

HUMAN CAPITAL – FA21 CHANGES GUIDE

Note that all chapters have been updated for 2021/22 thresholds, rates and allowances.

FA21 Ch	FA20 Ch	Topic	Major changes	Minor changes	No changes	Notes
1	1	Employed or Self Employed?			✓	
2	2	Introduction to Employment Income			✓	
3	3	The Benefits Code - General			✓	
4	4	Vouchers			✓	
5	5	Company Car & Fuel Benefits			✓	
6	6	Company Vans		✓		Zero-emission vans now attract a cash equivalent value of nil.
7	7	Living Accommodation – Taxable Benefits		✓		The official rate of interest has reduced to 2%
8	8	Loans to Employees		✓		The official rate of interest has reduced to 2%

9	9	Miscellaneous Benefits			✓	
10	10	Exemptions			✓	
11	11	Deductions			✓	
12	12	Particular Types of Employee			✓	
13	13	Employment Income provided through Third Parties			✓	
14	14	Optional Remuneration Arrangements		✓		Salary sacrifice arrangements entered before 6 April 2017 where the benefit is the provision of a car with emissions of more than 75g CO ₂ /km, living accommodation or school fees, move into the new rules on 6 April 2021. As of 6 April 2021, HMRC will no longer provide clearances on salary sacrifice arrangements as there is no material uncertainty.
15	15	Introduction to PAYE			✓	
16	16	PAYE Operation & Compliance			✓	

17	17	Voluntary Payrolling of Benefits			✓	
18	18	Statutory Sick Pay			✓	
19	19	Statutory Leave & Payments			✓	
20	20	Student & Postgraduate Loans		✓		A new plan for Scottish student loan borrowers known as Plan 4 is introduced from 6 April 2021.
21	21	Payroll Giving			✓	
22	22	PAYE Settlement Agreements			✓	
23	23	Construction Industry Scheme		✓		From 6 April 2021, a business needs to regularly review its construction operations spend over a rolling 12 month period. When spend exceeds £3million within the previous 12 months, the business needs to register and operate the construction industry scheme.
24	24	Class 1 National Insurance Contributions			✓	

25	25	Employment Allowance			✓	
26	26	Class 1A & 1B National Insurance			✓	
27	27	Termination Payments	✓			<p>From 6 April 2021, employers will need to use an alternative calculation where an employee's pay period is defined in months, but their contractual notice period or post-employment notice period is not a whole number of months.</p> <p>From 6 April 2021, the tax treatment of post-employment notice pay for individuals who are non-UK resident in the year of termination of their UK employment is aligned with the treatment for all UK residents. Earnings that arise pursuant to PENP will be subject to Income Tax, Class 1 National Insurance contributions and PAYE for non-UK residents to the extent that they would have worked in the UK during the notice period.</p>
28	28	Agencies			✓	

29	29	Payments to Employment Intermediaries	✓			<p>The off-payroll working rules set out in the Finance Act 2020 come into effect from 6 April 2021.</p> <p>The Finance Act 2021 includes two areas of amendment:</p> <ul style="list-style-type: none"> • The definition of 'qualifying intermediary' in s. 61N is amended to include workers with less than a 5% interest in the intermediary if they are getting a chain payment and it is not being taxed as employment income (s 21 FA 2021) • New anti -avoidance rules are introduced (s61WA inserted by s 21(8) FA 2021)
30	30	Personal Service Companies			✓	
31	31	Managed Service Companies			✓	
32	32	Reporting Requirements for Employment Intermediaries			✓	
33	33	Pension Schemes			✓	
34	34	Automatic Enrolment			✓	

35	35	Introduction to Share Plans			✓	
36	36	Share Incentive Plans (SIPs)			✓	
37	37	SAYE Option Schemes			✓	
38	38	Company Share Option Plans			✓	
39	39	Enterprise Management Incentives (EMIs)			✓	
40	40	Non-tax Advantaged Share Option Plans			✓	
41	41	Employee Shareholder Shares			✓	
42	42	Share Awards			✓	
43	43	Restricted Securities			✓	
44	44	Other Employment-related Securities			✓	

45	45	Share Plans – Employer Obligations			✓	
46	46	Residence – the Statutory Residence Rules			✓	
47	47	Residence – the Split Year rules			✓	
48	48	Domicile			✓	
49	49	Employment Income: Residence & Domicile			✓	
50	50	Overseas Workday Relief			✓	
51	51	Double Taxation Agreements			✓	
52	52	Short Term Business Visitors			✓	
53	53	Tax Equalisation			✓	
54	54	Dual Contracts			✓	

55	55	Home Leave & Employee Travel			✓	
56	56	International Aspects of NIC	✓			Assignments between the UK and EU member states is now governed by the Trade and Co-operation Agreement 2021 and the Protocol on Social Security Co-ordination 2021. Assignments between the UK and Norway, Switzerland and Iceland are governed by individual reciprocal agreements and assignments between the UK and Liechtenstein are governed by UK domestic rules.
57	57	Cross-Border Pension Scheme Issues			✓	
58	58	Employment-related Securities (International)			✓	
59	59	Capital Gains Tax Issues for Internationally Mobile Employees			✓	
60	60	Senior Accounting Officer Responsibilities			✓	
61	61	National Minimum Wage		✓		The national living wage is now paid to workers aged 23 and above.

62	62	Apprenticeship Levy		✓		The right to access Apprenticeship Levy payments will now expire if not used within 24 months (previously 18 months).
63	63	An Introduction to Anti-avoidance			✓	
64	64	Disclosure of Tax Avoidance Schemes		✓		HMRC are able to allocate an SRN to persons suspected of being involved in notifiable arrangements provided certain conditions are satisfied.
65	65	Follower Notices & Accelerated Payments		✓		The maximum penalty for failing to comply with a Follower notice is reduced to 30% of the tax involved. An additional penalty of 20% of the tax involved can be levied if the taxpayer makes an unreasonable tax appeal.
66	66	HMRC Powers			✓	