

EMPLOYMENT RELATED SECURITIES

Our specialist service will ensure compliance and save you time

OVERVIEW

Changes to HMRC'S current online service

Gone are the days of filling in paper forms and posting to HMRC (e.g. Form 42, EMI 40 or EMI 1) and since April 2014 Employers operating tax advantaged and non-tax advantaged employee share schemes (including the transactions covered by the old form 42) need to register all their schemes online. Employers must also self-certify that the following schemes meet the relevant legislative requirements to be tax advantageous:

- Share Incentive Plan (SIP)
- Company Share Option Plan (CSOP)
- Save As You Earn (SAYE)

Although tax advantaged, Enterprise Management Incentives (EMI) do not require self-certification.

Since April 2014 employers must notify HMRC of any grant of an EMI option via the online service and since April 2015 employers must submit all end of year returns via the ERS Service.

COMPLIANCE SERVICES

We offer an employment related security service at a fixed annual fee, which includes the following:

- Advice on registering for HMRC's PAYE for Employers online system.
- Advice on setting up the Employment Related Securities (ERS) service through your PAYE for Employers online system.
- Advice on registering the share scheme through HMRC's online service.
- In year notifications following the grant of options, exercise of the grant or sale of the shares.
- Completion of the annual returns by the due date of 6th July.
- Discussions with yourself and HMRC regarding any aspects of annual submissions.

Failure to comply with the new system and its deadlines can result in penalties or in worst cases, loss of the tax advantaged status of the scheme.

As your advisors we wish we could do it all for you but HMRC have decided that only the employer themselves can register or cancel the scheme.

SPECIALIST SERVICES

These are priced separately and include:

- Advice on all tax advantaged and non-tax advantaged schemes.
- Valuation of the company shares.
- Obtaining agreement from HMRC to the valuation.
- Advice on the tax consequences of each stage in the share scheme process (Grant – Exercise – Sale).
- Advice on reasonable excuse claims should the 92 day deadline be missed.
- Appealing any penalties due to late submission of the annual returns.
- Does the transaction come under ERS.

From our experience since the online service began, we have found this to be time consuming for employers, given the lack of guidance available from HMRC.

As part of our service we are trying to remove this burden from employers and are happy to talk them through the initial registration process.

To find out more about any of the above please speak with your usual French Duncan contact or call us:

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