



## GOOD WORK PLAN: PROPOSALS TO SUPPORT FAMILIES

Issued 8 October 2019

ICAEW welcomes the opportunity to respond to the [Good Work Plan: Proposals to Support Families](#) consultation published by the Department for Business, Energy & Industrial Strategy on 19 July 2019.

This response of 8 October 2019 has been prepared by the ICAEW Tax Faculty. Internationally recognised as a source of expertise, the Tax Faculty is a leading authority on taxation and is the voice of tax for ICAEW. It is responsible for making all submissions to the tax authorities on behalf of ICAEW, drawing upon the knowledge and experience of ICAEW's membership. The Tax Faculty's work is directly supported by over 130 active members, many of them well-known names in the tax world, who work across the complete spectrum of tax, both in practice and in business. ICAEW Tax Faculty's Ten Tenets for a Better Tax System are summarised in Appendix 1.

ICAEW is a world-leading professional body established under a Royal Charter to serve the public interest. In pursuit of its vision of a world of strong economies, ICAEW works with governments, regulators and businesses and it leads, connects, supports and regulates more than 150,000 chartered accountant members in over 160 countries. ICAEW members work in all types of private and public organisations, including public practice firms, and are trained to provide clarity and rigour and apply the highest professional, technical and ethical standards.

Copyright © ICAEW 2019

All rights reserved.

This document may be reproduced without specific permission, in whole or part, free of charge and in any format or medium, subject to the conditions that:

- it is appropriately attributed, replicated accurately and is not used in a misleading context;
- the source of the extract or document is acknowledged and the title and ICAEW reference number are quoted.

Where third-party copyright material has been identified application for permission must be made to the copyright holder.

For more information, please contact: [representations@icaew.com](mailto:representations@icaew.com)

## COMMENTS

1. Many of our members provide payroll services. We are considering this consultation in the context of payroll administration so we are not commenting on the policy proposals.
2. We recommend that final policy decisions are legislated at least eighteen months before go live. This will ensure that HMRC can issue final IT specifications (rather than a brief summary) and guidance based on enacted (rather than proposed) legislation. Providing final IT specifications to payroll software developers at least a year in advance will allow time for testing, and if detailed guidance is published several months before go live, employers can prepare, users can be trained and operational difficulties can become apparent and be fixed in good time before the implementation date.
3. We note (under General Information) that the territorial extent of this consultation is Great Britain. The proposals will affect employers differently in England, Wales and Scotland as compared to Northern Ireland, so it is important that this is drawn out in any employer guidance and software developers' specifications.
4. There is a myriad of proposals emanating from the government on employer-facing topics. A road map of what is still being taken forward would be welcome, to give businesses and their advisers a "heads up" in terms of planning and cost.
5. Given the significance of this consultation, we are disappointed that representatives (of which we are one) on the government's [Statutory Payments Consultation Group](#) (SPCG) (sponsored by BEIS, DWP and HMRC) have not been invited by the SPCG secretariat to a meeting to discuss the proposals.

## APPENDIX 1

### ICAEW TAX FACULTY'S TEN TENETS FOR A BETTER TAX SYSTEM

The tax system should be:

1. Statutory: tax legislation should be enacted by statute and subject to proper democratic scrutiny by Parliament.
2. Certain: in virtually all circumstances the application of the tax rules should be certain. It should not normally be necessary for anyone to resort to the courts in order to resolve how the rules operate in relation to his or her tax affairs.
3. Simple: the tax rules should aim to be simple, understandable and clear in their objectives.
4. Easy to collect and to calculate: a person's tax liability should be easy to calculate and straightforward and cheap to collect.
5. Properly targeted: when anti-avoidance legislation is passed, due regard should be had to maintaining the simplicity and certainty of the tax system by targeting it to close specific loopholes.
6. Constant: Changes to the underlying rules should be kept to a minimum. There should be a justifiable economic and/or social basis for any change to the tax rules and this justification should be made public and the underlying policy made clear.
7. Subject to proper consultation: other than in exceptional circumstances, the Government should allow adequate time for both the drafting of tax legislation and full consultation on it.
8. Regularly reviewed: the tax rules should be subject to a regular public review to determine their continuing relevance and whether their original justification has been realised. If a tax rule is no longer relevant, then it should be repealed.
9. Fair and reasonable: the revenue authorities have a duty to exercise their powers reasonably. There should be a right of appeal to an independent tribunal against all their decisions.
10. Competitive: tax rules and rates should be framed so as to encourage investment, capital and trade in and with the UK.

These are explained in more detail in our discussion document published in October 1999 as TAXGUIDE 4/99 (see <https://goo.gl/x6UjJ5>).