

**Written evidence submitted by Gordon Wilson (Director at G & M Wilson Joinery Services Ltd**

Hi, My business partner and I have a small joinery business with only the two of us as employees, and both as company Directors.

The support packages which have been put in place seem in the main to support and cover a very large amount of the people who require it, which is excellent. Nothing like this has ever happened before, so to have some of these things in place so quickly is admirable and is to be applauded I feel. However despite several tweaks to rectify shortfalls or holes in the systems in place, two main groups still seem to be being ignored in an appalling, immoral, and I would say questionable in its legality.

Directors of Ltd Companies as you will be aware only receive 80% of their base salary, dividends are not included. Now my business like many other small companies survives month to month without knowing what its actual income or profit will be therefore we pay ourselves a small base salary, and then top up each month with dividends. This is not done to illegally, or to cheat on tax in any way or else the Government would close it down, and if we have been particularly quiet we do have to sometimes only take the base salary or just slightly above it which I can prove so it is a fair system.

The excuse/reason given for not including dividends is shocking, that it is not easy for the Govt to discriminate between whether these dividends have perhaps come from different sources of income or shares, this is a nonsense. Each month when we pay ourselves the cheque stub states my total paid and breaks down how much was base salary, and how much was dividend. This is also recorded on the weekly paperwork I do, and is also easily quantifiable by my accountant, as we use their payroll debt for all wage, and tax purposes to ensure that everything is done correctly and legally. We only own one share each in the company and so can demonstrate very easily with all this evidence that these dividends are not from other incomes or shares but straight forward earnings from that or the previous month. Also the burden could have been simply put onto accountants to send a basic letter stating that they can verify these dividends should be counted. And lastly on this point, after the first £2k of dividend in any year we pay tax on it. Why is a taxable income not being taken into account? Many company directors may be well off and can ride out the storm so to speak, however many cannot. I am not asking for much, however the difference from 80% of my base salary (£8628) to that including dividends (average £1750) would be approx £800 per month. If we were self employed instead of incorporated we could claim all of this, as we could claim up to £2500 per month. So why are we being ignored and unfairly penalised. Our dividend money we use is subject to tax in 2 ways, we pay tax on our profits through corporation tax, then pay 7.5% on the dividend itself, so why isn't it included. It would be very simple for the government to, as I have stated already to get a letter of verification from an individuals account, then after all this the govt could randomly check the validity of submissions, accountants therefore are not going to lie for their clients.

I hope that the govt can be just and change this situation.

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