

### Drop in sick leave

Coping with the time that employees take off sick can be a major issue, especially for smaller employers. So it might come as good news to learn that the average amount of sick leave in the private sector appears to be on a downward trend.

The Health Sickness Absence survey 2011, carried out by the EEF, the manufacturing employers' group, found that from 2007 to 2010 there has been a steady fall in sickness absence. In 2007, the average employee took 6.7 days in sick leave. In 2010, that figure was down to 5 days. Perhaps more significantly, a record 45 per cent of all employees among those firms involved in the poll didn't go on sick leave at all last year.

The EEF conceded that the pressures of the economic downturn may have played a part in reducing sick leave but went on to point out that the move towards less sickness absence actually began before the recession. The study also looked at the impact of the new 'fit note' regime. Fit notes allow GPs to indicate the kind of work of which an employee is capable rather than the blanket 'no work' of the old sick notes. The outcome appeared to be mixed.

One in five respondents said that the introduction of fit notes had helped them reduce absence, while 28 per cent said it has aided return to work discussions. However, worries persisted that employees were still being signed off work unnecessarily. Only 17 per cent of firms judged that fit notes have speeded the return to work of employees.

Professor Sayeed Khan, the EEF's chief medical adviser, commented: "The continued downward trend in sickness absence is welcome recognition of efforts by companies and government to get people back to work."

### Improve tax breaks to boost workplace savings

The Government should look at lifting the £150 tax-free limit on independent financial advice paid for by employers. The call has come from the Association of Consulting Actuaries (ACA) as part of its submission to the Workplace Retirement Income Commission chaired by Lord McFall. The ACA argued that doing so would encourage more employers to provide employees with a better education on financial matters and savings provision.

The ACA also wants to see a change in legislation that would allow more flexibility in terms of pension scheme design. The ACA claimed that risk-sharing schemes could be made a much easier and more attractive option for many employers who are currently unwilling to take on the full risk attached to traditional defined benefit schemes.

The submission put the case, too, for helping employers get staff engaged in a number of different savings schemes such as ISAs, SAYE and share option plans. There might be scope, the ACA continued, for looking at a way of bridging the gap between ISAs and pensions in order to strike the right balance between accessibility (vital for younger savers) and locked-away saving (more important for older savers).

Stuart Southall, the ACA's chairman, commented: "We believe it to be essential to increase financial education, beginning in schools and ultimately spreading throughout the entire population. Linked in with this is the need to change the culture of society from one of 'living for today' and spending everything earned to a more balanced one in which saving and long term financial planning have greater prominence."

If you would like any help developing a workplace pension scheme or reviewing your existing provision, don't forget that we are here to help and advise.

### A new tax address

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To speed up the handling of post, HM Revenue and Customs (HMRC) has announced that it is changing the addresses shown on PAYE and self assessment forms and letters. These forms and letters currently show different tax office names and addresses which taxpayers use when they write to HMRC about their tax affairs.

As a way of improving the system, HMRC is switching the addresses to PO Boxes, a move that will enable records to be handled by staff in any location. The change will be introduced in phases over the next year. HMRC has said it will clearly state the PO Box address on forms and letters issued to customers. Existing tax office names and addresses will continue to be used for those taxpayers with more complex affairs.

The tax system is undergoing all sorts of changes at the moment. Remember: we can make sure that you both comply with the rules and pay no more tax than you should be paying.

### Firewall those great new ideas

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Baroness Wilcox, the minister for intellectual property, has urged all innovative firms to safeguard their inventions and concepts from theft by registering them with the Intellectual Property Office (IPO).

The minister argued the case for the importance of patents and trademarks as a way of ensuring that designs, which often involve a significant investment in terms of time, money and talent, truly reward those responsible for thinking of them in the first place.

Baroness Wilcox said: "Designs touch almost every part of our day to day lives, from the chairs we sit on to the phones we use. Registering your design with the Intellectual Property Office can offer protection against unauthorised copies and imitations.

"We are keen to encourage businesses to get their designs protected to allow them to reap the potential financial rewards of their innovations. Many people are unaware that you can register a design for just £60, granting exclusive rights that are renewable for up to 25 years."

Has your business come up with a great new idea but is struggling to raise the funds to finance it? We just might be able to guide you towards sourcing the right kind of backing.

### Early access to pensions ruled out

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People won't be able to dip into their pensions early. The Government had been consulting on the possibility of giving people access to their pensions before they retire. One aim of the proposal was to encourage younger people to save more by removing the disincentive of locking up funds for long periods of time.

However, following the consultation, Mark Hoban, the financial secretary to the Treasury, said that there was "limited evidence that allowing early access would have a positive effect on overall pension contribution levels or provide significant help to individuals facing financial hardship".

Instead, the Treasury has decided to examine ways of introducing greater adaptability to the savings system. Mr Hoban said: "We will work with the industry to develop workplace saving to supplement pension savings. In addition, we will explore other ways of making pension tax rules simpler and more flexible, for example by making it easier to deal with small pension pots."

Planning for the day that we stop working has never been more important. If you would like guidance on how best to look forward to the retirement your hard work deserves, why not give us a call?

### Employment tribunal system needs an overhaul

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The CBI has described the employment tribunal system as slow, legalistic and antagonistic in its submission to the Government's consultation on reforms to the way that workplace disputes are resolved.

The business group said it wants to see a major overhaul of the system aimed at making the process faster, fairer and less costly. Specifically, weak or vexatious claims should be sieved from the system so that valid claims get a quicker hearing.

There should also be a fee charged for lodging a claim so that only sensible complaints are brought forward. Another of the CBI's recommendations is that settlements should be encouraged at an early stage. In other words, a formal system for making offers to settle should be put in place. Although compromise agreements, where an employer and employee negotiate a deal without going to tribunal, are fair, the CBI argued that the legal process surrounding them has become too complicated and expensive.

Lastly, the CBI said that the tribunals themselves must be made more efficient and consistent. One way of doing this would be to introduce tribunal league tables detailing how different regions and judges perform against set standards.

Katja Hall, the CBI's chief policy director, said: "The tribunals system has gradually become a barrier to justice. Even where a successful outcome is likely, firms try to avoid the heavy costs and long delays. A programme of common sense reforms is long overdue. We need to see a transparent, fairer system built around the interests of legitimate claimants and responsible firms."