

POLITICAL FUND BRIEFING NUMBER 5: HOW CONTRIBUTING TO THE POLITICAL FUND WOULD WORK

This is the final briefing on the need for and background to the setting-up of a Political Fund for the Society before the ballot takes place.

It concerns how members, following a positive outcome to the ballot, will be asked to contribute voluntarily to the financing of the Fund to ensure the Society's long-established ability to campaign will be maintained in the run-up to UK elections.

Most of this briefing is based on trade union legislation as currently enacted. Members will be aware of the Trade Union Bill 2015 that is now before Parliament, so the final part of this briefing will look at the potential impact on the operation of the Political Fund if the relevant sections of the Bill are passed into law unchanged.

The key question is "Why has UK Council decided to ask members to contribute an annual equivalent amount of £2.40 to the Political Fund through the mechanism of a separate levy of 60p collected quarterly?"

The majority of unions already operating a Political Fund make deductions at source from annual subscriptions when collected weekly or monthly. The answer is that Council's decision will preserve the tax relief on full annual subscription that many Society members benefit from either through their PAYE Tax Code or through a refund following completion of a Self-Assessment Tax Return.

As the Society's advice leaflet on Income Tax Relief - <https://www.sor.org/being-member/my-profile/tax-relief> - explains, since 6 April 1998 it has been possible for a member of the Society of Radiographers to claim tax relief on the full annual subscription. Achieving this followed extensive

negotiation with Her Majesty's Revenue and Customs.

In preparing to ballot members on the setting-up of a Political Fund, UK Council sought expert advice from the taxation specialists at Crowe Clarke Whitehill LLP, the Society's Auditors. They confirmed that any contribution to a Political Fund could not qualify for tax relief and that if the amount involved were part of the total annual subscription there would be a serious risk under tax law that HMRC would remove all or part of the relief.

Their advice therefore, accepted by UK Council, was that contributions to the Political Fund should be via an additional levy that it is clear members are asked to make voluntarily and completely separate from their membership subscription.

This approach will protect the £50.80 tax relief that a full Ordinary Rate UK member paying standard rate tax will be able to claim for the 2015-16 tax year.

UK Council recognises that some members may not wish to support a political fund by making this voluntary contribution. Under current arrangements, members would have the right to exempt themselves, ie to opt-out of contributing.

If the Trade Union Bill 2015 is passed unchanged, the 'opt-out' provisions will be replaced by the need for any member to 'opt-in' to contributing. This will mirror the current position for Northern Ireland members who must expressly 'opt-in' to contributing to a political fund.

Members will be kept informed of these potential changes as part of our wider updates on the progress of the Trade Union Bill but, in the interim, if there are any comments, questions or points of clarification on this briefing please forward these to Richard Evans at RichardE@sor.org

Finally, please exercise your democratic rights as a Society member and take part in the ballot when it opens at the end of January.