



## New penalties for non-payment of the National Minimum Wage and the new National Living Wage to be introduced

**The Government has revealed new plans to increase penalties for non-payment of the National Minimum Wage and the new National Living Wage. The National Living Wage was announced in the Summer Budget, with the new payment guidelines coming into effect in April 2016.**

Under the new system, workers aged 25 and over will be entitled to receive £7.20 an hour, rising to £9 an hour towards the end of the decade. The current National Minimum Wage will rise from £6.50 to £6.70 with effect from 1 October.

Also, from April 2016, alongside the introduction of the National Living Wage, the Government plans to double the penalty for non-payment from 100% of the amount owed to 200%, unless the arrears are paid within 14 days.

The maximum fine for non-payment will remain at £20,000 per worker, with employers who fail to pay being banned from becoming a company director for up to 15 years.

Prime Minister David Cameron said that the new policy would only prove successful if it were 'properly enforced', adding that the Government would be funding a new unit at HM Revenue and Customs (HMRC) to crack down on those firms found to be disregarding the law.

The introduction of the wage means that some 3.7 million women stand to benefit from a pay rise by 2020, according to new research from the Resolution Foundation. Conor D'Arcy, the think tank's policy analyst, advises that 'because of their concentration among the low paid, women will account for the majority of the winners'.

However, the Institute for Fiscal Studies has warned that even those who enjoy a significant increase in wages as a result of the NLW stand to be worse off as a result of other tax and benefit cuts announced in the Chancellor's July Budget.

The Confederation of British Industry (CBI) has also warned that the introduction of the NLW will have a 'dramatic impact' on companies' profits and recruitment schemes. CBI president Paul Drechsler said: 'I've talked to several chief executives and been surprised by the impact on their profits of the change.'

**Please contact us for more information on the National Minimum Wage and the National Living Wage.**

## Pensioners withdraw £27 million a day under new pension freedoms

Those saving for a pension have been withdrawing around £27 million a day from their pension pots following the implementation of new retirement freedoms, figures from the insurance industry reveal.

The new pension freedoms, announced in last year's Budget by Chancellor George Osborne, mean that people over 55 can utilise their pots however they wish, instead of being required to buy an annuity.

Within the first three months, around £2.5 billion of payments were made to savers after new pension regulations for over-55s were introduced in April, reports the Association of British Insurers (ABI).

The research, taken from figures from April, May and June, reveals that £1.3 billion was paid out in cash lump sums, with average payment sizes of nearly £15,000. 264,000 income drawdown payments contributed to around £1.1 billion being paid out, with the average payment figure reaching £4,200.

The income drawdown scheme allows savers to leave their pension pot invested but still be permitted to take an income directly from it.

**For advice on a range of personal financial planning strategies, please get in touch. We would be delighted to assist you.**

## Nunn Hayward completes 'Run the River' for charity

On September 15<sup>th</sup>, Team Nunn Hayward ran along the River Thames in the 'Run the River' charity event. All proceeds raised on the evening were for a charity called Teachfirst who help to put underprivileged children through school and university. In the team were Tom Lacey, Anne Taylor, Stephanie Fabia, Suzanne Precious, Serena Harrap, Dan Palmer and Ian Nunn (picture L-R).



## Other news in brief

### European Court rules that travelling to work 'is work'

Workers' time spent travelling to and from their first and last appointments should be regarded as working time, the European Court of Justice has ruled.

### Zero-hours contracts usage rises by 6%

Data from the Office for National Statistics (ONS) shows that UK businesses have increasingly been making use of zero-hours contracts, with a reported 6% rise in their usage.

### Nearly one million 'face difficulties' in paying off their mortgages

Almost one million homeowners cannot pay off their mortgages due to opting for interest-only loans, reports Citizens Advice.

For more on these visit our website [www.nhlp.com](http://www.nhlp.com)

## ESSENTIAL TAX DATES FOR OCTOBER

### 1 October

Due date for payment of Corporation Tax for period ended 31 December 2014.

### 5 October

Individuals/trustees must notify HMRC of new sources of income/chargeability in 2014/15 if a Tax Return has not been received.

### 14 October

Due date for income tax for the CT61 quarter to 30 September 2015.

### 19/22 October

Quarter 2 2015/16 PAYE remittance due.

### 31 October

Last day to file 2015 paper Tax Return without incurring penalties.

## Quote of the month

'Consumers are increasingly choosing contactless as a way to pay and the new £30 limit will give shoppers and retailers even more opportunities.'

*Richard Koch, Head of Policy at the UK Cards Association, commenting on the rising popularity of contactless card payments.*