

2020 End of Year Returns

An Employers Guide to Successful Completion

These notes are provided as guidance to help you complete the enclosed forms, which are required as part of your End of Year Returns.

Please ensure that all of the forms are fully completed, signed and returned to the Taxation Office **no later than 2 February 2021**. This is a legal requirement.

Failure to complete and return any of the required forms by the deadline **will** render you liable to a fine for **each** form that is not returned in time. The level of fines is set down in the Taxes Ordinance 1997. These are:

- 1) **EMP 01** – level 7 - £17,500
- 2) **EMP 01 BIK** - £100 if 3 months late & a further £100 if 6 months late.
- 3) **SUB 01** - £100 if 3 months late & a further £100 if 6 months late.

If all of the forms are not fully completed when we receive them, they will be returned for you to do so. They will still then need to be with us by **2 February 2021**. You may well wish to complete these before that date so that if they do have to be returned you will still have time to rectify any mistakes and get them back to us before **2 February**.

Please note that the front page of your pack contains tick boxes, showing what forms you have returned to this office. There are also Yes/No boxes for NIL returns. If you have not had any employees during the year, or your employees have not received any benefits in kind, please either enter N in the appropriate NIL return box or attach the forms indicating that they are NIL returns.

Should you have any questions on completing the forms, please contact us by phone on 28470 or e-mail general@taxation.gov.fk

Employers Annual Return

- Box 1 Enter your Company or Business Name
- Box 2 Enter your Employers Reference Number, which is shown on the covering letter as an eight-digit reference on all sheets.
- Box 3 Enter each employee's Tax Identification Number if known.
- Box 4 Enter the full name of each employee, including their nicknames where applicable.
- Box 5 Enter the total **gross** salary/wages paid during the year.
- Box 6 Enter any other payments including bonuses, fees, ex-gratia payments and any non-monetary payments i.e. goods or merchandise. E.g. food or drink unless that is provided in addition to any accommodation you may also provide.
- Box 7 Enter total **net** Benefits in Kind. This figure will be transferred from the EMP-01 BIK calculation sheet.
- Box 8 Enter total Income Tax deducted during the year (POAT)
- Box 9 Enter the total **Employees** RPC contributions during the year.
- Box 10 Enter the total **Employers** RPC contributions made on behalf of the employee during the year.

Box 11 Enter the total Employees contributions to any other pension schemes with you.

Box 12 Enter the total Employees MST deducted from their wages.

Box 13 Enter the total Employers MST paid by you in respect of the employee.

Box 14 & 15 Enter the dates employment commenced and ceased if during the year. If they were employed for the whole year please enter 01/01/19 to 31/12/19.

Benefits In Kind

Enter the Employers Name.

Enter the Employers Reference Number, shown on the covering letter.

Enter the Employees Full Name, including nicknames where applicable.

Each Benefit must be declared individually and a total entered into the end column.

There are daily values in place on all Benefits, except for Travel, Furnished and Unfurnished houses.

If an employee did not receive the Benefit of a Furnished or Unfurnished house for the whole year, divide the Annual Value (as shown on the form) by 365 and times by the number of days the Benefit was received.

The total figure will be transferred to Box 7 on the Employers Annual Return.

If your employee had a loan with you enter Y then complete the BIK loan information form. If no loan was made available to them, enter N.

Please note that employees working in agriculture or horticulture are not liable on a Benefit In Kind if you provide them with any living accommodation and/or board, including heating and lighting of the accommodation, for their use.

For the purposes of identifying who may fall under this exemption please see the relevant definitions, taken from the Taxes Ordinance.

“agriculture” means arable farming, dairy farming and livestock breeding and keeping, the use of land as grazing land and meadow land, and the use of land for woodlands where that use is ancillary to the farming of land for other agricultural purposes; and

“horticulture” means the production of horticultural produce for sale, and horticultural produce means fruit, flowers, vegetables and herbs, trees and shrubs, other than trees grown for the purpose of afforestation, and seeds for the reproduction of any such produce.

There are two further exceptions from the charge to a benefit if you have provided your employee with accommodation. These are;

1) Where the Commissioner of Taxation is satisfied that it is necessary for your employee to live in the accommodation in order to carry out the duties of that employment,

and

2) If the accommodation is not situated onshore in the Falkland Islands.

You, as the Employer, must write to the Commissioner of Taxation to seek approval for each individual employee to be exempted from any charge on accommodation being provided to that employee. You can use the enclosed form (BIK AccExcept)

Accommodation Exception Form

If you have an employee who you provide with free accommodation and/or board and you wish to apply for exception, please complete this form.

Please ensure all the information requested on the form is completed before you submit it to the Taxation Office

Please give **full** details showing the nature of the employment and the reasons why this employment cannot be carried out without living in the free accommodation provided.

Should you have any further questions on Benefits In Kind we have prepared a leaflet that answers most frequently asked questions we have received. A copy of that is available from this office either upon request or calling into the office where copies are retained.

Benefit In Kind Travel Information

Enter Employers Business Name.

Enter the Employers Reference Number, as shown on the covering letter.

Enter Employees Full Name.

Enter Employees TIN if known.

Enter the date the contract started.

Enter the date the contract is due to end.

Enter the purpose of the Travel/Flights paid – Personal Holiday, Work, Training.

Enter the total amount of travel paid for during 2019.

Enter the date that any travel was paid for.

Enter the names and relationship of any relevant dependents.

If your Employee has received more than one flight, please advise complete a separate form.

Benefit In Kind Loan Information

Enter Employers Business Name.

Enter the Employers Reference Number, as shown on the covering letter.

Enter Employees Full Name.

Enter Employees TIN if known.

Enter the date the loan commenced.

Enter the date the loan is due to end.

Enter the total amount of loan advanced to the Employee.

Enter the monthly repayments due.

Enter the remaining balance of the loan at 01/01/20, if the loan commenced before that date.

Enter the date the loan was settled if during the year.

Enter the amount of the loan that was written off during the year (if any).

Enter the interest rate charged on the loan to the Employee.

Enter the balance of the loan remaining due to you at 31 December 2020.

If your Employee has more than one loan with you, complete a separate form for each loan. On receipt of this form the Taxation Office will calculate the value of the Benefit your employee has received from any loan.

Certificates of Tax Deducted

If the employee was still employed with you at 31st December 2020, a copy of the Certificate of Tax Deducted should be sent to the employee by 31st January 2021. You should keep one copy for your records. **The Taxation Office only requires a copy when an employee ceases working for you during the year.**

Enter the Employees Full Name and Falkland Islands Address. If they do not normally live here please complete the overseas address box.

Enter the Employees Tax Identification Number.

Enter the total remuneration paid during the year, before any deductions.

Enter all Payments on Account of Tax (POAT) made.

Enter all Employee Payments for MST.

Enter total Employee Retirement Pension Contributions.

Enter any Personal Pension Schemes contributions.

Enter the Benefits in Kind received, using figures from your calculation form. If your **employee** has a loan from you enter Y. If Y, attach an EMP-01 BIK Loan Form to their Certificate of Tax Deducted.

Enter the Date employment started if during the year and date employment ended if during the year.

If employment was for the whole year please enter 01/01/20 to 31/12/20.

Enter your name/business name as the Employer and your Employers Reference Number.

Please sign and date the form and tick the appropriate box to show in what capacity you are signing.

If the employee is no longer living in the Falkland Islands please show;

- Their overseas address.
- Their overseas tax authorities reference, or if a UK person, their National Insurance Number
- Please also provide contact details for our records.

Return of Payments made to Businesses and Individuals.

Enter your Company or Business Name and your Employers Reference Number, which is shown on the covering letter as an eight-digit reference.

Enter the Business or Individuals **full name** and a description of the Services or Goods they supplied.

Enter the **Gross** amount paid to them **including non-monetary** payments you give them i.e. goods or merchandise.

Enter their Tax Identification Number, if an individual & if known. If not, please leave blank and we will complete this on receipt of the form.

Enter the dates that they carried out the services or supplied the goods. If this was at various times during the year, show the date that they started and the date work was completed regardless of any breaks during the year.

Payments **not** to be included on this form are:

- Payments made to Limited or Public Limited Companies.
- Payments that are included on your monthly POAT/RPC returns.
- Payments that are included on your Employers Annual Return.

Some examples of businesses you may make payments to that **are** to be included on this form are:

- Plumbers
- Cake, Vegetable and Egg supplier's etc.
- Translating Services
- Cleaners
- Shearers
- Wardens
- Locums

Return of Dividend Payments

Enter your Company or Business Name and your Employers Reference Number, which is shown on the covering letter as an eight-digit reference.

Enter the full name of the shareholder

Enter the accounting period in which the dividend is included

Enter the date the dividend was paid

Enter the amount of dividend paid