

UK200Group Accountants React to Philip Hammond's National Insurance U-Turn

Submitted by: The UK200Group
Monday, 20 March 2017

In his spring Budget, Chancellor Philip Hammond announced that National Insurance Contributions for the self-employed would rise from 9% to 10% in April 2018, and to 11% in 2019, to bring it closer to the 12% currently paid by employees.

However, following strong opposition from the self-employed community, he's now decided that it will not go ahead.

The UK200Group (<http://www.uk200group.co.uk/>) is the UK's leading membership association of independent chartered accountancy and law firms, whose members act for over 150,000 SMEs and private clients. So what do the UK's accountants think of the U-turn?

Alan Boby, Partner at UK200Group member Ellacotts (<http://www.ellacotts.co.uk/>), said, "This is welcome news for the self-employed for now. However, the self-employed should consider if being self-employed is a long term strategy. It is now more important than ever for self-employed individuals to seek specialist tax advice when deciding which business vehicle to use."

Francis Whitbread, Partner at UK200Group member firm Edmund Carr (<https://www.edmund-carr.co.uk/>), said, "The Chancellor's U-turn on the proposed increase in national insurance contributions for the self-employed suggests that those advisers, civil service mandarins or whoever suggested the policy to Mr Hammond in the first place have no idea of what goes on in the real world of SMEs, or what public opinion feels.

"I have a nasty suspicion this is not the only case of Mr Hammond being misinformed. I wrote to the Chancellor before Christmas setting out a number of concerns about Making Tax Digital (MTD). I received a reply on his behalf from HMRC assuring me my fears were groundless. In the recently published consultation on MTD the concerns expressed by the accountancy profession over a number of areas were similarly ignored.

"My advice to Mr Hammond is that if you want to avoid another embarrassment with MTD similar to the one you have just had over national insurance for the self-employed, consult with the people who really know, my fellow accountants and tax advisers, before it is too late!"

Following on from Francis Whitbread's comments on MTD, Andrew Jackson, Chair of the UK200Group Tax Panel and Head of Tax at UK200Group member Fiander Tovell (<https://www.fiandertovell.co.uk/>) said, "The proposed NI changes would cost each self-employed person a few hundred pounds; HMRC's estimates are that MTD will cost each business £280, but this is clearly an underestimate. It would be a great shame if businesses are spared a hike in NI, only to have a more costly MTD burden foisted on them."

The UK200Group, established in 1986, represents a significant group of trusted, quality-assured business advisers – chartered accountants and lawyers – who have over 150,000 SME clients in total. As such, the UK200Group acts as the voice for 1,899 charities, over 12% of all registered academies, more than

3,887 farms, 800 healthcare businesses and over 4,000 property and construction professionals. The organisation remains impartial on political matters, and presents the individual views of its members.

ENDS

Media information provided by Famous Publicity. For further information, please contact George Murdoch on 0333 344 2341 or george@famouspublicity.com, Adam Betteridge on 0333 344 2341 or adam@famouspublicity.com or Tina Fotherby on 0333 344 2341 or tina@famouspublicity.com.

About the UK200Group:

The UK200Group was formed in 1986, and is the UK's leading association of independent chartered accountancy and law firms, with connections around the world.

The association brings together around 150 member offices in the UK with more than 500 partners who serve roughly 150,000 business clients. Its international links in nearly 70 countries give its members access to expertise across the globe.

The UK200Group aims to present a wide variety of views from its member firms, but itself remains impartial and unbiased in political matters.