How to fill in your tax return

This guide will help you fill in your paper tax return. It is important that you read and understand the first two pages before you start the form. Then, once you have completed the paper tax return, it must reach us by **31 October 2011**.

Alternatively, why not file online? This is secure, convenient and there is on-screen help if you need it. You will have an extra three months to finish the form as online returns are due by **31 January 2012**. It is straightforward and can be found on our website.

To use Self Assessment Online, please go to **www.hmrc.gov.uk** and under *Do it online* choose *Register* (*new users*) if you're a new user, or *Log in* if you've used the service before.

We have a range of services for people with disabilities, including guidance in Braille, audio and large print. Most of our forms are available in large print. Please contact us on any of our phone helplines if you need these services.

SA150(2011)

Contents

Key dates

- **31 October 2011** – paper return filing deadline
- **30 December 2011** – online return filing deadline if you want us to collect tax due through your PAYE tax code
- **31 January 2012** – online return filing and payment deadline

Online filing

To file online go to **www.hmrc.gov.uk** and from the *Do it online* menu choose *Register (new users)* if you're a new user or *Log in* if you've used the service before.

Registration can take between seven and ten days, so make sure you register early to allow yourself plenty of time to file.

Filing deadline – paper

If you decide to fill in a paper tax return we need it back by **31 October 2011** to give us time to work out your tax bill, or repayment, and let you know the result, before the payment deadline of **31 January 2012**. If we receive your paper tax return by 31 October and you:

- owe tax (up to £2,000), and
- have a PAYE tax code

we will, if possible, collect the tax you owe through next year's tax code, unless you prefer to pay it by 31 January 2012.

If you download a tax return from the internet, you must register with HMRC to obtain a unique taxpayer reference number and enter this number on the downloaded form before sending it to HMRC. You can find out more on our website at **www.hmrc.gov.uk/sa/introduction.htm#2**

Filing deadline – online

The online filing deadline is **31 January 2012** (so if you miss the paper filing deadline you can still file your return online). But if you want us to collect any tax you owe through your next year's tax code you need to file your return online by **30 December 2011**. We strongly recommend online filing because:

- it is secure and convenient
- calculations are done for you automatically
- on-screen help is available if you need it
- you get an immediate acknowledgement that we have received your return.

Filing deadline – returns issued after 31 July 2011

In these circumstances the filing deadlines are extended to:

- three months after the date the return is delivered to you – for paper returns
- the later of 31 January 2012 or three months after the return or the separate notice requiring you to make a return is delivered to you – for online returns.

The date of delivery is normally taken to be no more than seven days after the date of issue.

Penalties for failing to file by the deadline

If you fail to file your return by the appropriate deadline, you will be charged a £100 penalty, whether or not you have tax to pay. If you still don't send your return back, you'll also be charged the following penalties:

- over three months late – a daily penalty
- over six months late – an additional £300 or 5% of the tax due if this is higher
- over twelve months late – a further £300 or a further 5% of the tax due if this is higher.

How to fill in your tax return

If you choose to fill in the paper form please read 'How to file your return' on page TR 1 of the tax return. In addition:

- it is very important that you enter the correct amount in the appropriate box as we will generally accept the figures you put on your return. Errors can lead to you being asked to pay the wrong amount and can take time to correct
- enter whole pounds only and do not include pence. Round down income and round up tax paid/tax credit
- when filling in the 'amount' boxes you can start on the left by the £ sign or on the right before the decimal point – it does not matter

- you may sometimes have to enter negative amounts. Do this by entering a minus sign in the box provided, before your figures.

If you ask someone else (your accountant or tax adviser or perhaps a friend or relative) to complete your tax return for you, you remain responsible for the entries on the form. And **you** must sign the form. Please contact us if signing the form is a problem for you.

If you need help

You almost certainly will not need to read through all of this guide and it does not have notes for every box on the form – just notes for those that we think may need a little more explanation. We do not go into all the possible detail here – so we may sometimes refer you to helpsheets. If you want more information please phone us or go to **www.hmrc.gov.uk**

Getting started

First, collect your financial records for the year to 5 April 2011, such as:
- your forms P60, P11D or P45 Parts 1A, and your 2010–11 and 2011–12 PAYE Coding Notices
- if you work for yourself, your profit or loss account or, if you do not draw up formal accounts, your business records of receipts and expenses
- your bank statements, building society passbooks, dividend counterfoils, investment brokers' schedules etc.
- personal pension contributions certificates.

Then, look through the form to see what kind of information is required. If you file your return by the filing date, you should normally keep your records until 31 January 2013, or until 31 January 2017 if you are self-employed or in a partnership. You'll need to keep your records for longer if you file your return late or if we have started a check into your return. More information about the types of records you must keep is available at **www.hmrc.gov.uk/record-keeping/index.htm**

What makes up your tax return

We have sent you a tax return that we think matches your personal circumstances based on the last completed return we had from you. But it is up to you to make sure the form contains all the relevant pages. The questions on page TR 2 of the form and the notes below will help you decide what pages you need to complete. We also use your answers to the questions to check that you have sent us the right pages. If you answer 'Yes' to any of questions 1 to 8, please make sure that your completed return includes the page for that type of income or gain; otherwise your return will be treated as incomplete and sent back to you.

The pages for your main income are at the front of the return. If your tax return does not have a page for a particular type of income, or if you made capital gains, you may need some separate supplementary pages. If you do, phone the SA Orderline on **0845 9000 404** for the ones you need or go to **www.hmrc.gov.uk** to download them.

Boxes for some of the less common types of income and tax reliefs, and for other information, are on the *Additional information* pages that are enclosed in your return pack – see page TRG 6 for details of what these pages cover. We have not sent the *Tax calculation summary* pages and their notes with your return; if you want to work out your tax please ask for them or you can view them on our website at **www.hmrc.gov.uk**

Contacts
Please phone:
- the number printed on page TR 1 of your tax return
- the SA Helpline on **0845 9000 444**
- the SA Orderline on **0845 9000 404** for helpsheets

or go to
www.hmrc.gov.uk

1. Employment

Some types of employment income go on the *Additional information* pages, enclosed in the return pack, not the *Employment* page, so check those first before obtaining the *Employment* page and *notes*.

Fill in the *Employment* page if you:
- were employed in part-time, full-time or casual employment
- were a company director
- were an agency worker
- were an office holder, such as chairperson, secretary or treasurer
- would have been treated as an employee of another person had you not used a company or partnership as an intermediary.

You will need one *Employment* page for each employment, directorship etc.

You will not need to complete an *Employment* page if you:
- held an office (but you were not a director) and only received reimbursed actual out of pocket expenses (no other payments were made to you at all)
- were a company director and received no payments of any kind or benefits from that directorship
- held an office or employment but no liability to UK Income Tax arises on those earnings because you were resident, ordinarily resident or domiciled outside the UK. (If you held two or more offices or employments with the same employer or associated employers and earnings from, say, one are chargeable to UK Income Tax but earnings from the other are not, you should complete an *Employment* page for both or all the associated employments. If you are unsure, contact us for advice.)

If any of the above applies to you, say why you are not completing an *Employment* page in the 'Any other information' box, box 19 on page TR 6.

2. Self-employment

If you were in business on your own account, or you were a subcontractor working in the building industry, fill in the *Self-employment* pages. If you worked with someone else in partnership, use the *Partnership* pages instead.

There are two kinds of *Self-employment* pages – short ones and full ones. If your business is straightforward and your annual turnover was less than £70,000, you can probably use the short pages. If your business is more complex, your annual turnover was £70,000 or more, or you need to make some adjustments to your profits, you will need the full pages.

3. Partnership

Each partner will have to complete *Partnership* pages as part of their personal tax return and one partner will have to complete the Partnership Tax Return.

4. UK property

Use the *UK property* pages to return UK property rental income and furnished holiday letting income from properties in the UK or European Economic Area (EEA). You may also need the *UK property* pages if you let furnished rooms in your own home in the year to 5 April 2011. But if that letting amounted to a trade – for example, because you provided meals and other services – you will need the *Self-employment* pages.

5. Foreign

If your only foreign income was:
• untaxed foreign interest received (up to £2,000), and/or
• taxed foreign dividends (up to £300)
you may enter them in box 2 (for untaxed foreign interest received) or box 5 (for taxed foreign dividends) on page TR 3 of your tax return. In addition please read the notes for box 2 (on page TRG 9 for foreign interest) and for box 5 (on page TRG 10 for foreign dividends).

Otherwise, the *Foreign* pages should be completed if you received income from any of the following overseas sources:
• interest and income from overseas savings
• dividends from foreign companies
• overseas pensions, social security benefits and royalties
• income from land and property abroad (but excluding furnished holiday letting income from properties in the EEA)
• benefits from a UK trust that has either been, or has received income from an overseas trust
• gains on foreign life insurance policies.

The *Foreign* pages should also be completed if:
• overseas income has had foreign tax deducted and you want to claim relief from double taxation, for example by claiming Foreign Tax Credit Relief, or
• you had dividends from foreign companies and you want to benefit from both UK dividend tax credits and Foreign Tax Credit Relief.

Please consult the notes for the *Foreign* pages for further information about Foreign Tax Credit Relief and Double Taxation Agreements (DTAs).

If you are claiming the remittance basis of taxation for 2010–11, but you did not remit anything during the tax year in respect of foreign income dealt with on the *Foreign* pages, you do not need to complete the *Foreign* pages. You should claim the remittance basis by completing the *Residence, remittance basis etc.* pages instead (see page TRG 6).

The following items should not be included on the *Foreign* pages but on the relevant pages of your tax return instead:
• foreign income earned by your business or partnership goes on the *Self-employment* or *Partnership* pages
• any taxable capital gains arising from the disposal of overseas assets goes on the *Capital gains summary* pages
• foreign employment income goes on the *Employment* page.

However, if you claim Foreign Tax Credit Relief on this income you should complete the appropriate section on page F 6 of the *Foreign* pages.

If you do not need to complete the *Foreign* pages, please put 'X' in the 'No' box at box 5 on page TR 2 of your tax return. Where:
• you have transferred, or taken part in the transfer of, assets as a result of which income has become payable to a person abroad, or
• someone else has transferred, or taken part in the transfer of, assets as a result of which income has become payable to a person abroad, and you have received a benefit as a result of the relevant transactions
then Helpsheet 262 *Income and benefits from transfers of assets abroad and income from non-resident trusts* will help you decide if any income should be included on the *Foreign* pages. A person abroad includes an individual, the trustees of a settlement, a company or other person.

Contacts

Please phone:

- the number printed on page TR 1 of your tax return
- the SA Helpline on **0845 9000 444**
- the SA Orderline on **0845 9000 404** for helpsheets

or go to **www.hmrc.gov.uk**

6. Trusts etc.

If you were a beneficiary of a trust (excluding a 'bare' trust) or settlement, or the settlor of a trust or settlement whose income is deemed to be yours, complete the *Trusts etc.* pages.

If you received income from the estate of a deceased person do not complete the *Trusts etc.* pages if:

- what you were entitled to was a legacy of a fixed sum of money or a specific asset, or
- your legacy was paid with interest – if the interest was paid after tax was taken off it goes in box 1 on page TR 3 of your tax return; if the interest was paid without tax taken off it goes in box 2 on page TR 3 of your tax return, or
- that income came from a specific estate asset and can be entered elsewhere on your return, for example, rents from an estate property.

7. Capital gains summary

You must fill in the *Capital gains summary* pages **and** attach your computations if in the tax year:

- you disposed of chargeable assets which were worth more than £40,400, or
- your chargeable gains (before the deduction of any losses) are more than £10,100, or
- you want to claim an allowable capital loss or make any other capital gains claim or election for the year, or
- you were not domiciled in the UK and are claiming to be taxed on your foreign gains on the remittance basis, or
- you have made for a previous year an election for foreign losses accruing when you are not domiciled in the UK to be allowable, and foreign chargeable gains (which accrued in or after the first year covered by that election but before 2010–11)
  - were remitted to the UK in 2010–11 and
  - are chargeable on the remittance basis.

If you are not domiciled in the UK and are chargeable on the remittance basis, then in applying the above limits include the proceeds from the disposal of any non-UK asset to the extent that the gains from that disposal are remitted to the UK.

In working out if the assets you disposed of were worth more than £40,400, use the market value of any assets you gave away or sold for less than full value and ignore the following:

- disposals of exempt assets such as private cars, shares held within Individual Savings Accounts (ISAs)
- disposals of assets to your spouse or civil partner (if you were living together at some time during the tax year)
- disposals of your own home where
  - it has been your only home during your ownership and was not used for any other purposes, for example, in your business
  - the house has been used as your home throughout your ownership (but you can ignore the last three years of ownership)
  - the garden and grounds disposed of at the same time do not exceed half a hectare.

In working out your total chargeable gains include any gains attributed to you (for example, because you are a settlor or beneficiary of a trust, or in certain cases where you are a member of a non-resident company).

8. Residence, remittance basis etc.

If you consider yourself to be not UK resident, not ordinarily resident or not domiciled in the UK, or dual resident in the UK and another country, fill in the *Residence, remittance basis etc.* pages **first** (before any other pages).

The *Residence, remittance basis etc.* pages should also be completed if you want to use the remittance basis in respect of your foreign income and gains for 2010–11. These pages reflect the changes made to the remittance basis of taxation from 6 April 2008. Please consult the *Residence, remittance basis etc.* pages and *notes* for further details.

Additional information

These pages are for less common types of income, deductions and reliefs, and for other information. Complete these pages if you have:

- interest from gilt edged and other UK securities, deeply discounted securities and accrued income profits
- life insurance gains
- stock dividends, non-qualifying distributions or close company loans written-off
- post cessation receipts
- income from share schemes
- received lump sums or compensation payments from your employer, or foreign earnings not taxable in the UK
- taxable lump sums from overseas pension schemes

or you wish to claim

- certain employment deductions such as disability and foreign service deduction or Seafarers' Earnings Deduction
- age related Married Couple's Allowance
- other tax reliefs not found in the main part of your tax return
- relief for losses from other income or for 2011–12 trading or certain capital losses

or if you

- are liable to pension savings tax charges
- need to notify any disclosed tax avoidance schemes or arrangements.

You do not need to send these pages back to us if you have made no entries on them. But if you have completed these pages, please send them back with your tax return. If you need the *Additional information notes* please contact us or download them from **www.hmrc.gov.uk**

Student Loan repayments

Income Contingent Repayment (ICR) Student Loans are collected by us (for new borrowers, from August 1998). You will have received a letter from the Student Loans Company (SLC) before you were due to start repaying your loan telling you the date from which any ICR loan repayments will become due. ICR loan repayments are based on your income not on the loan amount borrowed and this is what makes the loan 'income contingent'. In addition repayments only become due once your income exceeds the annual threshold (currently £15,000). Please contact us if you receive notification after you have sent your tax return that your ICR student loan has been fully repaid before 1 January 2012. If you have not received notification that your loan has been fully repaid but you think that you are nearing the end of your loan term you should contact the SLC direct. Contact details are on their website at **www.studentloanrepayment.co.uk**

> **Contacts**
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>
> or go to **www.hmrc.gov.uk**

Income

Interest and dividends from UK banks, building societies, etc.

You must include in your return the interest you receive on bank, building society and other savings accounts, and on loans, unless it is specifically non-taxable. There is a note below about non-taxable income that you must exclude from your return. You must also include dividends from UK companies and from UK authorised unit trusts or open-ended investment companies, as well as from purchased life annuities.

Some income from savings and investments goes on the *Additional information* pages enclosed in your tax return pack, not on page TR 3 of your tax return. This includes:

- interest from UK government securities (gilts) and bonds or loan notes issued by UK companies
- profits on securities that are issued at a discount or repaid at a premium
- amounts within the accrued income scheme
- stock dividends and non-qualifying dividends
- gains on life insurance policies.

There are some general rules that apply to all of your interest and dividend income.

Joint savings and investments

The usual rule is – only enter **your share** of the income.

Married couples and civil partners

Income from investments held in joint names is usually treated as belonging to the two of you in equal shares and each of you will be taxed on half of the income. However, if you hold the investments in unequal shares and you are entitled to the income in those proportions you can make an election to be taxed on that basis – if you want to make an election please contact us. (Joint bank and building society accounts are held as 'joint beneficial owners' so unless you have legally changed the way the account is held you cannot make such an election for these accounts.)

If you hold shares in a 'close' company (and you will know if you do), jointly with your spouse or civil partner, the dividend income is taxed in proportion to your entitlement (which may not be 50:50).

Nominees and bare trusts

If a nominee receives investment income on your behalf, or if you are a beneficiary of a bare trust (that is you have an immediate, absolute title to some or all of the income or capital of the trust) you should enter interest and dividends in boxes 1 to 4 as appropriate on page TR 3 – not on the *Trusts etc.* pages.

Income arising from gifts to your children

If you have made gifts in this tax year or earlier years to any of your children who are under 18, and those gifts produce more than £100 income (before tax) in a tax year, you must include the whole of that income in your return.

Alternative finance receipts

If you have an investment with a bank or building society that, instead of paying you interest pays you another kind of return (the bank or building society may call this payment an alternative finance return or profit share return), include the payment you receive in box 1 on page TR 3 if it is taxed, or box 2 if it is not. Where the tax return and this guide talk about interest, it also includes alternative finance receipts.

Purchased life annuities

If you have income from a purchased life annuity, you should include this in box 1 on page TR 3. Income will only be part of the payment you receive – check your payment certificate – do not put the rest of the payment on your return. A purchased life annuity is not a retirement annuity, nor the result of contributions made to a personal pension plan.

You will usually receive the income from your purchased life annuity after the payer has taken tax off. Enter in box 1 the net amount of the income payment.

Exclude from your tax return:

- interest or dividends or bonuses from tax exempt investments (for example, ISAs and National Savings & Investments Savings Certificates)
- interest and terminal bonuses from Save As You Earn schemes
- Premium Bond, National Lottery and gambling prize winnings
- interest awarded by a UK court as part of an award of damages for personal injury or death
- interest from Ulster Savings Certificates (if you usually live in Northern Ireland and lived there when you bought the certificates or when they were repaid)
- Adoption Allowances paid under the provisions of the Adoption Allowance Regulation 1991 or schemes approved by the Secretary of State for Scotland under Section 51 Adoption (Scotland) Act 1988.

UK interest etc.

You must include in box 1 or box 2 on page TR 3 of your tax return, interest or interest distributions received from:

- banks and building societies (including internet accounts) – current and deposit accounts
- UK authorised unit trusts, open-ended investment companies and investment trusts
- National Savings & Investments products
  - where tax is taken off before you receive it (such as fixed rate Guaranteed Income or Growth Bonds) and
  - where no tax is deducted (such as Direct Saver, Easy Access Savings Accounts, Income Bonds and Investment accounts) but exclude
    - accumulated interest on Savings Certificates (including index-linked) and
    - interest on Children's Bonus Bonds
- certificates of tax deposit
- loans to individuals and organisations, including 'peer-to-peer' lending
- credit unions and friendly societies
- Enterprise Zone Trusts (the rents should go on the *UK property* pages).

Do not include interest from UK government securities (gilts), or interest from bonds, loan notes or similar securities issued by UK companies. You should enter this in boxes 1 to 3 on page Ai 1 of the *Additional information* pages. But interest from savings bonds issued by banks and building societies, and which you cannot trade in the open market, should be entered in box 1 or box 2 on page TR 3 of the main return.

Box 1 *Taxed UK interest etc. – the net amount after tax has been taken off*

You will usually receive your interest etc. after tax (at 20%) has been taken off (deducted) by the payer, for example, the bank or building society or unit trust manager. What we want in box 1 is the net amount – that is, the interest etc. after tax was taken off – the amount that actually increased the balance in the account.

If your total income (including interest) is below your tax-free Personal Allowance (£6,475 if you are under 65), you can register to have your interest etc. paid without tax being taken off. Phone the SA Helpline and ask for form R85.

Bank statements, building society passbooks or electronic vouchers from authorised unit trusts, open-ended investment companies or investment trust companies may describe this differently. Your statements may show three amounts – 'gross interest', 'tax deducted' and 'net interest'. If so, it is a simple matter of copying the net interest figure to box 1. But some payers will just show gross interest and tax taken off (or deducted). The net interest is what you get by taking the tax taken off figure away from the gross interest. And some payers just show 'net interest' in your statement so all you have to do is copy that figure into box 1. (Printouts of electronic vouchers should be sent in with your return if you wish to claim repayments of tax deducted.)

If you have more than one account add up all your net interest etc. figures and put the total in box 1.

Box 2 ***Untaxed UK interest etc. – amounts which have not been taxed***

If you have an account that pays you interest etc. without the payer deducting tax at all – a 'gross paying account' – enter that untaxed amount in box 2. (Do not use this box for the gross equivalent of box 1– if you do, you will be taxed twice on the same income.) If you receive untaxed interest on a loan you have made to someone (including a member of your family) you should also include it in box 2.

If your only foreign income was untaxed foreign interest (up to £2,000), you can use box 2 to enter this information rather than completing the *Foreign* pages.

If you have entered any foreign interest in box 2, please add a note in the 'Any other information' box, box 19 on page TR 6 of your tax return, to show the amounts of untaxed UK interest and foreign interest received.

UK dividends

Box 3 ***Dividends from UK companies – do not include the tax credit***

Your dividend voucher will show your holding of shares in the company, the dividend rate, the tax credit and the dividend payable. You will get this information even if the dividends are paid direct into your bank or through your investment broker. The only figure to enter on your tax return is the total of all dividend payments – do not add on the tax credit.

Include here all dividends from shares you acquired through employee share schemes. There is one exception and that is dividends used to buy more shares through an approved Share Incentive Plan, although you may have to include them if you take those shares out of the plan within three years. If you are not sure go to **www.hmrc.gov.uk/shareschemes** or contact us.

Distributions from UK Real Estate Investment Trusts (UK-REITs) or Property Authorised Investment Funds (PAIFs) which are paid out of the tax-exempt profits of the UK-REIT are known as Property Income Distributions (PIDs). The amount that is taxed is the full amount of the PID. This should go in box 16 with any tax taken off in box 18. This applies to PIDs paid by cash and to PIDs paid by the issue of a stock dividend.

If you hold shares in a company that has made a rights issue, and have received a compensation payment for not having taken up your entitlement under the rights issue, do not include the payment here. Add it to any other chargeable gains and check whether you should be filling in the *Capital gains summary* pages.

Do not include any stock dividends or non-qualifying dividends. You should enter these on the *Additional information* pages.

Dividends from companies affected by the service company rules

If you are affected by the service company rules (see page TRG 21) and the company has made a claim for the dividends not to be taxable on you and we have approved that claim, you may exclude those dividends from your tax return. If you are unsure of the present position please contact us.

Manufactured dividends

If you received any manufactured dividends, provide details in the 'Any other information' box, box 19 on page TR 6; do not include the dividends here.

Box 4 *Other dividends – do not include the tax credit*

Include here dividend distributions from authorised unit trusts, open-ended investment companies, and investment trusts (see under 'UK interest etc.' on page TRG 8 if you received an interest distribution from any of these).

Enter the dividends as shown on your dividend voucher; do not add on the tax credit. If you have accumulation units or shares the dividend is automatically reinvested but you must still include the dividend in box 4.

Do not include any amount shown as 'equalisation'; it is a repayment of capital (and should be deducted from the cost of the units or shares when calculating capital gains).

Box 5 *Foreign dividends (up to £300)*

If your only foreign income was taxed dividends you can enter them in box 5 (rather than complete the *Foreign* pages) – but only basic (10%) tax credit will be given when we process your tax return. Enter the sterling equivalent of the dividend here and of the foreign tax deducted in box 6.

Other types of income included in boxes 1 to 6

Takeovers, mergers and conversions of building societies

You may have to pay tax if you have received cash following the merger of two or more building societies, or if you have received cash or shares following the takeover or conversion of a building society by or to a company. The building society may tell you if there is tax to pay but if you need help, contact us.

If the payment is liable to Income Tax include it in box 1. If you are not sure include it in box 16 and give details in box 19 on page TR 6. If it is liable to Capital Gains Tax add it to any other chargeable capital gains and check whether you should be filling in the *Capital gains summary* pages (see page TR 2 of your return and page TRG 5 of this guide).

Transfer of the right to income

If you sell or transfer the right to dividends before 22 April 2009 but do not dispose of the underlying security, that transferred income is treated as yours and should be included in box 3.

If you sell or transfer the right to income from 22 April 2009 onwards without disposing of the asset from which the income arises, the consideration that is receivable in return for the transfer is treated as your income and should be included in the box in which the income would have been entered had it not been transferred. If the market value of the right is substantially greater than the consideration that is receivable, then the market value of the right (rather than the consideration) is treated as your income and should be included in the box in which the income would have been entered had it not been transferred.

UK pensions, annuities and other state benefits received

For more information on what is and what is not taxable income please go to our website **www.hmrc.gov.uk/incometax/taxable-income.htm**

> Do not include Attendance Allowance anywhere on your tax return.

Exclude from boxes 7 to 12:

- Attendance Allowance, Bereavement Payment, Disability Living Allowance
- State Pension credit
- additions to State Pensions or benefits because of dependent children
- income-related Employment and Support Allowance
- Jobfinder's Grant
- New Deal training allowance (but a wage from New Deal should be included on the *Employment* page)
- Employment Zone payments
- Maternity Allowance
- war widow's pension and some pensions paid to other dependants of deceased Forces and Merchant Navy personnel. (Contact us for more information about reductions in, or non-payment of, these pensions because of the payment of another pension or benefit)
- pensions and other payments for disability, injury or illness due to military service
- overseas pensions (these should go on the *Foreign* pages).

Box 7 *State Pension*

You are taxed on the 'full amount' of State Pension you were entitled to for the year to 5 April 2011, which is the total of your weekly entitlements. Because the State Pension can be paid weekly, 4-weekly or quarterly in arrears, **your total State Pension entitlement is unlikely to be the same as the actual payments you received in the year to 5 April 2011.**

To find out your weekly State Pension entitlement, you can use the 'About the general increases in benefits' letter that The Pension Service sent you before the start of the 2010–11 financial year. This letter tells you your weekly State Pension entitlement from 12 April 2010.

However, if the amount of State Pension you receive has changed between 12 April 2010 and 5 April 2011 (for example, due to a change in your circumstances), then The Pension Service will have sent you a letter telling you what your new weekly entitlement is. You can use this new 'entitlement letter' to find out your weekly entitlement for the remainder of the year. Both these letters also include a breakdown of the components of your State Pension.

If you do not have the appropriate letter(s), phone The Pension Service on **0845 606 0265** (Textphone **0845 606 0285**) and ask for a BR735 'Statement of pension' form for the period 6 April 2010 to 5 April 2011.

If you received State Pension for the full year to 5 April 2011, to calculate the total amount you were entitled to for the year, multiply your weekly entitlement by 52. If your weekly entitlement changed during the year you will need to multiply each amount by the number of weeks for which it was received up to a maximum of 52 weeks. For the year ending 5 April 2011, if you were paid weekly or 4-weekly and your payday was a Tuesday, you need to add one extra week's pension to the amount calculated as above because there were 53 Tuesdays during the full tax year.

If you received State Pension for part of the year, you will need to count the number of weeks from the date your State Pension began to 5 April 2011 and multiply this by your weekly entitlement to calculate your total entitlement for this tax year.

As a guide to the total of your weekly entitlements for a full year, if you were paid:

- weekly – add up the 52 weekly amounts as shown on your bank statement or building society passbook (if you were paid by direct debit)
- 4-weekly – multiply your 4-weekly amount by 13
- quarterly – multiply the quarterly amount by 4.

As well as your basic State Pension, the box 7 figure should include:

- any graduated pension
- the age addition if you are over 80
- increases paid by the Department for Work and Pensions to uprate a guaranteed minimum pension
- any addition for a dependent adult
- any extra pension paid because you deferred or temporarily gave up your State Pension, and
- if you are married or in a civil partnership, any State Pension payable to you because of your spouse's or civil partner's National Insurance contributions.

Read the note for box 15 on page TRG 14 to see which State Pensions should be entered in box 15, not box 7.

The figure should not include:

- any addition for a dependent child
- annual Christmas bonus, or
- Winter Fuel Payment

they are not taxable.

Box 8 *State Pension lump sum*

If you delayed claiming your State Pension for at least 12 consecutive months (all of which fell after 6 April 2005) and chose to receive, during 2010–11, a one-off lump sum payment from the Department for Work and Pensions, enter in box 8 the payment before it was taxed (the gross amount). Enter in box 9 the tax taken off the payment.

Box 10 *Pensions (other than State Pension), retirement annuities and taxable triviality payments*

Your pension payer will give you a P60 (End of Year Certificate) or similar statement. Add together all UK retirement annuities and pensions (other than the State Pension), including those:

- from your, or your late husband's, wife's or civil partner's, employer
- from personal pension plans and stakeholder pension plans
- paid as unsecured pensions (income withdrawals) from any type of registered pension scheme
- from Additional Voluntary Contributions schemes (including Free-Standing Additional Voluntary Contributions)
- for injuries at work or for work-related illnesses
- from service in the Armed Forces (including a Survivor's Guaranteed Income Payment from the Armed Forces Compensation Scheme for widows, widowers, partners or surviving civil partners of deceased service personnel)
- from retirement annuity contracts or trust schemes (but purchased life annuities go in box 1 on page TR 3)
- taxable parts of lump sums you received instead of a small pension ('triviality payment' or 'trivial lump sum').

> **Contacts**
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>
> or go to **www.hmrc.gov.uk**

Enter in box 10 the amount before any tax has been deducted (less any 10% deduction if applicable – see '10% deduction' below).

In box 19 on page TR 6, please provide details of pension and/or annuity payers, PAYE reference, pension/annuity reference, payment before tax and tax deducted. This information will allow us to make the best use of your tax allowances and set your PAYE tax code for the year to 5 April 2012.

If you receive a pension following retirement because of a work-related illness or injury at work, and your pension is more than it would have been had you retired, at the same time, for health reasons not caused by your work, the extra amount is not taxable. (This does not apply to any pension paid under a registered pension scheme.)

10% deduction

If you receive a UK pension for former service to an overseas government, only 90% of the basic pension will be taxable in the UK, if certain conditions apply. The pension must be paid:

- by, or through, any public department, officer or agent of the government of the overseas territory
- to a person who has been employed in the service of the Crown or in service under the government of the territory concerned (or to that person's widow, widower, surviving civil partner, child, relative or dependant).

The territories are:

- any country forming part of Her Majesty's dominions
- any Commonwealth country (excluding the UK)
- any territory under Her Majesty's protection.

You may receive more than the basic pension but it is only the basic amount that qualifies for the 10% deduction.

Box 11 *Tax taken off box 10*

Enter in box 11 the total tax taken off all your other pensions etc. If your P60 (or equivalent end of year certificate) shows that tax was refunded to you please put a minus sign in the box provided, before the tax figures.

Box 12 *Taxable Incapacity Benefit and contribution-based Employment and Support Allowance*

Not all Incapacity Benefit is taxable. It is not taxable in the first 28 weeks of incapacity. It is also not taxable if your incapacity began before 13 April 1995, and Invalidity Benefit would previously have been payable.

The P60(IB) provided by the Department for Work and Pensions (by 31 May 2011) tells you how much of your benefit is taxable. If you stopped claiming before 5 April 2011 you will have been given either a form P45(IB)(Part 1A) or P45(Part 1A)(IB)(O); the taxable amount will be shown on either form, as will any tax taken off (to go in box 13).

All contribution-based Employment and Support Allowance is taxable. The P60(U) provided by the Department for Work and Pensions (by 31 May 2011) tells you the taxable amount. If you stopped claiming before 5 April 2011, the taxable amount will be shown on the form P45(U) given to you when your claim ended. Tax is not taken off the payments that you receive.

Box 14 *Jobseeker's Allowance*

Enter the taxable amount of Jobseeker's Allowance. You will find this figure on the P60(U) provided by the Department for Work and Pensions (by 31 May 2011). If you stopped claiming before 5 April 2011, the taxable amount will be shown on the form P45(U) given to you when your claim ended. Tax is not taken off the payments that you receive.

Box 15 *Total of any other taxable State Pensions and benefits*

Exclude from box 15 any additional amounts paid for child dependency or child allowance.

Include in box 15:
- Widow's Pension or Bereavement Allowance
- Widowed Mother's or Widowed Parent's Allowance
- Industrial Death Benefit Pension
- Carer's Allowance
- Statutory Sick, Maternity, Paternity and Adoption Pay – but only if paid by us (if paid by your employer include it on the *Employment* page).

Other UK income not included on supplementary pages

Box 16 *Other taxable income*

There are many kinds of income that could be included in box 16; here are just a few examples:
- casual earnings
- commission
- freelance income
- Property Income Distributions (PIDs) from UK Real Estate Investment Trusts (UK-REITs) and Property Authorised Investment Funds (PAIFs) including PIDs paid by the issue of a stock dividend
- business receipts where your business has ceased, such as
  - bad debts recovered, or
  - royalties for contracts made while the business was still running, or
  - receipts to be taken into account following a change in accounting practice which would not otherwise be taxed over the life of your business
- payments under a personal insurance policy for sickness or disability benefits if you continue to be covered by a former employer's permanent health insurance scheme. (If you contributed to the premiums paid by your former employer, the benefits arising from your contributions will be exempt)
- income received, or treated as received, from unauthorised unit trusts
- taxable annual payments.

For some of these sorts of payment, tax may have been taken off by the person making the payment. If so, you should enter the full amount of the payment in box 16, and the amount of tax taken off in box 18.

Generally, if you are not sure what income may be included here, please contact us. This section **must not** be used for income (or gains) that should be returned on supplementary pages.

Box 17 *Total amount of allowable expenses*

Allowable expenses are those which:
- had to be spent solely to earn the income
- were not spent for private or personal reasons
- were not spent on capital items, such as a computer.

ⓘ Contacts

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or go to **www.hmrc.gov.uk**

If the expenses exceed the income the result is a loss, which can be carried forward to a subsequent year. Some losses may be set against other types of income you may have included in box 16. There are rules about setting off these losses; Helpsheet 325 *Other taxable income* explains what can be set off.

Box 19 *Benefit from pre-owned assets*

Box 19 refers to the Income Tax charge on benefits received where you have owned or contributed to the acquisition of property (pre-owned assets). For further examples of the types of benefit which might lead to a tax charge please see the POAT guidance on our website, go to **www.hmrc.gov.uk/poa/poa_guidance1.htm#11**

Property here means land and buildings or chattels (for example, works of art, furniture, antiques, cars or yachts) or any property held in a settlement other than land or chattels.

You may have to pay tax if you meet both of the following conditions.

The first condition is that during 2010–11 you:
- occupied land without paying a full market rent for it, or
- used or enjoyed chattels without paying fully for the benefit, or
- could benefit from settled property but are not entitled as a right to receive the income.

The second condition is that at some time since 17 March 1986 you:
- owned the property you are now benefiting from, or
- owned and disposed of another property and used the proceeds of that disposal to acquire the property you are now benefiting from, or
- gave someone else property, including cash, and they used it to acquire, directly or indirectly, the property you are now benefiting from. (Please note 'gave' includes sales or part sales to connected parties and sales at an undervalue.)

The amount of benefit is:
- (for land and buildings) the annual open market rent you could obtain if you let the land (including buildings), and/or
- (for other assets) 4% of the capital value of personal possessions and other assets.

The prescribed rate is the official rate of interest at the valuation date, which for 2010–11 is 4%. The annual open market rent for land or the capital value of chattels is the figure that applied when you first had to pay tax in respect of pre-owned assets. That value then applies for the next five tax years. If you started paying tax in respect of pre-owned assets in 2005–06, you will need to re-establish the annual open market rent or the capital value of chattels as at 6 April 2010 to give the value to use for 2010–11 until 2014–15. If the benefit arises from a settlement, the capital value must be established at the start of each tax year.

If you disposed of, or contributed to, only part of the property that you now benefit from or if you have only benefited for part of the year or if you still retain part of the property, the charge is reduced.

Please say in the 'Any other information' box, box 19 on page TR 6, how you worked out the benefit or charge that you are now entering in box 19.

If the benefit is from a settlement and tax is payable on the settlement income, then deduct that tax from the benefit you are entering in box 19 and provide full details in box 19 on page TR 6.

You will not have to pay the Income Tax charge on the benefit if:

- the property you are benefiting from now could be liable to Inheritance Tax when you die (which includes 'gifts with reservation of benefit' for Inheritance Tax purposes), or
- the total benefit for the year is £5,000 or less (the valuation on which the benefit is based remains valid for five years), or
- you gave cash that directly or indirectly funded the acquisition of the property you benefit from now, but the gift was made before 6 April 2002 (if first chargeable in 2010–11).

There are several exclusions and exemptions from the charge. For help with deciding whether you are liable and how to work out your benefit go to **www.hmrc.gov.uk/poa** or phone the Probate and Inheritance Tax Helpline on **0845 302 0900**.

You do not have to pay this Income Tax charge if you elect within the required timescale for your estate to pay the Inheritance Tax on the property when you die. Full details about elections, including how and when to elect and the form to use, are available at Part 3 of the detailed guidance at **www.hmrc.gov.uk/poa** You can also get the election form IHT500 and its guidance notes IHT501 from **0845 234 1000** or **0845 302 0900**.

Tax reliefs

This section covers the most commonly claimed types of relief – for payments to registered pension schemes and charities – and for Blind Person's Allowance. If you wish to claim a relief that is not covered by this section (for example, age related Married Couple's Allowance) please look in the *Additional information* pages enclosed with your tax return to see if that relief is included there, or check the other pages of your return.

Paying into registered pension schemes and overseas pension schemes

If you are a UK individual who is building up benefits in a registered pension scheme, you can usually have tax relief on your payments (your contributions or those of someone else, other than your employer, on your behalf) into that scheme. You must:

- have taxable UK earnings, such as employment income or profits from self-employment, or
- be resident in the UK for some time during the tax year, or
- have been UK resident at some time in the five preceding years and when you joined the pension scheme, or
- have earnings from overseas Crown employment, taxable in the UK (or your spouse does).

The tax relief can be claimed for the year the contributions are made. No tax relief is given for contributions made after you reach the age of 75.

You may have a life assurance policy in your registered pension scheme. Not all life assurance policies qualify for tax relief. Your pension provider will be able to tell you if your payments do not qualify for tax relief. If your payments do not qualify for tax relief put nothing on this tax return.

For further information ask for Helpsheet 347 *Personal term assurance contributions to a registered pension scheme*.

Contacts

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- the SA Helpline on **0845 9000 444**
- the SA Orderline on **0845 9000 404** for helpsheets

or go to **www.hmrc.gov.uk**

Limits to relief

The maximum amount on which you can claim relief is either:

- £3,600, or, if higher
- the amount of your taxable UK earnings for the year.

The tax relief for contributions up to £3,600 that are more than your taxable UK earnings can only be given if the pension scheme is a 'relief at source' scheme (see below).

Your pension scheme chooses how you get your tax relief; there are three ways.

Payments deducted from your pay before it is taxed (the net pay arrangement)

If your payments to your employer's occupational pension scheme (or any associated Additional Voluntary Contributions) are deducted from your pay before it is taxed you will already have received your tax relief. Put nothing on this tax return.

Relief at source

Box 1 ***Payments to registered pension schemes***

Under 'relief at source' arrangements, payments to registered pension schemes are made after tax relief at the basic rate (20% in 2010–11). The pension provider will have claimed basic rate tax relief on your behalf and added it to your pension fund. You will have made a 'net' payment. You should enter the gross amount in box 1; that is, the amount you paid plus the tax relief. These amounts may be on any pension certificate or receipt you get from the administrator, or you can work it out by dividing the amount you actually paid by 80 and multiplying the result by 100.

Example

You paid £800 into your pension fund. You should enter £1,000 in box 1, (£800 divided by 80 and multiplied by 100), which is your net payment plus the tax relief of £200 (£1,000 at 20%).

If you pay tax at 40%, or both 40% and 50%, you are entitled to further tax relief. We will work it out and give you credit in your tax calculation.

If you have a tax code, to help us get the code right enter details of any 'one-off' pension payments included in box 1 in the 'Any other information' box, box 19 on page TR 6. One-off payments are payments made in the year to 5 April 2011 that you do not intend to repeat in the year to 5 April 2012.

Payments made in full

Box 2 ***Payments to a retirement annuity contract***

If you hold a retirement annuity contract and the retirement annuity provider does not operate the relief at source system (they do not claim the basic rate tax relief on your behalf) enter your total 2010–11 payments. We will work out the tax relief to give you credit in your tax calculation.

Box 3 ***Payments to your employer's scheme which were not deducted from your pay before tax***

If you made payments to an employer's registered pension scheme and no tax relief was given at the time of payment, you can claim relief for them now by entering in box 3 the total amount you paid in the tax year. We will work out the tax relief and give you credit in your tax calculation.

This may occur when:

- your contributions to your employer's occupational pension scheme were more than your earnings from that employment, or
- your employer was unable to deduct the contributions from your pay before taxing it (perhaps because your payment was made close to 5 April), or
- you are not an employee but you are a member of a public services pension scheme or a marine pilots' fund, or
- you are a member of an occupational pension scheme but contributions were made on your behalf by someone else (who was not your employer).

Box 4 *Payments to an overseas pension scheme*

If you make payments (which were not deducted from your pay before tax) to an overseas pension scheme which is not a UK registered pension scheme, you may be entitled to tax relief. If you are eligible for migrant member relief, transitional corresponding relief or relief under a Double Taxation Agreement, enter the amount that qualifies for relief in box 4.

Charitable giving

Boxes 5 to 12 are for you to provide details of gifts to charity for which you are claiming relief. For this purpose 'charity' means an organisation that meets the definition of a charity for tax purposes. HMRC is publishing on its website a list of organisations that it has confirmed meet the definition.

Gift Aid

Gift Aid is a tax relief for gifts of money to charities and Community Amateur Sports Clubs (CASCs). The charity or CASC will ask you to give them a declaration that you have paid an amount of UK Income Tax and/or Capital Gains Tax at least equal to the amount that they can claim back from us. If you have not paid an amount of Income or Capital Gains Tax at least equal to the amount the charity or CASC claims back on your gift, we will ask you to pay the difference (usually by including it in your tax calculation).

If you have been making charitable payments under a deed of covenant since before 6 April 2000 those payments automatically come under Gift Aid. If you have entered into a deed since 6 April 2000 the charity should have asked you to make a declaration that you pay UK Income Tax or Capital Gains Tax.

If you pay tax at the higher rate, or additional rate, you are entitled to additional tax relief – the calculation works it out for you.

If you are 65 or over, your Gift Aid payments could reduce your tax bill so make sure you fill in box 1 on page TR 1 – we need your date of birth to work out your correct tax-free personal allowances.

Box 5 *Gift Aid payments made in the year to 5 April 2011*

Enter the actual amounts given or covenanted; do not add on any tax relief that you think the charity will obtain. Do not include any payments under Payroll Giving (in box 5 or anywhere else on your return); those payments are taken off your salary before your employer taxes it. If you asked us to give any 2009–10 tax repayment to charity (through your 2009–10 tax return) and you ticked the box for Gift Aid to apply, that payment should be included in your box 5 figure.

Contacts

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- the SA Helpline on **0845 9000 444**
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or go to **www.hmrc.gov.uk**

Box 6 *Total of any 'one-off' payments in box 5*

To help us get your PAYE tax code right, if you have one, enter in box 6 any 'one-off' payments included in box 5. These will be Gift Aid payments made in the year to 5 April 2011 that you do not intend to repeat in the year to 5 April 2012.

Box 7 *Gift Aid payments made in the year to 5 April 2011 but treated as if made in the year to 5 April 2010*

If you have already asked us to treat payments made in the year to 5 April 2011 as if they had been made in the year to 5 April 2010, enter those payments in box 7.

Box 8 *Gift Aid payments made after 5 April 2011 but to be treated as if made in the year to 5 April 2011*

You can ask us to treat Gift Aid payments, made between 6 April 2011 and the date you send us your return (assuming you send it back by the filing deadline), as if they were made in the year to 5 April 2011. You might want to do this if you know you will not be paying higher rate tax this year but you know you did (or will do) in the year to 5 April 2011. (You cannot do this on an amended return.)

Box 9 *Value of qualifying shares or securities gifted to charity*

You can claim tax relief for any qualifying shares and securities gifted, or sold at less than their market value, to charities. Qualifying shares and securities are:

- those listed on a recognised stock exchange, or
- dealt in on any designated market in the UK
- units in an authorised unit trust
- shares in an open-ended investment company
- an interest in an offshore fund.

Enter in box 9 the value of the net benefit to the charity of the shares or securities minus any amounts or benefits received from the charity. Add to that value any incidental costs you bear in connection with the transfer, such as brokers' fees or legal fees.

The net benefit to the charity is usually the market value of the qualifying investment. But special rules apply if the charity is placed under **any obligation in connection with the transfer to it of the investment or if the investment was acquired as part of a scheme to obtain tax relief or an increased amount of tax relief** – ask the SA Orderline for Helpsheet 342 *Charitable giving* or contact us if you need more information.

Box 10 *Value of qualifying land and buildings gifted to charity*

You can claim tax relief for any gift, or sale at less than market value, to a charity of a 'qualifying interest in land', that is, the whole of your beneficial interest in that freehold or leasehold land in the UK.

Enter in box 10 the value of the net benefit to the charity of the land minus any amounts or benefits received from the charity (and see the final paragraph of the notes for box 9). Add to that value any costs you bear in connection with the gift or sale, such as legal or valuer's fees.

The charity must give you a certificate specifying the land and interest it has accepted from you.

Box 11 ***Value of qualifying investments gifted to non-UK charities in boxes 9 and 10***

You can claim relief for gifts of qualifying shares, securities, land or buildings to bodies in certain non–UK countries that meet the definition of charity for tax purposes. Enter in box 11 any amounts included in boxes 9 or 10 where the charity to which the investments have been given is outside the UK.

Box 12 ***Gift Aid payments to non-UK charities in box 5***

You can claim relief for Gift Aid donations to bodies in certain non–UK countries that meet the definition of charity for tax purposes. Enter in box 12 any amounts included in box 5 where the charity to which donations have been made is outside the UK.

Box 11 and box 12

If you have entered any figures in boxes 11 or 12, please provide a breakdown of those figures in box 19. This breakdown should list the names of the non–UK charities, the countries in which they are each based and the amount donated to each charity.

Blind Person's Allowance

Box 14 ***Enter the name of the local authority or other register***

The local authority will enter your name on their register of blind people on the production of an ophthalmologist's certificate.

If you live in Scotland or Northern Ireland, local authorities are not obliged to keep registers of blind people, although some do, but you can claim the allowance if your eyesight is so bad you cannot do **any** work for which eyesight is essential. Your eye specialist will normally certify you blind before you are entitled to this allowance. Write 'Scotland' or 'Northern Ireland' in box 14.

If you were registered for the first time after 5 April 2011 you may still be entitled to claim on this tax return if you have evidence that your sight condition existed in the year to 5 April 2011.

Box 15 ***If you want your spouse's, or civil partner's, surplus allowance***

If your spouse or civil partner has claimed Blind Person's Allowance but does not have enough taxable income to use all the allowance, you can have the surplus by entering 'X' in box 15.

Box 16 ***If you want your spouse, or civil partner, to have your surplus allowance***

If you claim the allowance but cannot use it all, you can give the balance to your spouse or civil partner by entering 'X' in box 16.

Contacts

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Service companies

Box 1 *If you provided your services through a service company*

Complete this box if you provided your services through a service company. You provided your services through a service company if:

- you performed services (intellectual, manual or a mixture of both) for a client (or clients), and
- the services were provided under a contract between the client(s) and a company of which you were, at any time during the tax year, a shareholder, and
- the company's income was, at any time during the tax year, derived wholly or mainly (that is, more than half of it) from services performed by the shareholders personally.

Do not complete this box if all the income you derived from the company was employment income.

Example

Services are provided through a service company as described above.

Salary received from the service company		£15,000
Dividends from the service company:		
• from the service company	£50,000	
• from the shares portfolio	£5,000	£55,000
Total		£70,000
Amount to be entered (excluding the shares portfolio dividends) in the service companies box, box 1 on page TR 4		£65,000

Finishing your tax return

Key dates

- **31 October 2011** – paper return filing deadline
- **30 December 2011** – online return filing deadline if you want us to collect tax due through your PAYE tax code
- **31 January 2012** – online return filing and payment deadline

Calculating your tax

As long as you send us your paper tax return by **31 October 2011**, we guarantee to tell you if there is any tax to pay before the payment date of **31 January 2012**. We will send you our tax calculation which will also tell you if you have to make payments on account for the year to 5 April 2012. A statement will follow, with a payslip if you have tax to pay.

If you file your paper tax return after 31 October, we may not have time to calculate the tax due, and tell you the amount of tax you need to pay before the payment due date (31 January 2012, or three months after the date the return was issued if this was after 31 October).

You should not wait for the tax calculation, or for a request to make payment, to be sent to you to delay paying any tax until after the payment date. Interest is charged on any late payments made after the due date and a late payment penalty may also be incurred depending on how long the tax remains outstanding.

If a return is issued to you after 31 July following the end of the tax year, and you wish us to calculate your tax for you, you should send the return back within two months of the date of issue. If you cannot do this, we may not be able to issue a calculation before the due date for payment and if tax is paid late you may have to pay interest.

Use the 'very rough guide to your tax bill' on page TRG 26 to work out the approximate amount of tax due if we have not sent you a tax calculation before the payment date, or if you just want to have an idea of how much tax will be due, or may be repayable, for the year to 5 April 2011.

If you want to work out your tax bill exactly the *Tax calculation summary* pages and their *notes* (available from the SA Orderline) will take you through the process. If you want to show us the result of your calculation please enclose the *Tax calculation summary* pages with your tax return. We will send you our tax calculation if we disagree with your figure, or if you have not enclosed the *Tax calculation summary* with your tax return.

If we send you a repayment, after we have processed your form, it will be based on the information you entered on your tax return. This does not mean we have checked your return in detail or that we have accepted the information as correct and complete. If, at a later date, we find that something was incorrect we will ask for any over-repayment to be returned.

Tax refunded or set off

Box 1 *If you have had any 2010–11 Income Tax refunded or set off*

This could be a repayment of CIS deductions (if you work in the construction industry), PAYE tax (for example, a repayment in respect of a trivial pension commutation claim), or tax paid on savings income. Or it could be an amount we have reallocated to go against an existing debt.

If you have not paid enough tax

Box 2 *If you owe tax for 2010–11 and have a PAYE tax code*

If you owe tax of less than £2,000 we will try and collect it through your 2012–13 PAYE tax code, if you have one. You must file your tax return (paper or online) by 30 December if you want us to do this.

If you do **not** want us to collect the tax you owe through your tax code, and prefer to pay any amount owing by 31 January 2012, put 'X' in the box.

Box 3 *If you are likely to owe tax for 2011–12 on income other than employed earnings or pensions*

If you have included any of the following types of income in this tax return:
• savings or investments
• property
• casual earnings, or
• commission
and you expect to receive such income in this tax year (2011–12) there are two ways of paying the tax that will be due for 2011–12.

If you have a PAYE source of income we can estimate the amount of income you are likely to receive (based on the information in this tax return) and work out the tax that will become due. We can then add it to the tax your employer or pension provider takes from your earnings or pension. We will do this by amending your PAYE tax code so you pay some of the tax due each time you are paid. This way you should get a smaller tax bill at the end of the tax year or have nothing more to pay on this income.

If there are items in your 2011–12 PAYE tax code that will be different to the amounts shown on your tax return, please tell us about them separately in the 'Any other information' box, box 19 on page TR 6. But please do not use box 19 to tell us solely about changes required to your tax code.

Contacts

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If you would like us to collect your 2011–12 tax this way there is nothing for you to do now; leave box 3 blank. We will automatically change your 2011–12 PAYE tax code.

If the amounts of income are estimated to exceed £10,000 we would not normally amend your PAYE tax code for the excess amount above £10,000 – unless you tell us you would like to pay all of the tax in this way.

Alternatively, you can pay the tax direct to us, after you have completed your tax return for 2011–12. You will either have to make a single payment by 31 January 2013, or in certain circumstances we may ask you to make two payments on account of your eventual tax bill, one by 31 January 2012 and one by 31 July 2012 (with any balancing payment due by 31 January 2013). If you prefer to pay this way, please put 'X' in box 3. If you do, you will be sent a return for the following year.

Go to **www.hmrc.gov.uk** for more information about these two methods of paying tax. How you complete box 3 now will override any previous arrangement we have made.

If you have paid too much tax

Box 4 to box 8

Repaying overpaid tax directly into your preferred bank or building society account is safe, secure, quick and efficient, for you and for us. But please take care when filling in boxes 4 to 8, particularly when entering your account number and sort code (the repayment could go astray if you make a mistake). If exceptionally your account number has more than eight digits, please write in the extra digit next to the boxes at box 7. Only fill in box 8 if you have asked us to send a repayment to your building society.

If you have a bank or building society account but leave boxes 4 to 8 blank and we do not have your account details, we may request further information from you in writing and your repayment will be delayed.

If an amount to pay is becoming due in the near future we will generally set off any repayment against that liability. We will usually carry forward amounts below £10 and set them against your next tax bill but, if you ask us, we will repay even small amounts.

If you would like us to send some, or all, of your repayment to a charity of your choice, you can use the *Giving your tax repayment to charity* form enclosed in your tax return pack. The front page of the form tells you what additional information you will need. The maximum amount we can send is the total value of your repayment (including any previous year overpayment still held on your Self Assessment account and any payments on account already made), so you will not receive an additional tax bill if you put down an amount which is higher than your actual repayment.

You can add 25% to the value of your donation at no extra cost to you using Gift Aid. The charity can then claim back basic rate tax on the amount you give. You should only use Gift Aid if you expect to pay enough UK Income Tax or Capital Gains Tax in the **current** tax year (not the tax return year) to cover the amount of tax the charity will claim back. If you do not pay enough tax in the current tax year then we will ask you to pay the difference (usually by including it in the following year's tax calculation).

Box 9 If you do not have a bank or building society account

We can send a cheque to your home address if you do not have a bank or building society account, but a cheque repayment is less secure and will take longer to get to you than repaying directly to a bank or building society account.

Repayment to nominees

Box 10 to box 14

If you would like us to make the repayment directly to your nominee's bank account, enter the details of the nominee's bank account in boxes 4 to 8, put an 'X' in box 10, and fill in boxes 11 to 14 as appropriate.

If you do not know the nominee's bank account details and would like the repayment to be made by cheque, leave box 4 and boxes 6 to 8 blank. You must still enter the name of the nominee in box 5. The repayment will not be made automatically and there may be a short delay whilst we process the repayment.

To make sure that the repayment notification goes to the correct address, please enter the nominee's address in box 12.

If you ask us to repay your nominee any other repayments for the year to 5 April 2011 will also go to that person unless you make further contact to tell us otherwise.

Your tax adviser, if you have one

Completion of the tax advisor boxes is optional.

Box 15 ***Your tax adviser's name***

Please enter your tax adviser's name, but if they work for a firm or a company, enter the firm or company name.

If you want us to discuss your tax affairs with your adviser (your accountant, tax adviser, friend or relation) you must first give us your authority, separately in writing or online, to do this. Entering their details in boxes 15 to 18 or in the 'Any other information' box, box 19 will not be taken as that authority.

Signing your form and sending it back

Box 20 ***If this tax return contains provisional or estimated figures***

Provisional figures

Do not miss the filing deadline because you are waiting for final figures. Instead provide provisional figures and make sure you send the final figures as soon as you can. You could be charged a penalty if you did not have good reasons for supplying provisional figures or you provided unreasonable ones.

We do not consider:
• pressure of work (yours or your tax adviser's)
• the complexity of your affairs
to be good reasons for using provisional figures. Give details of the box numbers and return sections in the 'Any other information' box, box 19 on page TR 6 of the return.

Estimates (including valuations)

Estimates and valuations are different and sometimes they may not be replaced at a later date. Identify these figures – either by putting 'X' in a specific box if asked to do so, or by providing information about them in the 'Any other information' box, box 19. Do not put 'X' in box 20.

If you consider your estimates to be reliable, for example, some private proportions of business expenses, there is no need to draw attention to them.

Box 23 to box 26 *If you have signed on behalf of someone else*

These will be exceptional circumstances.

The law allows an executor to sign a return for the period from 6 April up to the date of the deceased's death.

The following persons are authorised to complete a return on behalf of someone who is not mentally capable of understanding it:

- a Receiver appointed by the Court of Protection (England and Wales)
- a Curator Bonis appointed by the Office of the Accountant of Court (Scotland)
- a Controller appointed by the Office of Care and Protection (Northern Ireland)
- an Attorney appointed under an Enduring Power, registered in the appropriate court, or
- any person so authorised by any of the above courts.

If you have not previously supplied evidence of your appointment please enclose documentation with this return.

Filing deadline – reminder

If you have not sent back your paper tax return by 31 October and you do not file online by 31 January, you may have to pay a £100 penalty. To file online go to **www.hmrc.gov.uk** and under *Do it online* select *Register (new users)* for new users or *Log in* for existing users. The online filing deadline is 31 January, so if you miss the paper filing deadline you can still file your return online as long as you haven't already filed a paper return.

In December we will send you a reminder with a payslip. If you work out that tax is due, send the full payment, using the payslip, to reach us by 31 January 2012. If you do this it will minimise any interest and possible late payment penalty you might be asked to pay.

What happens next

After we have processed your return, we may check it against other information we know about you, for example, from your employer or your bank. If you realise you have got something wrong, or have missed something off your return, let us know at once otherwise you may be charged a penalty.

If your return turns out to be incorrect and you have paid too much tax, we will repay you with interest. If it is incorrect and you have not paid enough, we will ask for more and with interest. We may also charge a penalty if your return is incorrect because you failed to take reasonable care when completing it. In some circumstances we can also prosecute you for deliberate errors.

A very rough guide to your tax bill

1 Add up your income, *excluding any company dividends*		1	£
2 Add together			
• retirement annuity premiums (box 2 on page TR 4)	£		
• value of shares, securities, land gifted to charity	£		
• tax-free Personal Allowance *(see aside)*	£		
• Blind Person's Allowance, *if claimed, of £1,890*	£	2	£
3 Take 2 away from 1		3	£
4 Work out the tax due on 3:			
• the first £37,400* x 20% **£37,400 can be increased by any personal pension payments (box 1 on page TR 4) and grossed up Gift Aid (box 5 on page TR 4 x 100/80)*	£		
• the next £112,600 x 40%	£		
• remainder x 50%	£	4	£
5 If you are taxable at 40% or 50%			
• dividends and tax credits x 22.5% on the difference between £112,600 and the amount of income from (3) that has been charged at 40%	£		
• remainder x 32.5%	£	5	£
6 Add 4 + 5 together		6	£
7 If you are self-employed or in partnership *work out Class 4 NICs on (profits minus £5,715) x 8%*		7	£
8 Capital Gains Tax (on gains over £10,100)			
• gains before 23/6/2010 x 18%	£		
• gains from 23/6/2010 x 18% on the difference between £37,400* and the amount of income from (3) that has been charged at 20%	£		
• remainder of gains from 23/6/2010 x 28%	£	8	£
9 Add 6 + 7 + 8 together		9	£
10 Take away tax paid – *get the figures from your P60/P45 and any tax deducted from trading income (for example, subcontractor deductions) and any tax deducted from bank or building society interest received*		10	£
11 Finally take box 10 away from box 9 = Tax bill		11	£

This is not precise by any means (and takes no notice of Married Couple's Allowance, the collection of student loans or Foreign Tax Credit Relief) but it will give you an indication of whether we owe you tax or you will have tax to pay by 31 January 2012.

Personal Allowance

£6,475 – if you are under 65 and your total income, including company dividends, is less than £100,000.

£9,490 – if you are between 65 and 74 and your total income, including company dividends, is less than £22,900.

£9,640 – if you are 75 or over and your total income, including company dividends, is less than £22,900.

If your total income is between £100,000 and £112,950 reduce £6,475 by £1 for every £2 your income exceeds £100,000.

If your total income is £112,950 or more Personal Allowance is zero.

Helpsheets

Helpsheets are available from the SA Orderline on **0845 9000 404** or you can download them from **www.hmrc.gov.uk**

For page TR 3 of the tax return

Helpsheet 310	War widow's and dependant's pensions

For page TR 4 of the tax return

Helpsheet 347	Personal term assurance contributions to a registered pension scheme

For the *Additional information* pages

Helpsheet 237	Community Investment Tax Relief
Helpsheet 305	Employee shares and securities – further guidance
Helpsheet 320	Gains on UK life insurance policies
Helpsheet 325	Other taxable income
Helpsheet 340	Interest and alternative finance payments eligible for relief on qualifying loans and alternative finance arrangements
Helpsheet 341	Enterprise Investment Scheme – Income Tax relief
Helpsheet 342	Charitable giving
Helpsheet 343	Accrued Income Scheme
Helpsheet 344	Exempt employers' contributions to an overseas pension scheme
Helpsheet 345	Pensions – tax charges on any excess over the Lifetime Allowance, Annual Allowance and Special Annual Allowance, and on unauthorised payments
Helpsheet 346	Pension savings tax charges – guidance for members of overseas pension schemes that are not UK registered pension schemes

For the *Employment* page

Helpsheet 201	Vouchers, credit cards and tokens
Helpsheet 202	Living accommodation
Helpsheet 203	Car benefits and car fuel benefits
Helpsheet 205	Seafarers' Earnings Deduction
Helpsheet 207	Non-taxable payments or benefits for employees
Helpsheet 208	Payslips and coding notices
Helpsheet 210	Assets provided for private use
Helpsheet 211	Employment – residence and domicile issues
Helpsheet 212	Tax equalisation
Helpsheet 213	Payments in kind – assets transferred
Helpsheet 252	Capital allowances and balancing charges

For the *Self-employment* pages

Helpsheet 220	More than one business
Helpsheet 222	How to calculate your taxable profits
Helpsheet 224	Farmers and market gardeners

Helpsheet 227	Losses
Helpsheet 229	Information from your accounts
Helpsheet 232	Farm and stock valuation
Helpsheet 234	Averaging for creators of literary or artistic works
Helpsheet 236	Qualifying care relief: Foster carers, adult placement carers, kinship carers and staying put carers
Helpsheet 238	Revenue recognition in service contracts – UITF 40
Helpsheet 252	Capital allowances and balancing charges

For the *Lloyd's underwriters* pages

Helpsheet 240	Lloyd's underwriters

For the UK property pages

Helpsheet 223	Rent a Room for traders
Helpsheet 251	Agricultural land
Helpsheet 252	Capital allowances and balancing charges

For the *Foreign* pages

Helpsheet 260	Overlap
Helpsheet 261	Foreign Tax Credit Relief: capital gains
Helpsheet 262	Income and benefits from transfers of assets abroad and income from non-resident trusts
Helpsheet 263	Calculating Foreign Tax Credit Relief on income
Helpsheet 264	Remittance basis
Helpsheet 321	Gains on foreign life insurance policies

For the *Trusts etc.* pages

Helpsheet 270	Trusts and settlements – income treated as the settlor's

For the *Capital gains summary* pages

Helpsheet 275	Entrepreneurs' Relief
Helpsheet 276	Incorporation Relief
Helpsheet 278	Temporary non-residents and Capital Gains Tax
Helpsheet 281	Husband and wife, civil partners, divorce, dissolution and separation
Helpsheet 282	Death, personal representatives and legatees
Helpsheet 283	Private Residence Relief
Helpsheet 284	Shares and Capital Gains Tax
Helpsheet 285	Share reorganisations, company takeovers and Capital Gains Tax
Helpsheet 286	Negligible value claims and Income Tax losses on disposals of shares you have subscribed for in qualifying trading companies
Helpsheet 287	Employee share and security schemes and Capital Gains Tax
Helpsheet 288	Partnerships and Capital Gains Tax
Helpsheet 290	Business asset roll-over relief

Contacts

Please phone:
- the number printed on page TR 1 of your tax return
- the SA Helpline on **0845 9000 444**
- the SA Orderline on **0845 9000 404** for helpsheets

or go to **www.hmrc.gov.uk**

Helpsheet 292	Land and leases, the valuation of land and Capital Gains Tax
Helpsheet 293	Chattels and Capital Gains Tax
Helpsheet 294	Trusts and Capital Gains Tax
Helpsheet 295	Relief for gifts and similar transactions
Helpsheet 296	Debts and Capital Gains Tax
Helpsheet 297	Enterprise Investment Scheme and Capital Gains Tax
Helpsheet 298	Venture capital trusts and Capital Gains Tax
Helpsheet 299	Non-resident trusts and Capital Gains Tax
Helpsheet 301	Beneficiaries receiving capital payments from non-resident trusts: calculation of the increase in tax charge

For the *Residence, remittance basis etc.* pages

Helpsheet 300	Non-residents and investment income
Helpsheet 302	Dual residents
Helpsheet 303	Non-resident entertainers and sportspersons
Helpsheet 304	Non-residents – relief under Double Taxation Agreements

Further information

Your rights and obligations

Your Charter explains what you can expect from us and what we expect from you. For more information go to **www.hmrc.gov.uk/charter**

If you have a complaint

For information about our complaints procedures go to **www.hmrc.gov.uk** and under *Quick links* select *Complaints & appeals*.

How we use your information

HM Revenue & Customs is a Data Controller under the Data Protection Act 1998. We hold information for the purposes specified in our notification to the Information Commissioner, including the assessment and collection of tax and duties, the payment of benefits and the prevention and detection of crime, and may use this information for any of them.

We may get information about you from others, or we may give information to them. If we do, it will only be as the law permits to:
- check the accuracy of information
- prevent or detect crime
- protect public funds.

We may check information we receive about you with what is already in our records. This can include information provided by you, as well as by others, such as other government departments or agencies and overseas tax and customs authorities. We will not give information to anyone outside HM Revenue & Customs unless the law permits us to do so. For more information go to **www.hmrc.gov.uk** and look for Data Protection Act within the Search facility.

Customer Information Team

HM Revenue
& Customs