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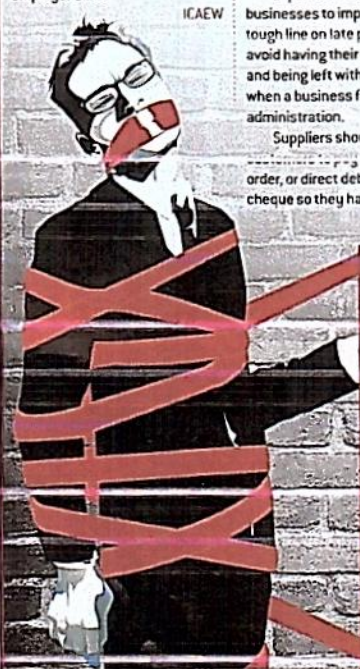
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Frugal Fun

Employers considering hosting a World Cup-themed staff party this summer are being reminded of the most tax-efficient way of making the arrangements.

Employers can spend up to £150 per member of staff each year without any income tax or national insurance to pay. The total covers everything the employer pays for – including food and drink accommodation and transport.

The rules apply to any annual party or similar function, which must be open to staff generally or to workers at a particular location. The tax-free limit applies for a tax year, so if the employer puts on a summer party and a Christmas dinner, both would be tax-free for employees only if the combined costs came in below the £150 per head limit – one penny over and the full amount spent on the party will become liable to income tax and National Insurance for both staff and employer alike.



ICAEW

Hot Topic

Legal experts are warning businesses to review their fire safety procedures in case of a surprise inspection after the recent prosecution of the Co-operative Group.

In one of a number of cases that have resulted in hefty fines being imposed, The Co-operative Group was fined £210,000 after pleading guilty to six breaches of fire safety legislation at Southampton Crown Court.

Directors and employees can be prosecuted for neglecting or failing to comply with their legal duties and fines can be in the hundreds of thousands of pounds.

DWF

Oh Grumbs!

The financial collapse of Portsmouth Football Club should serve as a sobering warning to small business suppliers to crack down on late payment, according to accountants.

Experts are urging businesses to implement a tough line on late payment to avoid having their credit abused and being left with "crumbs" when a business falls into administration.

Suppliers should ask for payment by standing order, or direct debit, rather than cheque so they have a solid

payment date which cannot be pushed back.

If a customer refuses, suppliers should make their payment terms clear and consider suspending work or charging interest until payment is made.

Woods Squared

Corruption Costs

Company directors who fail to address the new rules introduced when the Bribery Act received Royal Assent in April risk damaging the reputation of their businesses – and face possible prison sentences themselves.

Under the new rules, firms with UK operations will become criminally liable for corruption in their business, supply chain or sales channels, as will management who "consent or connive" with the offence.

The Bribery Act creates several new offences including that of "failure to prevent bribery". This means that companies unable to demonstrate that they have implemented "adequate procedures" to prevent corruption by employees, or agents acting on their behalf, could be exposed to unlimited fines.

Individuals committing offences can also face unlimited fines as well as a maximum ten-year prison sentence.

Businesses should put

in place robust anti-bribery programmes, including drafting a comprehensive code of conduct for staff as well as providing a means for people to report any suspicions that bribes are being paid.

PricewaterhouseCoopers

Brits Uncovered

Insurance brokers are warning bosses with facilities abroad and those who are planning to expand overseas to make sure their insurance policies are on the right side of local tax and insurance law.

For any country, insurance could fall into one of three categories: freedom of services; admitted insurance; and non-admitted insurance. Choosing the wrong one could leave companies open to legislative breaches and crippling fines.

In one case involving a subsidiary company in Korea, non-admitted insurance was in place for third party liability when an air-conditioning unit fell from outside the building, killing a passerby.

The certificate provided by the UK insurer, as part of a non-admitted programme, was not acceptable in Korea as proof of third party insurance and the manager was sentenced to six months' imprisonment before being proven guilty of any manslaughter.

Jardine Lloyd Thompson

Redtape

Tough Act to Follow

Lawyers are warning employers and HR directors to prepare for major changes after the introduction of the new Equality Act.

An important change in the Act extends the definition of harassment in the workplace that makes employers potentially liable for harassment by a third party such as a customer, client, contractor or even member of the public, patient, pupil or student on these grounds.

The proposal to ban less favourable treatment of employees who discuss their pay or bonuses with other staff is another major change that could lead to more claims about equal pay.

The Act also makes it unlawful for employers to rely upon answers given to questions about a job applicant's health before offering them work.

Most of the Act will come into force in October 2010.

Mace & Jones