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Business leaders urged to 'do more' to help prevent cyber-attacks

Following the publication of the government's 2019 Cyber Security Breaches Survey, business leaders are being urged to 'do more' to protect their firms from cyber-attacks and cybercrime.

The survey showed that 32% of businesses reported experiencing a cyber security breach or attack in the last 12 months. This represents a reduction when compared to last year's figure of 43%. The reduction has been attributed to the implementation of stringent new data laws, which form the General Data Protection Regulation (GDPR).

The survey also revealed that the average number of security breaches has risen from four in 2018 to six in 2019.

Where a breach resulted in a loss of data or assets, the average cost was £4,180. The most common attacks came via phishing emails, viruses or other malware, including ransomware. Instances of criminals impersonating organisations online were also rife.

Commenting on the survey, Margot James, Minister of State for the Department for Digital, Culture, Media and Sport, said: 'Following the introduction of new data protection laws in the UK, it's encouraging to see that business and charity leaders are taking cyber security more seriously than ever before. However, with less than three in ten of those companies having trained staff to deal with cyber threats, there's still a long way to go to make sure that organisations are better protected.'

Business and charity leaders are being encouraged to follow the 'ten steps to cyber security' guidance, which can be found on the National Cyber Security Centre (NCSC) website.

Older workers 'may be paying unnecessary tax on State Pension', research suggests

Research carried out by insurer Royal London has suggested that half a million older workers could be 'paying unnecessary tax' on their State Pension.

Royal London stated that this is because older workers have 'failed to take up the option of deferring their State Pension until they stop work'. Consequently, the whole of their State Pension is taxed.

The research revealed that, in 2017, 1.1 million people aged 65 or over were working. 950,000 of these individuals were combining paid work with taking a State Pension.

According to Royal London, 520,000 individuals were 'earning enough to take them over the tax threshold', meaning that the entirety of their State Pension was taxed.

'There has been a huge increase in the number of people working past the age of 65, and this research finds that most of these people are claiming their State Pension as soon as it is available,' said Steve Webb, Director of Policy at Royal London.

'For around half a million workers, this means every penny of their State Pension is being taxed, in some cases at the higher rate.

'If their earnings are enough to support them, it makes sense to consider deferring taking a State Pension so that less of their pension disappears in tax.'

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TUC states shared parental leave scheme needs 'overhauling'

The Trades Union Congress (TUC) has stated that the shared parental leave and pay scheme needs 'overhauling', and has urged the government to take action.

The scheme was introduced four years ago, and allows parents to share up to 50 weeks of leave and up to 37 weeks of pay between them.

Research published by the University of Birmingham recently revealed that just 9,200 new parents took shared parental leave and pay in 2017/18.

According to the TUC, one of the reasons for the low take-up is that the scheme is 'low-paid': in the 2018/19 tax year, parents were entitled to just £145.18 per week. This amount rose to £148.68 per week for 2019/20. The TUC said that this makes the scheme 'unaffordable for most fathers'.

Additionally, the business group stated that many fathers are on zero-hour contracts, or are agency workers: such workers are not eligible for shared parental leave. It also highlighted the fact that self-employed parents 'don't get any shared leave whatsoever'.

The TUC has called for the scheme to be extended to those who are self-employed, those on a zero-hour contract and to agency workers. It also advocates increasing the rate of pay to 'at least the minimum wage level'.

Commenting on the issue, Frances O'Grady, General Secretary of the TUC, said: 'Without better rights to well-paid leave, many new parents will continue to miss out on spending time with their children. And mums will continue to take on the lion-share of caring responsibilities.'

IFS states high earners 'increasingly hit by lack of indexation'

The Institute for Fiscal Studies (IFS) recently published a report which revealed that more people are being 'dragged into higher rates of tax' as a result of tax thresholds failing to rise in line with the rate of inflation.

The report states that, in 2007, the year before the top income tax threshold of £150,000 was announced, there were 319,000 individuals with income above this level. The IFS suggested that, as a consequence of the threshold not having moved since it was first announced, there are now 428,000 taxpayers with income above this level.

The report also stated that other tax thresholds being frozen in nominal terms include: the inheritance tax (IHT) threshold, at £325,000; the VAT registration threshold at £85,000, which is set to remain at this level until 2022; and the £110,000 and £150,000 thresholds at which the annual limit on tax-privileged pension saving begins to be reduced. Additionally, the £100,000 threshold at which eligibility for Tax-Free Childcare is removed is not adjusted for inflation.

Paul Johnson, Director of the IFS, commented: 'Recent governments have, rather stealthily, increased the tax rates on high earners. If the government thinks there is a case for more high-income people to pay more tax, it should be upfront about that view.'

Experts urge government to simplify Apprenticeship Levy

Experts have called for the government to 'simplify' the Apprenticeship Levy amidst claims that it has 'complicated learning and development'.

A survey of UK firms conducted by the Managing Partners' Forum suggested that the number of apprentices 'would be boosted' if the Apprenticeship Levy rules were simplified.

32% of businesses polled stated that the Apprenticeship Levy has 'displaced budget away from the most needed learning and development', whilst an additional 24% said that the Levy has 'increased the cost of training'.

'It is perhaps unsurprising that the Levy is viewed by many as an extra tax that complicates learning and development,' said Richard Chaplin, Chief Executive of the Managing Partners' Forum.

'There is clearly support for the concept of apprenticeships, not least because of their important potential role in helping to address persistent issues around diversity and social mobility within the professions. However, simplification of the rules around apprenticeships – and particularly the Levy – must be considered for the real potential impact to be realised.'

Survey reveals businesses 'investing significantly in tax technology'

A survey carried out by Thomson Reuters has revealed that businesses are investing significant amounts in new tax technology, such as Making Tax Digital (MTD) software.

The survey, which was put to 438 tax teams, revealed that 98% of respondents intend to invest in tax technology in the next 12 months. 28% intend to increase their spending on technology, whilst 38% expect spending to remain at its 2018 level.

Many firms reported that their decision to increase spending on tax technology was driven by the introduction of such initiatives as the automatic exchange of tax data, and Making Tax Digital for VAT (MTD for VAT).

'This interest in new technologies indicates that tax departments are recognising that the deployment of tax technology can help increase efficiencies, reduce human error and deliver a consistent and manageable way of addressing . . . new tax regulations,' said Steve Smith, Proposition Lead for Corporates at Thomson Reuters.

'Compliance is in the midst of a revolution, and looking forward we can expect to see more regulatory attention to the process and governance, rather than the end number. In a digital world, the tax authorities will easily be able to validate the output. Tax teams need to prepare for this shift now.'