

NFP eNews 09 FEBRUARY 2022

Welcome to haysmacintyre's regular 'e-news alert' for charities and not for profit organisations.

EMPLOYMENT TAX UPDATE

After much speculation the Government has announced that the temporary increase in National Insurance (NI) contributions will go ahead from 6 April 2022. The increase in National Insurance will be replaced by the Health and Social Care Levy from 6 April 2023.

Key points to note are:

1. 6 April 2022

There will be a temporary increase to National Insurance of 1.25% on the following basis:

The employer - 1.25% will be added to the employers Class 1, Class 1A and Class 1B National Insurance rates, increasing all of them to 15.05%.

The employee - For employees the rates will increase to 13.25% for employees who earn below the National Insurance Upper Earnings Limit (UEL). For employees who earn in excess of the UEL they will pay NI at a revised rate of 3.25%, as opposed to the current rate of 2% in respect of earnings which exceed the UEL threshold. The UEL thresholds for 2022/23 are £967 (weekly), £4,189 (monthly) or £50,270 (annually).

2. 6 April 2023

From 6 April 2023 the new levy will apply to both the employer and employee at a rate of 1.25%, a combined levy rate of 2.5% with the Class 1, 1A and 1B rates reverting to their normal levels. The changes will also apply where the employer has engaged with any workers who fall within scope of the IR35 legislation, with the charge being included as part of the deemed employment calculations.

3. What action can be taken ahead of 6 April 2022?

Below we have highlighted some areas which employers need to consider now:

- Advance payment of bonuses
- Salary sacrifice arrangements
- Share incentives
- UK secondments

Please email [Nick Bustin](mailto:nick.bustin@haysmacintyre.com) should you wish to discuss matters further.



NCVO "ROAD AHEAD" REPORT

The National Council for Voluntary Organisations (NCVO) has published its annual "Road Ahead" report. It provides a review of the key forces and trends shaping the charity sector, and the opportunities and challenges they might present. The report is based on the PESTEL analysis and is therefore grouped across six areas including; political, legal and economic.

As we have seen confirmed, the report comments on the impact of an increase in household bills and the knock-on impact this will have for charities. This includes a rise in demand of services and the risk that regular donations may drop.

The full report can be found [here](#).

FUNDRAISING SURVEY

Charities Aid Foundation (CAF) released their [fundraising surveys](#) at the end of 2021.

Key findings in the CAF report noted that there was a decrease in the number of people giving to charity, but those that were donating were giving more. Reflecting the trends seen in the Fundraising Regulators Report, cash donations have reached their lowest ever level. However, Gift Aid giving has increased to maximise each donation received by a charity.



FINANCIAL REPORTING COUNCIL UPDATES

The Financial Reporting Council (FRC) published in January 2022 editions of the UK accounting standards. These editions reflect the amendments made since the previous editions were issued in 2018, as well as changes in Irish company law, resulting in a single up to date reference point for each standard.

In respect of FRS 102, the changes include:

- The inclusion of COVID-19 related rent concession guidance
- Company law amendments related to the UK's exit from the EU
- The guidance on interest rate benchmark reform
- Inclusion of the guidance on the treatment of multi-employer defined benefit schemes for which employer by employer information is now available

More details are included in the [revised edition](#), *Foreword to Accounting Standards and Overview of the financial reporting framework that reflect developments in accounting standards, legislation and regulation.*

CORONAVIRUS (COVID-19) GUIDANCE FOR THE CHARITY SECTOR

In light of the most recent changes to guidance, the Charity Commission has updated its guidance for the charity sector regarding COVID-19 restrictions. The full information on guidance is available to review [here](#).



UK CLIMATE CHANGE RISK ASSESSMENT 2022

Following the recent focus on climate change, the Department for Environment Food & Rural Affairs (DEFRA) has released the UK Climate Change Risk Assessment 2022 giving guidance on the UK Government and devolved administrations' position on the key climate change risks and opportunities that the UK faces today. Climate change and making steps towards becoming carbon neutral remains a high priority for many charities and this report provides an interesting read of some considerations. Whilst not a compliance piece, many charities are voluntarily disclosing their focus on the environment and sustainability within their Trustees Report, demonstrating the importance of this for the sector.

The full report can be found [here](#).

SMALL CHARITIES COALITION TO CLOSE LATER THIS YEAR

Sadly after 14 years, The Small Charities Coalition (SCC) will [close this spring](#). SCC has "flown the flag" for small charities throughout this time, however despite being able to offer support to members at the most critical times of the COVID-19 pandemic, funding difficulties have led to the Trustees making this difficult decision.

UPCOMING EVENTS

Trustee Training: Charity law update

Wednesday 22 February 2022
14:00 - 17:00
Online

This session will look at Charity Commission cases and guidance, the latest developments in charity law, and other legal developments of interest to the sector.

Trustee Training: Introduction to Charity Finance and Reporting

Thursday 3 March 2022
13:30 - 17:00
Online

haysmacintyre, Farrer & Co and Cazenove Charities are hosting a comprehensive programme of training sessions for both new and experienced trustees.

Quarterly Charities Update

Thursday 8 March 2022
15:30 - 17:30
Online

Our quarterly charities update webinar covers financial, compliance, governance and other topical issues for charity and not for profit organisations.

Trustee Training: What Every Trustee Should Know

Wednesday 30 March 2022
09:30 - 17:00
Online

haysmacintyre, Farrer & Co and Cazenove Charities are hosting a comprehensive programme of training sessions for both new and experienced trustees.

Bi-annual independent schools update

Tuesday 26 April 2022
16:00 - 17:30
Online

Pre-register for our biannual update for independent schools on Tuesday 26 April.

For further details on our not for profit upcoming events and to register, visit www.haysmacintyre.com/events.

We welcome your feedback on this update and would be pleased to hear about any areas you would like to see covered in future editions. Please email [Siobhan Holmes](mailto:Siobhan.Holmes@haysmacintyre.com), Director, with any comments.

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Shortlisted 2019 National Firm of the Year



Shortlisted 2019 Tax Team of the Year



Highly Commended Partner of the Year



Winner: Audit Team of the Year



Winner of the Bronze Award for 2018 and 2017



Top adviser to the top 5,000 charities. Charity Financials' league table 2021



Top ten by audit fees in the 2020 Charity Finance Audit Survey