency but also opens doors to scams where AI-powered tools impersonate individuals for deceitful schemes.

To counter these threats, a call for vigilance resounds:



Strengthen Checks: Enhance onboarding processes for staff, contractors, and suppliers to secure the supply chain against fraud.



Embrace Cyber Insurance: Safeguard your business with comprehensive cyber insurance to prepare for digital threats. IAB Member Benefit Premierline can assist with this.



Foster an Anti-Fraud Culture: Foster a culture of vigilance against fraud by prioritising staff satisfaction. Utilise AML Complete as a crucial tool in this effort. The IAB support system includes a comprehensive library of videos and articles within AML Complete, ensuring you maximise its potential. For any lingering uncertainties, our dedicated support desk is available, offering Zoom meetings with Sujay, available to assist you further.



Empower with Tools: Utilise resources like Cyber Aware, NCSC's cybersecurity check, and the Managing Fraud Risk Guide available on the Love Business, Hate Fraud website.

As we move forward, the surge in online shopping fraud and energy bill-related scams underscore the importance of collective vigilance. We unite against these threats, armed with knowledge and a commitment to ethical commerce.

The future calls for a business landscape where integrity prevails over fraud. Let us stand as guardians, protecting honest endeavours while building a thriving business realm, resilient against fraudulent spectres.

“ In our quest for a secure business environment, collaborative efforts are key

In our quest for a secure business environment, collaborative efforts are key. We are encouraging industry-wide dialogues, regular training sessions on fraud prevention, and sharing best practices among businesses so to fortify our collective resilience. Moreover, advocating for policy changes to create a more robust legal framework against fraud can significantly impact our fight.

By nurturing a community-driven approach towards combating fraud, we can instil confidence in the business world, ensuring that success is measured not only by profits but also by the integrity of every endeavour. Together, we can forge a future where businesses thrive, untainted by the shadows of fraudulent activities.

“ By nurturing a community-driven approach towards combating fraud, we can instil confidence in the business world...

The year ahead in Payroll

Autumn statement 2023: what payroll needs to know

Lora Murphy MCIPPDip, editor, the CIPP, provides a rundown of all those things announced in the autumn statement which will impact payroll professionals as we head into tax year 2024/25

As we start the new **calendar** year, payroll professionals will also be looking ahead to April and the commencement of the new **tax** year, preparing for the changes which come along with it.

Although the Autumn Statement of 2023, delivered by chancellor of the Exchequer, Jeremy Hunt, on 22 November 2023 may now feel like ancient history, there were announcements made which have already impacted payroll processes mid-tax-year but also those which will mean changes for the new tax year. The following article seeks to sum them all up into an easily digestible format for anyone who has any dealings with the payroll function in their organisation, and for anyone who has an interest in this area.

The big one: National Insurance changes

Hunt saved the biggest announcement of his speech until the final moments. And this was all around changes to National Insurance (NI) for both employees and the self-employed.

So, for self-employed, the news was that:

- from 6 April 2024, class 2 NI contributions (NICs) for the self-employed will be abolished.
- from the same date, there will also be a cut to class 4 NICs (which is the main rate of self-employed NI), reducing the rate to 8%.

For employees, it was confirmed that the main rate of NI (12%) would be reduced by two percentage points, to bring it down to 10%. We assumed this would be implemented in line with the new tax year, but, as you'll already know, the change was to take effect from 6 January 2024. So, from the start of a new tax period but not in alignment with the commencement of tax year 2024/25. For anyone who hasn't managed to make this change already,

the government has stated that any overpayment of NI from employees can be reimbursed to them in subsequent months. The main rate of employee NICs for 2024/25 will remain at 10%.

What this mid-tax-year change has also meant is that there will be a blended NI rate for directors for tax year 2023/24 where employers use the standard, cumulative annual method. There's always that domino effect in our industry, where one change inevitably impacts other areas of payroll and means several other changes to consider.

Pensions news

Although the state pension isn't administered through our payroll departments, it's still an interesting area to keep an eye on. Hunt announced that the government will retain the 'triple lock', meaning that the state pension will be increased by 8.5% in April 2024, in line with average earnings growth. The 'triple lock' means the state pension increases each tax year by the highest of 2.5%, average earnings growth or inflation.

It's widely accepted that there's an issue in the UK with 'small pension pots'. To resolve this problem, the government ran a call for evidence which closed in late January, to determine if a lifetime provider model would be beneficial. What this would mean is that when an individual moves to a new

employer, they could have the option of nominating an existing pension scheme for their new employer to pay into. If this proposal is taken forward, this could have massive implications for those dealing with payroll as it could mean administering multiple pension schemes and paying contributions across to a whole host of pension providers. We'll wait and see what the government's response to the call for evidence is.

Increases to the national living wage / national minimum wage

The day before the Autumn Statement, we were told what the new national living wage (NLW) and various national minimum wage (NMW) rates would be, to apply from pay periods beginning on or after 1 April 2024.

The NLW has seen quite a substantial increase and will sit at £11.44 an hour. The scope of the NLW has also been expanded, so it now applies to everyone aged 21 and over, as opposed to just those who are 23 plus. This has subsequently meant we no longer have the 21-22-year-old rate bracket from April.

All other NMW rates have increased substantially, as has the accommodation offset. The table below shows the new rates, along with the increase in pence and the percentage increase.

	NMW rate from 1st April 2024	Increase in pence	Percentage increase
National Living Wage (21 and over)	£11.11	£1.02	9.8%
18-20 Year Old Rate	£8.50	£1.11	14.8%
16-17 Year Old Rate	£6.40	£1.12	21.2%
Apprentice Rate	£6.40	£1.12	21.2%
Accommodation Offset	£9.99	£0.89	9.8%



A reduction in the rate of employer NICs will be available for all investment zone tax site-based businesses i.e., employers located within a prescribed geographic area and only for employees who are working in that area

Employer NICs extensions

Although there was no news regarding across-the-board NICs for employers, like there was for employees, it was confirmed that certain employer NICs reliefs would be extended.

We already knew prior to the statement that there would be not one, not two but four new investment zone NIC categories for payroll professionals to operate for the new tax year. They are as follows:

- **N** - (standard category letter)
- **E** - (married women and widows entitled to pay reduced NICs)
- **K** - (employees over the state pension age)
- **D** - (employees who can defer paying main rate NICs and pay only 2% because they are already paying it in another job).

A reduction in the rate of employer NICs will be available for all investment zone tax site-based businesses i.e., employers located within a prescribed geographic area and only for employees who are working in that area (where the conditions to claim the relief are met). Employers can apply a zero-secondary rate of employer NICs for such employees' earnings above the secondary threshold (£9,100 per annum) up to and including an upper secondary threshold (£25,000 per annum) equivalent to the freepoint upper secondary threshold, where the conditions to claim the relief are met. We already knew all this, but the Autumn Statement confirmed that the investment zones programme in England will be doubled from five years to ten, meaning an extension to those employer NICs reliefs on offer.

NICs reliefs for employers with a physical premises in a freepoint tax site are already on offer, and the Statement confirmed that the NICs reliefs for those employers will now be available until September 2031 in English freepoints for eligible employees.

Finally, the statement advised that the current employer NICs relief granted to employers of eligible veterans has been extended for another year, into 2024/25.

While these employer reliefs aren't available to all, if they apply to your organisation, it's very important to be aware of them and when / how they can be claimed.

Changes to paternity leave

This wasn't included in the Autumn Statement, but another key thing to be aware of for the new tax year is the upcoming changes to paternity leave, which are as follows:

- leave can now be taken in two non-consecutive periods of 1 week or a 2-week block, previously it had to be a 2-week block or just one week
- leave must be taken within 52 weeks of the birth / placement, as opposed to within eight weeks
- notice of entitlement must be provided 15 weeks prior to birth / placement of adoption
- 4 weeks' notice must be given prior to taking the paternity leave.

Please note that this applies to England, Scotland and Wales only, as employment law is devolved in Northern Ireland.

Yes, there are changes to holiday pay and entitlement too...

It was recently confirmed that there would be changes to holiday pay and entitlement coming for leave years beginning on or after 1 April 2024. The main things to note are that, from that point onwards:

- holiday entitlement will be calculated as 12.07% of hours worked in a pay period for irregular hours (IH) / part-year (PY) workers only
- rolled-up holiday pay will be allowed, but for IH / PY workers only.

There's a lot to understand in relation to this, and insufficient space to do it all justice in this article unfortunately, so please see here for further information: (1) Holiday pay and entitlement / Retained EU law consultation responses | LinkedIn.

Happy new tax year!

While there seems like there's quite a lot to grasp, payroll professionals will handle the changes with ease, like they always have done. (Coronavirus job retention scheme, previous holiday pay and entitlement changes, anyone?)

A top tip from the CIPP is to keep an eye out for further changes, as we've seen the rapid movement of a number of Bills through Parliament, and these can contain updates for the payroll profession to be aware of. Also, watch our social media channels as we post live updates regarding information the industry should know. #BePayroll #ChoosePayroll.



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icb UPDATES

Congratulations to Sarah and Tom on the amazing achievement in completing the New York Marathon. So far they have raised £985 for the current IAB Charities, namely Bhuvkarma Foundation and Skyte Trust. There is still time to donate with all the money being distributed equally between our two charities.

www.justgiving.com/crowdfunding/iabgroup



From 11 am – 12 pm

Virtual Coffee Morning

- // Every month
- // Live Q&A for members



Dates for forthcoming coffee morning

Monthly meetings on:

Wednesday 17 January 2024 / Wednesday 21 February 2024 / Wednesday 20 March 2024