

SPRING STATEMENT 2019

April 2019



Although this year's Spring Statement was brief, there were several significant announcements for employers.

Apprenticeship levy reform from April 2019

The Government remains committed to its original ambition of creating three million new apprenticeships by 2020 and has confirmed a number of reforms.

Since April 2018, levy-paying employers have been able to share up to 10% of their funds with employers in their supply chain. This limit will be lifted to 25% from April 2019. As this sharing will trigger the 'State Aid' rules, it is also important to continue to monitor the total 'State Aid' received during any three-year period to ensure it remains below the €200,000 limit per business.

The co-investment rate for apprenticeship training will be halved from 10% to 5% from April 2019. This means that for all qualifying apprenticeships started after 1 April 2019, government funding will cover 95% of training costs.

Recruiting non-UK employees

The Government has announced that from 'autumn 2019', UK employment in PhD-level occupations will not count towards the Tier 2 visa general cap (20,700 a year) to help with recruitment of scientists and researchers into the UK. The Government will also update the immigration rules on 180-day absences so that "researchers conducting fieldwork overseas are not penalised if they apply to settle in the UK".

NICs Employment Allowance

Confirming what was announced at Budget 2018, in the next few months the Government will publish draft regulations on the National Insurance Contributions (NICs) Employment Allowance restriction. From April 2020, the Government plans to restrict the allowance to employers with an employer's NIC bill below £100,000 in the previous tax year.

Making Tax Digital (MTD)

While MTD for VAT will go ahead as planned in April 2019 (or [October 2019 for some businesses](#)), albeit with a "light touch approach to penalties in the first year of implementation", the Government confirmed that mandatory MTD filing for other taxes will not begin in 2020; no commencement date was announced.

YOUR NEXT STEPS

For further advice and information, please get in touch with your usual BDO contact or one of our specialists.

SEAN LAVERY

Tax Partner

t: +44 (0)2890 439009

e: sean.lavery@bdoni.com

MAYBETH SHAW

Tax Partner

t: +44 (0)2890 439009

e: maybeth.shaw@bdoni.com

Ideas | People | Trust



This publication has been carefully prepared, but it has been written in general terms and should be seen as broad guidance only. The publication cannot be relied upon to cover specific situations and you should not act, or refrain from acting, upon the information contained therein without obtaining specific professional advice. Please contact BDO Northern Ireland to discuss these matters in the context of your particular circumstances. BDO Northern Ireland, its partners, employees and agents do not accept or assume any liability or duty of care for any loss arising from any action taken or not taken by anyone in reliance on the information in this publication or for any decision based on it.

BDO Northern Ireland, a partnership formed in and under the laws of Northern Ireland, is licensed to operate within the international BDO network of independent member firms.

BDO Northern Ireland is authorised and regulated by the Financial Conduct Authority to conduct investment business.

BDO is the brand name of the BDO network and for each of the BDO Member Firms.

Copyright © April 2019 BDO. All rights reserved. Website: www.bdoni.com