

NO HEADACHES AUTOMATIC ENROLMENT



Under new legislation, every employer in the UK must put certain staff into a pension scheme and contribute towards it. This is called 'automatic enrolment' (AE).

Your obligations as an employer are to choose an eligible pension scheme, add your eligible employees to it and coordinate the scheme with your payroll. You must communicate certain information to your staff but do not need to offer them financial advice.

You then complete a Declaration of Compliance with The Pensions Regulator and all in time for your so-called 'staging date'.

To take the headaches out of AE, Chartered Financial Planners PFM Dental, which offers advice exclusively to dentists, provides an AE set-up service tailored to your requirements. Independent financial adviser, Jon Drysdale (pictured), said: 'For a fixed fee, we will help you with all or just parts of the process – making sure you're fully compliant by your staging date.'

Visit the Workplace Pensions page on www.pfmdental.co.uk or contact Jon on 01904 670820.

HOT TAX!

The coming years promise to be eventful for dentists and consequently for us as accountants and tax advisors who deal exclusively with dentists. We at Mac Kotecha & Company have put together some hot topics based on what we've found ourselves dealing with:

- **Incorporations:** These may still be advantages in certain situations but careful attention needs to be paid to the new dividend tax and extraction of profits
- **Limited companies:** Due to the change in dividends tax, you'll need to discuss with your accountant the most efficient way to take remuneration from your company
- **Practice purchases:** It continues

to be a sellers' market so more necessary to ensure you get a practice that you and your accountant feel will be viable. Also optimise tax relief when negotiating on the split of the purchase price and don't miss out in unclaimed capital allowances!

- **Squat practices:** These seem to be growing in popularity. Make sure you've assessed your risks and number crunched with your accountant to be sure you should be financially viable – something which must be objectively and realistically assessed.

For further information visit www.specialistdentalaccountants.co.uk; email priya@mackotecha.co.uk or call 0208 346 0391.

SUB-CONTRACTING – WHAT IS IT ALL ABOUT?

There has been much discussion recently about the difficulties of incorporating an NHS contract caused by the NHS England Incorporation Policy. In some situations NHS practice owners are turning to the use of a 'sub contract'.

This is usually an arrangement where a limited company is engaged by the NHS contract holder to perform 'clinical matters'. This arrangement is

allowed by GDS contracts, and permission isn't required from NHS England, only notification is necessary. In simple terms, if structured properly, this can achieve many, but not all, of the objectives of a 'full blown' incorporation.

In particular it can enable profits to be distributed to non-dentists/GDC registrants who are shareholders in the subcontract limited company – unlike dental partnerships which must comprise of registered dental professionals. It also can enable profits to be retained, after suffering a lower corporate rate of tax, for future practice acquisitions.

What is meant by 'structured properly'? There are many potential pitfalls, and an increased amount of red tape

and administration. Great care and good advice is essential as, believe it or not, if the operational procedures are set up incorrectly, dentists can be excluded from the NHS Pension Scheme, and VAT can become chargeable on some payments.

For further information about sub-contracting contact Alan at NASDAL by email at alansuggett@unw.co.uk. Alternatively, to find out more about the services offered by NASDAL, visit www.nasdal.org.uk.

ARE YOU A TENANT OF A DENTAL PRACTICE?

If you are a tenant of dental practice and your lease is nearing the end of its contractual term, or you are considering serving a notice to quit, or exercising a break option, there are a number of very important issues to carefully consider and planning ahead is crucial:

1. If your dental tenancy is contracted out of the Landlord and Tenant Act 1954 but you want to remain at the property, this will be at your landlord's discretion. Start negotiations for the grant of a new lease early so that you can still relocate if necessary.
2. If your dental lease is protected under the 1954 Act, you can vacate at the end of the tenancy, or serve notice to request a new tenancy. Your landlord may offer a new tenancy but could oppose this and seek to terminate the tenancy on certain limited grounds. There are strict time limits on this process.
3. If you are going to serve a notice to quit and leave the property, give yourself adequate time to do so, to avoid disruption to your business.
4. If you want to exercise a break option in your dental lease, check the terms of the agreement carefully. Make sure you give notice in the correct manner, at the correct time, to the correct person and that you comply strictly with any conditions in the lease.

Issues may vary given the particular circumstances of each case, but advance planning and preparation can minimise potential problems. Getting it wrong can have a very serious adverse impact upon a dental practice.

The dental property team at Charles Russell Speechlys have extensive experience in acting for dentists and are able to provide guidance and support at each stage. For further information contact Senior Associate Jenin Khanam on jenin.khanam@crsblaw.com or call 0207 203 5103.