

Bob Evans

From: [REDACTED]@hmrc.gsi.gov.uk
Sent: 23 February 2011 12:48
To: Bob Evans
Cc: [REDACTED]@hmrc.gsi.gov.uk; [REDACTED]@hmrc.gsi.gov.uk;
[REDACTED]@hmrc.gsi.gov.uk
Subject: Dispersations Audit

Hello Bob

[REDACTED] has sent me your email of 17 February and has asked me to respond ahead of IPSA's meeting with HMRC on 24 February.

I'm concentrating for the moment solely on the four areas you state are "anomalies" (we may need to look more closely at the other areas on the spreadsheet you've provided to check IPSA's understanding is correct).

Based on the draft HMRC guidance booklet for MPs, which I understand you have a copy of, the areas you're querying are covered at:

Family Travel – Page 16

Some of this is exempt under Section 293A ITEPA 2003 and some of it is chargeable. IPSA need to look at the particular payments it makes and apply the exemption for qualifying family travel as necessary (travel of dependants for whom MPs or spouses who have caring responsibilities between London area residences and constituency residences does not qualify for tax relief). Chargeable cash reimbursements need to be payrolled and forms P11D completed (with "amount made good" boxes completed if applicable), or chargeable benefits arising from provision of travel need to be reported on forms P11D.

Disability payments – Page 18

The booklet states that If these are paid or reimbursed by IPSA to cover additional costs incurred in employing a member of staff who has a disability within the meaning of the Disability Discrimination Act 1995, these payments are not subject to tax and NI. The "Miscellaneous" payments mentioned would not need to be reported if they fall to be paid within the terms of the exemption (this would be for IPSA to decide as necessary).

Contingency payments – Page 18

These are taxable and are required to be declared at Box 6 of the Parliament pages of an MP's tax return. If the expenditure for which the payment is made is incurred wholly, exclusively and necessarily in the performance of duties as a Member, the MP has an opportunity to claim tax relief at Box 11. These payments need to be reported on forms P11D (if not paid via payroll).

CORE Budget payments – Page 13

These are taxable and are required to be declared in the Parliament pages of an MP's tax return. Again for some types of CORE expenditure, if it is incurred wholly, exclusively and necessarily in the performance of duties as a Member or Minister, the MP has an opportunity to claim tax relief at Box 12. Again, these payments need to be reported on forms P11D (if not paid via payroll).

I hope this is of use for the moment - as stated earlier my HMRC colleagues and I may need to discuss some of the entries on your spreadsheet with you to clarify matters in due course.

Thanks

[REDACTED]

[REDACTED]

PD1 Employer Liaison Team (Government Departments)

Tel – 029

Fax – 029

The information in this e-mail and any attachments is confidential and may be subject to legal professional privilege. Unless you are the intended recipient or his/her representative you are not authorised to, and must not, read, copy, distribute, use or retain this message or any part of it. If you are not the intended recipient, please notify the sender immediately.

HM Revenue & Customs computer systems will be monitored and communications carried on them recorded, to secure the effective operation of the system and for lawful purposes.

The Commissioners for HM Revenue and Customs are not liable for any personal views of the sender.

This e-mail may have been intercepted and its information altered.

The original of this email was scanned for viruses by the Government Secure Intranet virus scanning service supplied by Cable&Wireless Worldwide in partnership with MessageLabs. (CCTM Certificate Number 2009/09/0052.) On leaving the GSi this email was certified virus free. Communications via the GSi may be automatically logged, monitored and/or recorded for legal purposes.

This email has been scanned by the MessageLabs Email Security System.
For more information please visit <http://www.messagelabs.com/email>
