HM Revenue & Customs

Self Assessment Individual Exclusions for online filing - 2018/19

1. Where a personal return cannot be filed online for a reason listed below, provided that a paper return is delivered on or before 31st January following the end of the tax year to which the return relates, HMRC will accept that the taxpayer had a reasonable excuse for failing to file a paper return by the normal 31st October deadline. A reasonable excuse claim should accompany the paper return.

2. Any paper return submitted must conform to the normal rules for paper returns even if it is a computer generated paper return e.g. it must hold a valid signature.

3. Where an HMRC recommended workaround causes an online return to be submitted with an entry that is not strictly correct, HMRC will not take action on that particular entry for that reason alone provided that the inaccuracy is in accordance with the workaround and purely to facilitate online filing.

4. Exclusions have been separated into two categories. The above points apply equally for both categories. Category 1 lists the System related Exclusions that have been in place for several tax years and will require significant system and CESA alterations to be removed. Category 2 lists the "live" Exclusions that are active during the relevant tax year but are reviewed by HMRC and a future fix is being considered.

Please note the changes list is on page 10 of the document

Category 1 - System Related Exclusions : 6

Unique ID	Schedule	Page	Box	Issue	Workaround	Mnemonic criteria for Software Developers	Status
1	All	All	All	Where it is considered necessary to file a return before the end of the tax year (e.g. before 6 April 2019 for a 2018/19 return).	For information	Early submission of Return information.	-
2	SA102MP, SA102MLA, SA102MSP, SA102WAM	All	All	It is not possible to submit a return containing any of these schedules online.	For information	N/A	-
3	Records dealt with under separate arrangements	-	-	Customers whose records are dealt with under separate arrangements means their unique taxpayer reference will not be recognised by the authentication system. These customers will be advised that they will not be able to file online.	For information	-	-
6	All	All	All	Return amendments can be submitted up to 12 months after the statutory filing date. Where a return has been issued late and legitimately filed after the 31st January the customer should have a further 12 month period to submit an amendment. However the system only allows online amendments to be submitted within 12 months of the online filing date of 31st January - amendments received before midnight on 31st January will be accepted.	Amendments made more than 12 months after the online filing date should be submitted on paper	Online Amendment window	-
15	Various	General	General	It is not possible to file online if the number of schedules exceeds the number allowed in the schema. E.g. SA102M = 50.	In these circumstances a paper return should be filed.	-	-
100	SA101 SA108	Ai2	AOR2	Based on S1 TMA care and management the SA returns and the calculator automatically allocate to the taxpayer their personal allowance . However a taxpayer may wish to disclaim their Personal Allowance. For example, in order to claim income tax relief on EIS subscriptions so that they can claim Capital Gains Tax (CGT) relief . If the taxpayer doesn't want to claim their personal allowance a specific claim not to claim it must be made. HMRC is aware of 4 affected customer cases.	In these circumstances a paper return should be filed. Please make a note on box19 of page TR7.	We are unable to advise of criteria for identifying customers who do not want to claim Personal Allowance because it is not claimed on the Return and it is given automatically if it is due. It is expected that anyone who does not want to claim PA will contact HMRC. However, we have created this Exclusion so you can advise any customer that contacts you that they can file a paper Return and quote the Exclusion number 100.	

Category 2 - "Live" Exclusions : **32**							
Unique ID	**Schedule**	**Page**	**Box**	**Issue**	**Workaround**	**Mnemonic criteria for Software Developers**	**Status**
4	SA103L	LU1	LUN2	Customers can not enter a negative value for losses from Accrued Income Scheme and deeply discounted securities in box LUN2.	Customers who need to enter a negative amount in this box will not be able to file online and should contact Lloyds Underwriters Unit S1278, Newcastle Upon Tyne, NE98 1ZZ for advice.		
5	SA107	T2	TRU19	The notes for box TRU19 advise customers who have gains on life insurance policies taxed at 22% to include them in the additional information space. However this income will not be included in the calculation. In these circumstances if the calculation shows that the notional tax will be refunded, customers will be unable to file online.	Review Special ID22 for a workaround where there is no likelihood of the notional tax being refunded.		
12	SA110	TC 2	CAL15	Where a customer is due a refund because of an adjustment to an earlier year that's not been coded correctly through PAYE, it is not appropriate to include this figure in box CAL15 . This is because where there is an entry in CAL14 but there is no entry in AOI14 or LUN28 or FSE 71 or FSE72 or FPS11 or SPS11 the return will fail validation.	In these circumstances a paper return should be filed . If not it will be reconciled in PAYE or SA for the relevant year.		
18	SA110	TC2	CAL14	Where there is an entry in CAL14 but there is no entry in AOI14 or AIL23 or LUN28 or FSE71 or FSE72 or FPS11 or SPS11 , the return will fail validation.	In these circumstances a paper return should be filed. The Return should have an entry in the Additional Information Box stating the CAL14 entry is a result of Settlor income or an FTCR adjustment for overlap relief.		
19	SA110			Where the taxpayer is not resident, has made payments under the Gift Aid scheme but has paid insufficient UK tax to cover the Gift Aid, the liability will not be calculated correctly.	In these circumstances a paper return should be filed.		
20	SA107	T1	TRU12	Where the non resident calculation applies and the excluded income includes income from TRU12 the tax calculation will not calculate the tax due on the excluded income correctly.	In these circumstances a paper return should be filed.		
22	SA103F SA103S	SEF4 SES2	FSE79 FSE74 SSE34 SSE29	The validation rules on FSE79 & SSE34 are incorrect where terminal losses are entered as losses brought forward from earlier years set off against this years profits in FSE74 & SSE29. **It is estimated that less than 10 customers will be affected.**	In these circumstances a paper return should be filed.		
23	SA104F SA104S	FP2 SP2 SP1	FPS23 FPS17 SPS23 SPS17	The validation rules on FPS23 & SPS23 are incorrect where terminal losses are entered as losses brought forward from earlier years set off against this years profits in FPS17 & SPS17. **It is estimated that less than 10 customers will be affected.**	In these circumstances a paper return should be filed.		
34	SA103F SA104S SA104F	SEF4 SP1 FP1	FSE72 SPS11 FPS11	Losses used against profit of the same trade are not capped. This includes losses where the profit is 'created' by an averaging claim. To the extent that the loss is used against other income, the capping rules will apply. Boxes FSE78 SPS22 & FPS22 'Loss from this tax year set off against other income for YYYY-YY' are correctly capped. There is no box to set the loss against the same trade. That is because Averaging Adjustment cases create a unique situation where there can be a loss and a profit for the same trade in the same year .	In these circumstances a paper return should be filed.	Averaging adjustment – only for farmers, market gardeners and creators of literary or artistic works where loss set against same trade in same year. Loss should not be capped.	

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36	SA105	UKP2	PRO42, FSE78, SPS22, FPS22	All of the amount in boxes FSE78, PS22, FPS22, and PRO42, will be restricted to the greater of £50,000 or 25% of the individual's adjusted total income. However, if part or all of the losses represent business premises renovation allowance BPRA from years to 2016-17 that has been carried forward then that amount should not be restricted. Because the BPRA boxes FSE54, SPS15, FPS15 and PRO33 have been removed from the Return it is not possible to indicate if any of the loss brought forward in FSE78, PS22, FPS22, and PRO42 relates to BPRA. It has now been confirmed that this Exclusion is not required as 1. a loss brought forward used against the year's profits is not subject to the limit, so if it contains BPRA the BPRA amount is not limited, and 2. a loss carried forward to be used against general income in 2018-19 cannot contain BPRA.	The Exclusion is not required but is retained for Software Developers who have already implemented the change into their products - in these circumstances a paper return can still be filed.	Property business losses are subject to the cap where set off against total income, but not to the extent that those losses brought forward represent BPRAs. BPRA ended on 5th April 17 but losses up to 2016-17 carried forward to later years affects 2017-18 onwards.	
46	SA103L SA103S SA103F SA104S SA104F SA110	TC1	CAL4.1 pseudo Class 2 box pseudo Class 1 box	The Reg100 Class 4 calculation uses Class 2 max amount of 53 x £2.80 (£148.40), and where they are a Share Fisherman the amount should be 53 x £3.45 (£182.85). As a result the Class 4 amount may be less than it should be by £27.43.	In these circumstances a paper return should be filed.	Share Fishermen with Class 1 NICable earnings that reduce amount of Class 2/Class 4 due. The Reg100 Class 4 calculation uses 'ordinary' Class 2 max rather than the share fisherman amount. The Class 4 amount may be less than it should be.	
47	Residency: SA109 disregarded income not in calculation SA100	Residency: RR1 disregarded income not in calculation TR3	Residency: NRD1 disregarded income not in calculation INC17	Non-residents are generally liable to UK tax on all their UK income but can make a claim under s811 ITA 2007 to limit the amount of UK tax they pay on certain (disregarded) income if it's more beneficial for them. If income disregarded by virtue of s825 and s826 (e.g. patent/royalty payments, and distributions from unauthorised unit trusts etc.), is entered in box 17, it will not be included as disregarded income in the S811 calculation at stage 91. So if the customer is non-UK resident, the s811 calculation applies, and they have disregarded income entered in box 17 the calculation of tax due may be incorrect. An example would be Other income (INC17) £13,000 - all for patent paid to customer. NRD1 = Y. Tax calculated as £13,000 x 20% = £2,600. But this is disregarded income and the £13,000 should be excluded from the calculation so income tax due = £0.00 and customer is £2,600 overpaid. A fix would require a change to the Return and calculation e.g. new box 'INC17a' to show disregarded income in INC17. This will be considered. The amount of any overpayment will depend on the amount of the disregarded income. **The estimated number of customers affected is 3452.**	In these circumstances a paper return should be filed together with your s811 calculation (working sheet in HS300)	Non-UK residents completing Return box INC17 which contains an element of 'disregarded income' will not have that income identified in the calculation as disregarded income and it is being taxed. For a non-UK resident (NRD1=Y) the s811 calculation is applied (limit on liability to income tax of non-UK residents) but the type of income disregarded by virtue of s825 and s826 ITA 2007 is entered in box 17 'Other taxable income, box 17 includes different types of income, not just those included in s825 and s826 and it is not included in stage 91. As a result the calculation may identify the incorrect lower amount for s811 non-UK resident calculation. This is identifiable where NRD1 = 'Y' and INC17 > 0 and INC21 NOT NULL and notes state that INC17 includes an element of disregarded income	
56	Savings income: SA100 SA101 SA104S SA104F SA106 SA107	Savings income: TR3 AI1 SP2 FP2 FP4 F3 T2	Savings income: INC1 INC2 INC3 AOI6 AOI8 AOI13 SPS28 FPS35 FPS73 FOR4 TRU4 TRU8 TRU11 TRU14 TRU17	The amount of up to £500 Personal Savings Allowance is not allocated where the customer is liable to additional rate tax but, after deducting reliefs and allowances, the customer is liable at a rate below additional rate. There must be non-savings income of more than £150,000 + c4.59 taking up all the basic and higher rate bands. This is identifiable on the SA302 tax calculation where the amount of taxable income is less than £150,000 and expected amount of PSA nil rate of up to £500 is shown as £0. An example would be: a customer with interest (INC2) £56,447, dividends (INC4) £77,447, Pension (INC8) £15,334, Other pension (INC11) £320,347, loss set against income (SSE33) £38,765, (PRO40) £45,292 minus Shares or securities gifted to charity (REL9) £400,912. PSA_HR of £500 is due but reliefs and allowances are set against savings to reduce savings to SR_band/nil and the £500 nil band is reduced to £0 by allowances in error. It is expected that just a small numbers of customers will be affected, up to **22**.	In these circumstances a paper return should be filed	This applies to all years from 2016-17. A fix was implemented for 2016-17 and carried forward to later years but it was only partially successful and where the non-savings income is more than £265,000* + c4.65 and reliefs and allowances are more than £115,500 which reduce your taxable savings income to £0 (or the savings starting rate) in 2018-19 you will still be affected. Note that if you live in Scotland and pay different rates of income tax, for the purposes of the Personal Savings Allowance the rUK tax bands are used - so for 2018/19 you will have the full £1,000 PSA if you earn up to £46,350. This is identifiable: WHEN c2.19 > £0 AND c1.57 > £150,000 + c4.59 AND c4.79 minus (c5.14 + c5.19) > £0 AND c5.20c = £0 AND c5.20b > c5.20c AND c6.16 **> £0** AND c6.17 **< c6.16** **AND c9.43 > 0** *£265,000 = £150,000 + HR_band £115,500 minus PSA £500	Planned fix for 19/20

Unique ID	Schedule	Page	Box	Issue	Workaround	Mnemonic criteria for Software Developers	Status
57	Residency: SA109 Dividend income: SA100 SA101 SA104F SA107	Residency: RR1 Dividend income: TR3 Ai1 FP4 T1, T2	Residency: NRD1 Dividend income: INC5 AOI13 FPS70 TRU5, 9, & 12	A non-UK resident is generally liable to UK tax on all of their UK income but Section 811 ITA 2007 limits the amount of UK tax they pay on certain types of UK income (referred to as 'disregarded income'). UK dividend income is disregarded income. To apply s811 ITA the total tax liability is calculated following the steps at s23 ITA and then the limit on the total liability of 'Amount A' (tax withheld from disregarded income) + 'Amount B' (tax calculated on non-disregarded income) is calculated and the lesser amount is applied. The calculator correctly allows the tax treated as paid for INC4 dividends from UK companies but it does not allow the tax treated as paid for INC5 other dividends, and AOI13 for Bonus issues of securities and redeemable shares (but not Loan write-offs), FPS70 partnership dividend income, TRU5, TRU9, and TRU12 Trust dividend income for the purposes of the s23 ITA calculation and **all but the FPS70 income in the** s811 ITA calculation per s399 ITTIOA. The **s399 ITA** 7.5% tax treated as **paid is** not therefore in the calculation for the s23 limit. **In the s811 calculation of Amount A the disregarded tax cancels out the tax treated as paid with the exception of the FPS70 income and this results in the s23 limit amount achieving the greatest reduction. This** will affect **non-UK resident** customers where the **introduction of the tax treated as paid to the** s23 calculation **reduces that existing amount or s23** is **now** more beneficial than s811 and all the UK income is therefore in the calculation. An example is a non-UK resident customer NRD1 = Y, PA claimed NRD16 = Y, Interest INC2 £4,000, Dividends INC5 £30.000, Other income INC17 £11,850. The Total tax chargeable before applying s811 limit is calculated as Sav £4,000 x 0%, Div £2,000 x 0% £28,000 x 7.5% = £2,100.00. (other income reduced to nil by PA). The lower of the tax before applying s811 limit £2,100.00 is less than £2,370 so is retained. It should be £0.00 and if the INC5 amount is moved to INC4 the correct calculation is achieved. What the SA tax calculator should do is deduct the 7.5% tax treated as paid on dividends from UK companies (not repayable) £30,000 x 7.5% = £2,250.00 to reduce the liability to £0.00 (£2,100.00 minus £2,250.00). The s811 limit to total tax liability is made up of amounts A + B where A is tax withheld from disregarded income £2,250 minus tax treated as paid £2,250.00 = £0.00 and B is tax calculated on non-disregarded income £11,850 x 20% = £2,370.00. The lower of the tax before applying s811 limit £0.00 is less than £2,370.00 so is retained. The estimated number of customers affected is 2000. Maximum amount underpaid by customers affected (INC5 + FPS70 + TRU5 + TRU9 + TRU12 + relevant amount from AOI13) x 7.5% (non-repayable). **The estimated number of customers affected is 8400.**	The return can be filed online where the workaround can be followed or a paper return should be filed together with your s811 calculation (worksheet in HS300)	A non-UK resident (NRD1 = Y) with 'other dividend' income INC5 or Bonus issues of securities and redeemable shares (but not Loan write-offs) in AOI13 **+ FPS70 + TRU5 + TRU9 + TRU12** will not receive the 7.5% tax treated as paid as part of s811 calculation to identify maximum tax payable. This should be in the calculation. If the completion of HS300ws, which should include the disregarded dividend income and tax credit, indicates that the amount at A26 in the HS300ws is less than the amount in SA110 Notes A328 but the calculation is using a larger amount a paper return should be filed. The rule in ITTOIA 2005, s399, whereby a non-UK resident is treated as having paid (non-repayable) tax at the dividend ordinary rate on the amount or value of the dividend, is retained, but without the grossing up of the dividend by reference to the dividend ordinary rate. Note that this only applies to dividends received by non-UK residents. These are identifiable where the amount 7.5 % tax treated as paid on the UK dividends would make the 'resident' calculation more beneficial. NRD1 = 'Y AND INC5 + FPS70 + TRU5 + TRU9 + TRU12 > 0 AND c8.26 > 0 AND c12.1 > 0 **AND ((INC5 + FPS70 + TRU5 + TRU9 + TRU12) x 7.5%) > (c12.22 minus c12.23)** HMRC recommend a workaround for customers affected to enter the INC5 amount in INC4, added to any amount already entered. For AOI13 for Bonus issues of securities and redeemable shares (but not Loan write-offs) they can also be entered in INC4. Enter details of amounts that would have been in INC5, AOI13 in 'Any other information' Box 19. There is no workaround where there is an amount in FPS70 , TRU5, TRU9, **or** TRU12 because they are not treated as disregarded income or they are entered as net amounts.	Planned fix for 19/20
62	Trust income SA107	T2	TRU18	Where dividends are received in an estate before 6 April 2016 but the income is not paid over to the beneficiary until after that date, they will receive a non- payable tax credit of 7.5%. Trusts with an accounts period covering pre 6 April 2016 that have had dividend income will not have the tax credit set against income tax in the calculation. A customer will not receive a tax credit if they: • have an accounts period for their Trusts income that starts before 6 April 2016 or estate received dividends before 6 April 2016 but income paid to beneficiary after that date and • received dividend income prior to 6 April 2016 and have a non-repayable tax credit and • they want the SA tax calculation to set that tax credit against other income. This Exclusion has been reinstated and retained as we understand that the dividend for a Trust received before 6 April 2016 may be paid beyond 5 April 2018 **The estimated number of customers affected is 216.**	In these circumstances a paper return should be filed	The SA107 Trusts page Notes advise that "If any dividend income is received by the estate before 6 April 2016, but isn't paid until after 5 April 2017, a 7.5% tax credit against any tax is due on these dividends. The 7.5% tax credit is not repayable in the event that there is no tax liability for the year. Make a note of the amount(s) of any dividend income that was received by the estate before 6 April 2016, but not paid to you until after 5 April 2017, in box 26, Any other information." If the tax credit can be set against tax due this is not being given in the calculation.	
81	Top Slicing Relief calculation: SA101 SA106	Ai1 F6	AOI4, AOI6, AOI8 FOR43	"Top slicing relief" can reduce tax on a CEG by allowing the bondholder to spread the investment gains over the number of years the bond has been held. It is available to non-taxpayers, starting rate taxpayers, savings nil rate or basic rate taxpayers who, after adding chargeable event gains to their income, become higher rate taxpayers. Customers who have non-savings income of less than £16,000 or total income of less than £150,001 (including chargeable event) where the Savings nil rate is not utilised will be affected. Example 1: Employment Income EMP1 £30,000, (tax EMP2 £3,700) Chargeable Event Gain AOI4 £70,000 (AOI5 = 5) = Total income £100,000 (Personal allowance £11,850). The SA tax calculator includes the tax figure with no Nil Rate £500 in the basic rate band giving a total of £15,000 in the basic rate band. The £500 nil rate band should be applied. The Top Slicing Relief is calculated as £10,630 whereas it should be £10,630. Example 2: An individual had no income other than a chargeable event gain of £320,000 arising from a policy they had held for two years. AOI4 £320,000, AOI5 = 2. The SA tax calculator currently takes the tax due on the gain, without applying the Starting Rate for Savings, which means that £33,500 is in the basic rate band. The £5,000 starting rate should be applied. The Top Slicing Relief is calculated as £15,400 whereas it should be £15,400. It is estimated that **6800** customers will be affected.	The Exclusion no longer applies but **is** retained for Software Developers who have already implemented the change into their products - in these circumstances a paper return can still be filed.	When an individual has a chargeable event gain CEG in a year, top slicing relief is applied to the gain. Top slicing relief requires two calculations (paraphrased from steps 1 to 3 in s536 ITTOIA 2005): 1) The individual's liability to income tax on chargeable event gains arising in the year 2) The individual's relieved liability on the annual equivalent (gain divided by the number of years the policy was held (n)). The result is multiplied by n. Top slicing relief is the difference between the two resulting figures. The starting rate for savings, and the nil rate for the Personal Savings Allowance (PSA) should be included in both steps of the calculation of TSR but are not. This is identifiable: WHEN FOR43 + AOI4 + AOI6 + AOI8 > 0 AND c9.3 > £0 (AND lower of ((c2.19 minus c2.18) and c6.12) < c6.13 OR c6.47 > 0 OR lower of ((c2.19 minus c2.18) and c6.16) < c6.17 OR c6.51 > 0)	

Unique ID	Schedule	Page	Box	Issue	Workaround	Mnemonic criteria for Software Developers	Status
85	Lump sum: SA101	Lump sum: Ai2	Lump sum: ASE5	The SA tax calculator identifies whether to set the allowances against the Lump Sum where this attracts tax at 40%/41% in preference to non-savings, savings and dividends. For a small number of customers it may not identify the more beneficial allocation and incorrectly allocate the allowances to the Lump Sum. Where non-savings + savings income is reduced by 20%/21% and dividends are moved from being taxed at 32.5% to 7.5% (25%) the allocation can reduce the amount of liability by up to 45%. An example is test case 227 pension (INC11) £37,541, interest (INC2) £837, dividends (INC4) £11,166 and lump sum (ASE5) £1,000. The SA tax calculator allocates £1,000 PA to the Lump Sum and the liability is £7,141.55. Whereas allocating the £1,000 to non-savings results in liability of £7,091.55 – a difference of £50.00. The Lump Sum is taxable at 40% but there is £1,000 less non-savings income taxable at 20% and whilst there is £1,000 more dividend income at 7.5% there is £1,000 less at 32.5%. £1,000 x 40% = £400.00 and £1,000 x 20% + £1,000 x 25% = £450.00. The number of customers affected is **estimated** to be **10**. The maximum a customer should be overpaid is to be confirmed.	In these circumstances a paper return should be filed	This is identifiable: WHEN c4.74 > c3a.2 AND c5.1 > £0 AND (c5.11 > c4.79 OR c5.22 > c4.80) AND c5.36 > £0 AND c5.68 > £0 AND c5.76 > £0 **AND (c6.6 minus d_6_6) x 20% + (c6.9 minus d_6_9) x 40% + (c6.18 minus d_6_18) x 20% [this can be negative] + (c6.21 minus d_6_21) x 40% [this can be negative] + (c6.28 minus d_6_28) x 7.5% [this can be negative] + (c6.33 minus d_6_33) x 32.5% [this can be negative] + (c6.40 minus d_6_40) x 20% [this can be negative] + (c6.43 minus d_6_43) x 40% [this can be negative] > (lower of ((c5.50 + c6.35) and ((c3a.2 + c4.59) minus ((d_6_60 + c6.14 + c6.17 + c6.18 + c6.26)))))) x 20% + (lower of c6.41 and c6.42) x 40%)** ***Where d_5_55_2 = (larger of (0, and (((c5.3 + c5.11 + c5.24 + c5.25 + c5.29 + c5.30) minus (c5.1 minus (c5.47 + c5.48 + c5.52))) minus (c3a.2 + c4.75))))** **d_5_55_3 = larger of (0, and ((c5.24 + c5.25 + c5.29 + c5.30) minus (d_5_55_2 minus (c5.49 + c5.51))))** **d_5_55_4 = lower of c5.23 and d_5_55_3** **d_5_55_5 = larger of (0, and (d_5_55_3 minus d_5_55_4))** **d_6_a = larger of (0, and (lower of (c5.50 + c5.69) and (c5.35 minus (c5.44 + c5.49))))** **d_6_1 = larger of (0, and (c6.1 minus d_6_a))** **d_6_6 = lower of d_6_1 minus (lower of d_6_1 and (c3a.2 + c4.59))** **d_6_7 = larger of (0, and (d_6_1 minus d_6_6)))** **d_6_9 = lower of (d_6_7 and c3a.3)** **d_6_11 = c6.11 minus (lower of (c5.50 minus d_6_a) and (c5.37 minus (c6.46 + c5.51))) [this can be minus a negative amount e.g. 18,500 minus -1,500 = 20,000]** **d_6_12 = larger of (0, and (£5,000 minus d_6_1))** **d_6_13 = lower of c6.11 and d_6_12** **d_6_14 = lower of £5,000 and d_6_13** **d_6_17 = larger of (0, and (lower of (c6.11 minus d_6_14) and c4.79))** **d_6_18 = larger of (0, and (lower of (c6.11 minus (d_6_14 + d_6_17)) and ((£33,500 + c4.59) minus (d_6_6 + d_6_7 + d_6_14 + d_6_17))))** **d_6_19 = larger of (0, and (c6.11 minus (d_6_14 + d_6_17 + d_6_18)))** **d_6_20 = larger of (0, and (£116,500 minus d_6_9))** **d_6_21 = lower of d_6_19 and d_6_20** **d_6_23 = c5.79 + c5.80 + c5.81** **d_6_25 = lower of c6.23 and c4.80** **d_6_26 = larger of (0, and (lower of (c6.23 and £33,500 + c4.59) minus (d_6_6 + d_6_9 + d_6_14 + d_6_17 + d_6_18))))** **d_6_27 = lower of d_6_25 and d_6_26** **d_6_28 = larger of (0, and (d_6_26 minus d_6_27))** **d_6_29 = larger of (0, and (d_6_23 minus d_6_26))** **d_6_30 = larger of (0, and (33,500 + c4.59 + 116,500 minus (d_6_1 + d_6_11 + d_6_27 + d_6_28)))** **d_6_31 = lower of d_6_29 and d_6_30** **d_6_32 = larger of (0, and (lower of (d_6_25 minus d_6_26) and d_6_30))** **d_6_33 = larger of (0, and (d_6_31 minus d_6_32))** **d_6_40 = larger of (0, and (lower of c6.35 and ((c3a.2 + c4.59) minus (d_6_6 + d_6_14 + d_6_17 + d_6_18 + d_6_26))))** **d_6_41 = larger of (0, and (c6.35 minus d_6_40)))** **d_6_42 = larger of (0, and (c3a.3 minus (d_6_9 + d_6_21 + d_6_29)))** **d_6_43 = lower of d_6_41 and d_6_42**	Planned fix for 19/20
96	Payments to pension scheme with relief at source: SA100 OR Gift Aid: SA100 AND Savings income: SA100 SA101 SA104S SA104F SA106 SA107 OR Dividend income: SA100 SA101 SA104F SA106 SA107	Payments to pension scheme with relief at source: TR4 OR Gift Aid: TR4 AND Savings income: TR3 AI1 SP2 FP2 FP4 F3 T2 OR Dividend income: TR3 Ai1 FP4 F3 T1 T2	Payments to pension scheme with relief at source: REL1 OR Gift Aid: REL5, REL8 AND Savings income: INC1, INC2, INC3 AOI6 AOI8 AOI13 SPS28 FPS35 FPS73 FOR4 TRU4 TRU8 TRU11 TRU14 TRU17 OR Dividend income: INC4 INC5 INC6 AOI12 AOI13 FPS70 FOR6 FOR11 TRU5, TRU9 TRU12 TRU18	This only applies to Scottish customers that have made pension payments with relief at source or Gift Aid payments who receive Relief by extending the basic rate limit. Extending the basic rate limit should ensure the taxpayer only pays tax on this income at the basic rate rather than a rate above that. Therefore, the Scottish taxpayer should receive extra tax relief of 1% of the value or the gross contribution for an intermediate rate taxpayer, 21% for a higher rate taxpayer, and 26% for an additional rate taxpayer. The Finance Act 2004 provides for relief to be given to Scottish taxpayers under both s192(4) and 192(4A) for pension relief and s414(2)(b) Income Tax Act 2007 provides for relief for gift aid, meaning that the customer's rUK basic rate band should also be extended for any savings and dividend income. Currently the SA calculator restricts relief to the non-savings income and so only the Scottish basic rate band is extended and so the customer does not receive an extension to the rUK basic rate band. An example is a Scottish customer with Pay EMP1 £48,000; Savings INC2 £14,000; Gift Aid payments REL5 £2,000. The customer receives an extension to their Scottish basic band giving tax due on £12650. The rUK band of £34500 is used up by the amount of Scottish non-savings income meaning that all the savings income is taxed at 40% (apart from the £500 PSA at 0%). Extending the rUK basic rate band from £34,500 to £37,000 means that after deducting the £36150 for the non-savings income there is £850 left of the extended rUK basic rate band to utilise. £500 will be at 0% for the PSA and then remaining £350 due at 20%. The difference is £70.00.	In these circumstances a paper return should be filed	The basic rate band for savings income will be restricted in stage 6 of the SA tax calculator and this is identifiable: WHEN c3a.1 = 2 AND REL1 + (REL5 minus REL7) + REL8 > 0 AND **(**c6.1 **+ c4.79)** minus (BR_band **34,500** + c4.59) **<** 0 AND (**c6.7 > 0 and** c4.59 > **c6.17a and c6.21 + c6.33 > 0** and (**larger of 0 and ((**BR_band 34,500 + c4.59) minus c6.1)**)** minus c4.79 > 0 OR **c6.7 + c6.41 > 0 and c6.55 > 0** and c4.59 > c6.51a and **(larger of 0 and ((**BR_band 34,500 + c4.59) minus (c6.1 + **c6.11 +** c6.23 + c6.35)**))** minus c4.79 > 0)	**Planned fix for 19/20**

98	Residency: SA109 disregarded income in calculation SA100 Top Slicing Relief calculation: SA101 SA106	Residency: RR1 Ai1 F6	Residency: NRD1 AOI4 AOI16 AOI18 FOR43	Chargeable event gains can only be taxed in years of UK residence (whether the policy is in the UK or abroad). Legislation at s368(2) ITTOIA05 levies a tax charge under Part 4 to non-UK residents if the income is from a source in the UK, subject to any provision to the contrary (s368(4)). S465(1) would then supersede 368(2) and bring gains within the charge to tax for UK-resident individuals only. The s811 ITA 2007 disregarded income calculation can only apply in a full year of non-UK residence and so a tick in the non-residence box NRD1 for a non-UK resident should result in the chargeable event gains not coming into charge and no Top Slicing Relief being given. It is **estimated that** the number of customers affected will be less than **40**.	In these circumstances an online return will calculate the correct liability. The Exclusion no longer applies but in these circumstances a paper return can still be filed.	It was considered that where a non-UK resident had the maximum tax calculated under s810-811 ITA2007 that the "disregarded income" should be excluded from the Top Slicing Relief calculation but Top Slicing Relief should be calculated. However, after representation and further consideration the SA tax calculator for the s23 and s811 calculations. This is identifiable where: NRD1 = Y AND AOI4 + AOI6 + AOI8 + FOR43 > £0 AND c17.48 > £0	Planned fix for 19/20
99	SA102(M)		MOR3	The taxpayer completes one SA100 page for all instances of pensions, an SA102 for each instance of employment, and an SA102(M) for each instance of Minister of Religion income. They will complete INC12 for tax for occupational pension, EMP2 for tax on employment, and MOR3 for tax on salary or stipend. The taxpayer has tax deducted, and sometimes refunded, by their employer (including ministries etc.) and pension providers. The customer may have a refund of tax to enter at MOR3 which the calculation will not accept or the total of all instances of EMP2 may be negative which the calculation will accept but it incorrectly changes the negative amount to zero where they have tax at MOR3. The number of customer affected by this is expected to be 50.	In these circumstances a paper return should be filed	Note that the tax refunded cannot be more than the tax that they have paid in the year and the net result of tax deducted and refunded cannot therefore be a negative amount. This is identifiable WHEN: A. your software allows a negative amount in MOR3: (MOR3 < 0 AND (c11.1 > 0 and c11.3 = 0)) OR (total all instances EMP2 < 0 AND (c11.1 = 0 and c11.3 > 0)) B. MOR3 software entry cannot be negative: Customer is unable to enter a negative amount for MOR3 or it is changed to 0 OR (total all instances EMP2 < 0 AND (c11.1 = 0 and c11.3 > 0))	Planned fix for 19/20
101	Savings income: SA100 SA101 SA104S SA104F SA106 SA107 Chargeable Event Gains: SA101 SA106	Savings income: TR3 AI1 SP2 FP2 FP4 F3 T2 Chargeable Event Gains: Ai1 F6	Savings income: INC1 INC2 INC3 AOI6 AOI8 AOI13 SPS28 FPS35 FPS73 FOR4 TRU4 TRU8 TRU11 TRU14 TRU17 Chargeable Event Gains: AOI4 FOR43	A customer with Gains (AOI4 & FOR43) for which there is notional tax will benefit from allocating reliefs and allowances against savings income where this sits in the basic rate band and this results in more dividends taxed at 7.5% but less Gain taxed at 20% OR the Personal Savings Allowance nil band moving from the savings nil band at basic rate to cover Gains in the higher rate. An example is TC194 which is simplified to a rUK customer with interest INC2 £9,393 , Dividends INC4 £15,815 , pension INC8 £6,200 and Gains on life insurance policies etc. AOI4 £5,800 (AOI5 = 2). PA is allocated £6,200 to non-savings, £3,393 to savings, and £2,257 to dividends. The income tax charged is £2,026.85 but the most beneficial calculation where PA is allocated £6,200 to non-savings, £4,393 to savings, and £1,257 to dividends will result in income tax charged of £1,901.85 - a difference of £125.00. By setting a further amount of PA £1,000 against the savings income the remaining savings income of £5,000 is in the savings starting rate and it brings £1,000 dividend income in as taxable income at 7.5% but it moves £1,000 of the CEG that would otherwise be chargeable at 20% into the personal savings allowance nil band. In other words, it adds back £1,000 x 7.5% = £75.00 but removes £1,000 x 20% = £200.00. The difference between the two is £125.00. Another example is a rUK customer with interest INC2 £1,627 , Dividends INC4 £26,122, pension INC11 £18,422 and Gains on life insurance policies etc. AOI4 £1,200 (AOI5 = 1). PA is allocated £11,850 to non-savings. The income tax charged is £3,793.15 but the most beneficial calculation will result in income tax charged of £3,728.95 - a difference of £64.20. By setting a further amount of PA £1,627 against the savings income there is £1,627 more non-savings taxed at 20% = £325.50 but there is no taxable savings income = £1,127 a 200% = £225.40 (there was £500 in the PSA nil band). The dividend income remains taxable as it is now with £2,000 at nil and £24,122 at 7.5% but £179 of the CEG that would otherwise be chargeable at 20% and £321 at 40% moves into the PSA nil band. In other words, it adds back £1,627 x 20% = £325.40 but removes £1,127 x 20% = £225.40 + £179 x 20% = £35.80 + £321 x 40% = £128.40. The difference between £325.40 and £389.60 is £64.20. The number of customers affected is **estimated** to be **6200.** The maximum amount that would be overpaid by the customer will be £125.00.	In these circumstances a paper return should be filed	This will affect Scottish and rUK customers where there is savings income that sits in the savings nil band and Chargeable Event Gains with notional tax (AOI4 or FOR43). This is identifiable WHEN : c5.1 > 0 (zero) AND (c5.14 + c5.19 + c5.20c) > 0 AND **((c5.70 > 0 and** ((lower of **d_6_17** and c6.28) x 7.5%) + (larger of 0 and (**d_6_17** minus c6.28) x 32.5%) < ((lower of **d_6_17** and c6.51b) x 20%) + ((lower of (larger of 0 and (**d_6_17** minus c6.51b)) and c6.54a) x 40%)**)** OR **(c5.67 > 0 (zero) and** (**d_6_17** x 20%) + (c6.20b x 40%) < ((lower of **d_6_17** and c6.51b) x 20%) + ((lower of (larger of 0 and (**d_6_17** minus c6.51b)) and c6.54a) x 40%))**)** AND c5.41 > 0 (zero) **AND c9.43 > £0** **d_6_17 = lower of c5.41 and c6.17**	Planned fix for 19/20
102	Savings income: SA100, SA101 SA104S, SA104F SA106, SA107 Chargeable Event Gains: SA101, SA106 Dividend income: SA100, SA101 SA104F, SA106 SA107	Savings income: TR3, AI1 SP2, FP2 FP4, F3, T2 Chargeable Event Gains: Ai1, F6 Dividend income: TR3, Ai1 FP4, F3 T1, T2	Savings income: INC1, INC2, INC3, AOI6, AOI8, AOI13 SPS28, FPS35, FPS73, FOR4, TRU4, TRU8 TRU11 TRU14 TRU17 Chargeable Event Gains: AOI4, FOR43 Dividend income: INC4, INC5, INC6 AOI12, AOI13, FPS70 FOR6, FOR11, TRU5 TRU9, TRU12, TRU18	Where a customer has Chargeable Event Gains (with notional tax) in the higher rate band and dividend income where the allowances are not being set against dividends in the nil band and are set against Gains instead then the notional tax is restricted. It results in increased liability compared to if the allowance reduced the dividends in the nil band. An example is a rUK customer with Employment EMP1 £9,750; Dividends INC4 £2,000, UK Chargeable Event Gain AOI4 £40,250; AOI5 = 1. The SA tax calculator allocates £9,750 of the personal allowance to the employment income and £2,100 to the chargeable event gain and calculates tax as £430.00. By allocating £9,750 to the employment income; and counterintuitively, £2,000 to the dividends in the dividend nil band with the remaining £100 to the chargeable event gain the liability is £30.00, a difference of £400.00 (£2,000 x 20%). The number of customers to be affected is **estimated** to be **680.** The maximum amount that would be overpaid by the customer will be up to £400.00.	In these circumstances a paper return should be filed	This will affect customers where the SA tax calculator is restricting the reliefs and allowances allocated to Dividends at calculation box c5.70 to retain the dividends in the nil band but where this then allocates an amount of the allowance to Chargeable Event Gain with notional tax (AOI4 or FOR43). It leaves Gains chargeable to 40% but reduces the notional tax at 20%. This is identifiable WHEN: c4.74 > c5.2a AND c5.1 > 0 AND c5.22 > 0 AND c5.41 > 0 AND c5.73 > 0 AND c5.79 + c5.80 + c5.81 <= 2,000 AND c9.43 > £0	Planned fix for 19/20

Unique ID	Schedule	Page	Box	Issue	Workaround	Mnemonic criteria for Software Developers	Status
103	Dividend income: SA100 SA101 SA104F SA106 SA107	Dividend income: TR3 Ai1 FP4 F3 T1 T2	Dividend income: INC4 INC5 INC6 AOI12 AOI13 FPS70 FOR6 FOR11 TRU5 TRU9 TRU12 TRU18	**This affects** rUK **and Scottish customer** where there is non-savings and savings of more than the extended basic rate limit **some** reliefs and allowances **may** be set against dividend income when it is more beneficial to set against non-savings or savings income. This is because the SA tax calculator is not taking into account the tax reduction for non-savings/savings income above the basic rate limit. An example is a rUK customer with Employment income EMP1 £66,500; Untaxed interest INC2 £21,000; Dividends INC4 £20,000; Qualifying loan interest AOR5 £50,000. The SA tax calculator allocates £47,500 of the interest/personal allowance to the employment income and it ring-fences £14,350 to compare tax savings for setting this against non-savings and savings versus tax savings for setting against dividends. It incorrectly allocates to the dividends and calculates tax as £10,186.25. It is more beneficial to allocate £61,850 entirely to the employment income to calculate the tax as £9,097.50. This is a difference of £1,088.75. Another example is **a Scottish** customer with Partnership income SPS**20** £29,300; Untaxed interest INC2 £29,500; Dividends INC4 £31,000, Qualifying loan interest relief AOR5 £12,600. The SA calculator allocates £450 of the allowances to the dividend income where it is more beneficial to allocate all £24450 to non-savings. The number of customers affected is estimated to be **8200.** The maximum amount overpaid by customer will be determined by allowances transferred in a less beneficial manner x difference in rates.	In these circumstances a paper return should be filed	This is identifiable: WHERE (c5.3 + c5.11) > c5.2 AND c5.22 > DA (£2,000) AND c5.55 > 0 AND c5.58 = c5.55 **AND c6.21 > 0**	Planned fix for 19/20
104	SA101 SA109		Tax reductions AOR1 AOR2 AOR3 AOR7 AOR10 AOR11 Residency NRD1	For non-UK residents the SA tax calculation of the s811 ITA cap is incorrectly setting off tax reductions against the tax withheld from the disregarded income, i.e. s811(4) Amount A which it should not do. The amounts A and B under s811 ITA are computed separately so the tax reduction relief should only be applied to amount B when calculating the cap. An example is a non-UK resident customer with NRD1 = Y; Taxed UK interest INC1 £100,800; Venture capital Trust subscriptions AOR1 £91,000; and income from property PRO40 £57,311. The SA tax calculator incorrectly calculates the maximum tax under s811 is overpaid -£11,275.60 rather than the correct amount of £0.00. In effect it incorrectly repays some of the interest. The number of customers affected is estimated to be **810**.	In these circumstances a paper return should be filed	This will affect customers where the SA tax calculator is calculating the maximum tax payable under s811 ITA and there is a relief e.g. Venture Capital Trust shares, Enterprise Investment Scheme, SEED Enterprise Investment Scheme, Community Investment Tax relief, or Social Investment Tax Relief in stage 9. WHERE NRD1 = Y AND c8.25 > £0 AND **(c9.14 + c9.19 + c9.21 + c9.23 + c9.23b + c9.25 + c9.28 + c9.29) > (c8.26 minus c8.25)** AND c11.31 > £0 AND c11.31 > c9.43	Planned fix for 19/20
105	SA Return	Marriage Allowance	Not claimed on Return	For most customers MAT_IN is retained and the SA tax calculator correctly re-allocates reliefs and allowances to be able to do so. However, for customers who have dividend income that is in the nil band that would otherwise be taxable at both basic rate and higher rate the Marriage Allowance transfer amount of £238.00 (£1,190 x 20%) is not retained when the calculator should be allocating allowances to reduce dividend income in that would be in the basic and higher rate band were it not for the dividend allowance nil band. An example is a customer with MAT_IN, Employment (EMP1) £50,495, Savings (INC2) £45, Dividends (INC4) £997 and Gift Aid £4,145 (£5,945 gross). The MAT_IN is disallowed and the SA tax calculator sets PA £11,850 against non-savings. The liability is £7,729.00. By setting PA £997 against the dividend income MAT_IN is retained and the liability is £7,690.40, a difference of £38.60. Note that for MAT_IN to be retained there can be no dividend income in the higher rate or in the higher rate nil band. However, there can be savings income in the higher rate nil band (but none in the higher rate). In this example there is £5 in the higher rate nil band. The maximum a customer will have overpaid as a result of this is MAT_IN £1,190 x 20% £238.00 minus amount of PA re-allocated to dividends x 20%. In this example that is £238.00 minus £199.40 (£997 x 20%) = £38.60. The number of customers affected is tbc.	In these circumstances a paper return should be filed	This will affect customers who have received the Marriage Allowance Transfer but it has been removed from the calculation where it would be more beneficial to retain MAT_IN in preference to the beneficial ordering of allowances to reduce liability at higher rate. This can be identified where: MAT_IN = Y AND c4.76a = 0 AND ((c4.76b = 1 and c4.76b1 = 0 and d_4.75u <= (£34,500 + c4.75)) OR (c4.76b = 0 and c4.76b1 = 1 and c4.75n <= c4.75j and c4.75m + c4.75n <= £1,190) OR (c4.76b = 1 and c4.76b1 = 1 and d_4.75u <= (£34,500 + c4.75) and c4.75n <= c4.75j and c4.75m + c4.75n <= £1,190)) AND c9.20 = 0 *d_4.75q = c4.70 minus (c4.75d + c4.75g) d_4.75r = c1.57 minus c4.75q d_4.75s = lower of c4.75c and ((BR_band (£34,500) + c4.75) minus c4.75r) d_4.75t = c4.75c minus c4.75s d_4.75u = c4.74 minus c4.75t	Planned fix for 19/20
106	Savings income: SA100 SA101 SA104S SA104F SA106 SA107	Savings income: TR3 AI1 SP2 FP2 FP4 F3 T2	Savings income: INC1, INC2, INC3 AOI6 AOI8 AOI13 SPS28 FPS35 FPS73 FOR4 TRU4 TRU8 TRU11 TRU14 TRU17	This applies to Scottish customers that have income in the additional rate before deducting reliefs and allowances. The reliefs and allowances must be more than the non-savings income minus maximum of savings income that could be in the savings starter rate. Changes were made to ensure that where the Scottish AHR_band was greater than the rest of UK AHR_band it allocated reliefs and allowances to non-savings. This applied to Scottish customers in 2018-19 where non-savings were taxable at 46% and savings at 45%. However, whilst the changes resulted in the allocation of reliefs and allowances against non-savings it still allocates an amount to savings. An example is a Scottish customer with Employment (EMP1) £50,002, Savings (INC2) £150,000, and Loss (SSE33) £50,000. The SA tax calculator incorrectly sets relief £47,924 against non-savings that would be taxable at 46% and £2,078 to savings at 45%. The liability calculated is £52,496.50. By setting the £2,078 towards non-savings it reduces taxable income at 46% in preference to income at 45% and also frees up more savings starter rate. The liability is then £ 52101.28, a difference of £395.22. It is estimated that less than (to be confirmed) customers will be affected. The maximum a customer should be overpaid is (to be confirmed)	In these circumstances a paper return should be filed	Customers with Scottish status liable to tax at the additional rate who have reliefs of more than their non-savings income and savings income will be affected. This is identifiable where: c3a.1 = 2 AND c5.1 > larger of 0 and (5.35 minus c5.43b) AND c5.43c > c5.44 AND c5.20 > (lower of (c5.11 minus (c5.15 + c5.16 + d_5.19) and (d_5.17 minus d_5.19)) AND c5.69 > 0 AND c5.76 >0 *d_5.19 = lower of d_5.18 and (c5.11 minus (c5.15 + c5.16)) d_5.18 = lower of (d_5.17 and (c4.79 minus c5.14)) d_5.17 = larger of 0 and ((c3a.3a + c4.59) minus (c5.3 + c5.15 + c5.16))	Planned fix for 2019/20

Unique ID	Schedule	Page	Box	Issue	Workaround	Mnemonic criteria for Software Developers	Status
107	Gift Aid SA100 Foreign Tax Credit Relief SA106 Dividend Income SA100 Residency SA109 Child Benefit Payments SA100	Gift Aid TR4 Foreign Tax Credit Relief F1 Dividend Income TR3 Residency RR1 Child Benefit Payments TR5	Gift Aid REL5 (minus REL7 + REL8) Foreign Tax Credit Relief FOR2 Dividend Income INC4 Residency NRD1 NRD2 Child Benefit Payments CBC1	Customers who declare their Gift Aid donations to charities **but have not paid sufficient UK tax may have an incorrect Gift Aid charge (A) or not have a Gift Aid Tax Charge (B and C).** A. Gift Aid charge with Foreign Tax Credit Relief. Currently, the calculator is **incorrectly** charging **a Gift Aid Tax Charge** where the customer's UK liability has been reduced due **to** them having paid tax abroad and claiming Foreign Tax Credit Relief (FCTR). Where a customer has a UK tax liability that is **reduced** by **FTCR, the** Gift Aid Tax Charge **should consider the** foreign tax **that** has been paid. **However please note we are considering if the FTCR amount should then be reduced by the amount of the Gift Aid tax charge. If it is, then although the calculation itself is incorrect, it provides the correct calculation of liability.** An example would be a rUK customer with Employment (EMP1) £8,000, Interest (INC2) £500, UK Dividends (INC4) £9,000, Foreign Dividends (FOR6) £13,000, FCTR (FOR2) £975, Gift Aid Payments (REL5) £1200. The customer has a UK tax charge on their income of £1,211.25 which is reduced due to the FTCR of £975**.00 to £236.25. This franks some of the Gift Aid tax but the charge increases liability to £300.00.** The calculator incorrectly utilises the £236.25 rather than the £1,211.25 **to frank the Gift Aid tax which would reduce liability from £300.00 to £236.25. However, we are considering if this change requires the compare of the calculations with and without the disregarded foreign dividend income to arrive at the FTCR amount to consider the Gift Aid charge that would apply without the FTCR and whether this should increase the liability back to £300.00. In other words, do we also need to consider the FTCR calculation as a result of changing the Gift Aid tax charge calculation.** B. Gift Aid Charge with dividend tax treated as paid. Under s399 ITTOIA 2005 non-resident customers who have UK dividend income will be treated as having paid UK income tax at the ordinary dividend rate. If that same customer has then made UK Gift Aid payments, but the relief on those payments is more than their UK liability, the SA calculator currently allows the dividend tax credit to be offset against the resulting Gift Aid charge. An example is a non-resident customer (NRD1) claiming personal allowances **(NRD15)**, who has Employment (EMP1) £10,000, UK Dividends (INC4) £8,000, and Gift Aid Payments (REL5) £8,000. Due to the £600 dividend tax credit being deducted from the £2,000 Gift Aid Tax Charge, the customer is currently asked to pay £1400. However, the dividend tax credit should be deducted from the income tax charged of £311.25, showing nothing due but leaving the £2000 Gift Aid charge as the amount to pay. C. Gift Aid Tax Charge with High Income Child Benefit Charge Customers with large Gift Aid payments, who are also required to pay the High Income Child Benefit charge may be undercharged by the current SA calculator when there **should be** a Gift Aid Tax Charge. This is due to the HICBC being deducted from the Gift Aid Tax and then added back into it, rather than simply being added back in to the final liability in addition to the Gift Aid Tax Charge. An example is a customer with Employment (EMP1) £50,000, Dividends (INC4) £160,000, Gift Aid Payments (REL5) £120,000, Child Benefit Payments (CBC1) £1,788. Currently the SA calculator is deducting the £1,788 HICBC charge from the £30,000 Gift Aid tax and then adding **it** back in to create a final liability of £30,000. However, the Gift Aid Tax Charge of £7107.50 should be added to the liability of £22892.50 and then the HICBC should be added in at the final step leaving a total due of £31788.00. This customer is being undercharged by £1788. The number of customer affected is to be confirmed **but is expected to be less than 100**.	In these circumstances a paper return should be filed	**The general approach to customers being able to allow their charities to reclaim tax relief on their donations is that the customer/donor must have paid sufficient UK tax to cover what the charity will claim back on their behalf. If no UK tax, or insufficient UK tax has been paid the customer will be liable to a Gift Aid Tax Charge.** WHEN (REL5 minus REL7) + REL8 > 0 **AND (NRD1 = Y and (INC4 + INC5 + FPS70 + TRU5 + TRU9 + TRU12) > 0 OR CBC1 > 0)** **AND larger of 0 and (c9.39 minus c9.32) <> d_9_39** Where **d_9_37 = larger of 0 and ((c9.1 minus c8.25) minus (c9.14 + (c9.19 minus (c9.15 x 10%)) + c9.21 + c9.23 + c9.23b + c9.25 + c9.28 + c9.29 + c10.5))** d_9_39 = **larger of 0 and (**c9.34 minus (c9.35 + c9.36 + d_9_37 + c9.3**8))**	Planned fix for 19/20.
108	Dividend Income SA100 Residency SA109 Partnership Annuity Payment SA101	Dividend Income TR3 Residency RR1 Partnership Annuity Payment AI2	Dividend Income INC4 Residency NRD1 NRD2 Partnership Annuity Payment AOR4	Under s399 ITTOIA 2005 non-resident customers who have UK dividend income will be treated as having paid UK income tax at the ordinary dividend rate. If those same customers are also responsible for the deduction of basic rate tax from partnership annuities paid to former partners the SA calculator is currently incorrectly setting the dividend tax credits against the tax that the customer needs to pay across for the annuity. An example is a non-resident customer (NRD1) claiming personal allowances who has Partnership profit (FPS20) £10,000, UK Dividends (INC4) £8,000, Annuity Payments (AOR4) £8,000. Due to the annuity relief and Personal Allowance there is no liability. The tax charge on the annuity is £2000, but the calculator is deducting £600 as dividend tax treated as paid on the UK dividend, leaving the customer to pay £1400. However, as the dividend tax credit should be deducted from the initial liability (in this instance £0), this then should leave the full £2000 due from the annuity payment. This customer is being undercharged by £600. The number of customers affected is **estimated** to be **35.**	In these circumstances a paper return should be filed	The notional tax reducing the amount of tax payable on the annuity payments can be identified: WHEN AOR4 x 100/80 > 0 AND AOR4 x 100/80 **x 20% >** c12.1	Planned fix for 19/20.
109	**SA100** **SA103** **SA104**	**TR1** **SES2** **SEF4** **SP1** **FP1**	**YPD1** **SSE31** **FSE76** **SPS20** **FPS20**	**As stated in The Social Security (Contributions) Regulations 2001, a customer will be excepted from liability for contributions under section 15 of the Act (Class 4 contributions), if 'at the beginning of a year of assessment [they are] over pensionable age. This means that only a customer with a date of birth of before 6 April 1953 can be excepted for 2018/19, and that if their date of birth is 6 April 1953 then they are liable for Class 4 contributions that year. Currently however, if this date of birth is entered on the SA calculator then the user will receive an error message advising them to declare they are exempt from Class 4 because they are over the state pension age. The result of this is that they will not be charged Class 4 contributions. It is estimated that the number of customers will be around 200.**	**In these circumstances a paper return should be filed**	**This is identifiable when** **YPD1 = 06/04/1953** **AND c16.19 >0**	**Planned fix for 19/20.**

Unique ID	Schedule	Page	Box	Issue	Workaround	Mnemonic criteria for Software Developers	Status
110	SA100 SA106 SA109	TR3 F3	INC6 FOR4 FOR6 FOR11	S832 ITTOIA 05 defers the tax charge on the relevant foreign income (RFI) from the year the income arises to the tax year the income is remitted. Once that RFI is remitted to the UK it should be taxed as non-savings income. The RFI does not qualify for Foreign Tax Credit Relief (FTCR). If the Remittance basis applied for foreign dividends in an earlier year and they are remitted to the UK in a later year where the arising basis applies the SA109 Notes advises to include the FOR6 amount in box FOR4. Any savings income that is RFI will also, by default, be entered in box FOR4. There is no Return box to enter the RFI income other than the boxes FOR4, FOR6, FOR11, and FOR13 where the non-RFI income would be entered. Where the 0% Savings Starting Rate and/or Savings nil rate and/or Dividend nil rate apply and there is no other savings income or dividend income taking up the 0% bands the customer will incorrectly have the RFI income taxed at 0%. It will also affect Scottish customers who should have the RFI income taxed at Scottish rates rather than UK savings or dividend rates of tax. From 2008 foreign income generated from a transfer of assets abroad would be taxed if the individual self-assessed on the arising basis. If they claimed the remittance basis, the foreign income would not be taxed unless remitted to the UK. The 'ring fenced' foreign income is entered in FOR11 and FOR13 (see HS262). FOR13 should not be used for the RFI income. An example would be a Scottish customer with Employment income EMP1 £6,000; Foreign interest FOR4 £12,600; Foreign Dividends FOR6 £8,250; NRD30 = Y. Tax due will be shown to be £618.75 with the full Savings Starter rate (£5,000 x 0%), Personal Savings Allowance (£1,000 x 0%) and Dividend Allowance (£2,000 x 0%) being given. The correct amount of tax due is £3,008.50, as after the deduction of the Personal Allowance of £11,850, the remaining £15,000 will be taxed at the Scottish Starter, Basic and Intermediate rates. This highlights that in these instances Scottish customers who have no or little non-savings income may still be taxed at the Scottish rates rather than UK ones. In a related issue, s830 (4) (i) ITTOIA 05 directs us to have remittance basis customers with dividend income declared at box FOR11 to have this RFI taxed as non-savings income. This is not being done and the customer will incorrectly receive the benefit of the Dividend Allowance and the dividend tax rates. An example would be an rUK customer with Employment income EMP1 £8,900; Dividend income received by a person abroad FOR11 £6,700; NRD28 = Y. The tax due will be shown to be £2132.50 with the £2,000 0% Dividend Allowance being given and the remaining £4,700 dividend income being taxed at 7.5%. The correct result is for all the £15,600 to be taxed at the non-savings 20% rate, giving a liability of £3120.00. This will affect both rUK and Scottish customers. Number of customers affected is estimated to be 1000	In these circumstances a paper return should be filed	WHERE FOR4 > 0 AND NRD28 = Y in a previous year AND NRD28 = N AND ((c6.14 + c6.17) > (c6.11 minus RFI amount in FOR4) OR RFI amount in FOR6 and FOR11 > 0 OR c3a.1 = 2 and RFI amount in FOR4, FOR6 and FOR11 > 0) AND c5.86 > 0 OR WHERE FOR11 > 0 AND NRD28 = Y AND c5.86 > 0	Planned fix for 2020-21
111	SA104 SA109	FP4 RR1	FPS70 FPS76 NRD1	For a non-UK resident Section 811 ITA 2007 limits the amount of UK tax they pay on certain types of UK income (referred to as 'disregarded income'). To apply s811 ITA the total tax liability is calculated following the steps at s23 ITA and then the limit on the total liability of 'Amount A' (tax withheld from disregarded income) + 'Amount B' (tax calculated on non-disregarded income) is calculated and the lesser amount is applied. Personal UK dividend income is disregarded income, however UK dividends received via partnerships is not. Therefore those partnership dividends should be included in the s811 calculation to work out Amount B, and should also attract the Dividend Allowance nil rate band. Currently the SA calculator does not apply this nil rate for the s811 element and so for 2018/19 the customer's s811 calculation of tax liability is more than it should be, up to a maximum amount £2,000 x 38.1% (£762.00). As a result, if the amount of tax is restricted to the s811 limit and there are dividends that should be taxed at the nil band the liability should be reduced. An example is a non-resident customer NRD1 = Y with Partnership Profit FPS20 £47,500, Partnership dividends FPS70 £6,000, Partnership total income FPS76 £47,500, UK dividends INC4 £9,000, Untaxed interest INC2 £1,200. The personal UK dividends and interest are excluded from the resulting liability but tax is charged at 32.5% on all of the £6,000 UK dividends received via the partnership. The s811 liability is shown as £14,050. The £2000 0% dividend allowance should be applied however, meaning that instead of the £6,000 dividends being taxed at 32.5%, only £4,000 is taxed at 32.5%, giving a reduction of £650 and so a liability of £13,400. The number of customers expected to be affected is 650.	In these circumstances a paper return should be filed	WHEN NRD1 = Y AND FPS70 > 0 AND c4.80 = 0 AND c9.43 > 0	Planned fix for 19/20

Unique ID	Schedule	Page	Box	Issue	Workaround	Mnemonic criteria for Software Developers	Status
112	SA100 SA101 SA102 SA107	TR4 AI2 E1 T1	REL1 REL5 REL8 ASE5 EMP1 TRU2	**Scottish customers who have pension payments or gift aid that extends the Scottish basic rate band and non-savings income that does not take up all of the Scottish Intermediate band of 21% and who also have a Lump Sum payment or Settlor Interested Trust income that should sit in the Intermediate band are affected. If there is savings and dividend income that take up the basic rate band that results in no Scottish Intermediate band being available they will not be affected. Scottish customers will have up to £19,430 of their lump sum/trust income taxed at the Scottish higher rate rather than the Scottish Intermediate rate.** **An example would be a Scottish customer with Employment EMP1 £37,150; Untaxed Interest INC2 £1,200; UK Dividends INC4 £6,000; Pension payments REL1 £25,000; Redundancy lump sum ASE5 £45,000. The SA calculator does not calculate the correct balance of the Intermediate rate band available to the Lump Sum income. The pay has no PA set against it and so the £37,150 takes up all of the Scottish Starter rate band and extended Scottish basic rate band. (The PA is set against the Lump Sum income). The savings and dividend income of £7,200 sit in the rUK basic rate band/nil band so that it takes up the first £7,200 of the Scottish Intermediate rate band. However, there is still £12,230 of the lump sum that should be taxed at 21% rather than 41%. The result is that no income is taxed at the Intermediate rate, and tax is due of £21,441.50 rather than the correct tax due figure £18,995.50. The amount overpaid £2,446.00 = £12,230 x (41%-21%).** **Number of customers affected is estimated to be 350**	**In these circumstances a paper return should be filed**	**WHEN c3a.1 = 2 AND REL1 + (REL5 minus REL7) + REL8 > 0 AND c6.38 > (c6.2 + c6.6 + c6.7 + c6.11 + c6.23) minus (c3a.1a + c3a.2 + c4.59)**	**Planned fix for 19/20**

Changes Log

2018/19 v3.0 - 13/12/2019 Updated wording in**BOLD**

Unique ID - 2018/19	Notes	Changes
ID22	**Updated**	The estimated number of customers has been updated
ID23	**Updated**	The estimated number of customers has been updated
ID56	Updated	The estimated number of customers has been updated
ID57	Updated	Issue and Mnemonic criteria updated
ID62	Updated	The estimated number of customers has been updated
ID81	Updated	The estimated number of customers has been updated
ID85	Updated	The mnemonic criteria and estimated number of customers have been updated
ID96	Updated	Mnemonic criteria updated
ID98	Updated	The estimated number of customers has been updated
ID101	Updated	The estimated number of customers has been updated
ID102	Updated	The estimated number of customers has been updated
ID103	Updated	Mnemonic criteria updated
ID104	Updated	The estimated number of customers and mnemonic criteria have been updated
ID107	Updated	Issue and Mnemonic criteria updated
ID108	Updated	Mnemonic criteria updated
ID109	New	New
ID110	New	New
ID111	New	New
ID112	New	New

Changes Log

2018/19 v2.0 - 04/10/2019 Updated wording is in**Bold**

Unique ID - 2018/19	Notes	Changes
ID36	Updated	no longer applies but but is retained for Software Developers who have already
ID56	Updated	Mnemonic criteria column updated.
ID62	Reinstated	Issue and Mnemonic criteria columns updated.
ID81	Updated	but but is retained for Software Developers who have already implemented the
ID96	Updated	Issue and Mnemonic criteria updated
ID100	Moved	Reassigned as a Category 1 - System Related Exclusion
ID102	Updated	Mnemonic criteria column updated.
ID103	Updated	Issue and Mnemonic criteria updated
ID105	Updated	Mnemonic criteria column updated.
ID107	New	New
ID108	New	New

2018/19 V1.1 24/05/2019

Changes from 2018/19 V1.0 - 25/04/2019 Updated wording in **Bold**

Unique ID - 2018/19	Notes	Changes
ID56	Updated	Issue and Mnemonic criteria columns updated.
ID57	Updated	Page, Box, Issue and Mnemonic columns updated.
ID85	Updated	Issue and Mnemonic criteria columns updated.
ID98	Updated	Issue and Mnemonic criteria columns updated.
ID99	Updated	Issue and Mnemonic criteria columns updated.
ID100	Updated	Mnemonic column updated.
ID101	Updated	Issue and Mnemonic criteria columns updated.
ID104	Updated	Issue and Mnemonic criteria columns updated.
ID105	Updated	Issue and Mnemonic criteria columns updated.
ID106	Updated	Issue and Mnemonic criteria columns updated.

2018/19 v1.0 25/04/2019

Changes from 2018-2019 v0.1 - 01/04/19 Updated wording is in **BOLD**

Unique ID - 2018/19	Notes	Changes
ID56	Updated - fix for 2017-18 not succesful for all customers	Schedule, PAGE, Box, Issue, Workaround and Mnemonic criteria columns updated.
ID57	Updated	Schedule, PAGE, Box, Issue, Workaround and Mnemonic criteria columns updated.
ID81	Updated - no longer applies	We have concluded that Exclusion 81 does not apply. However, it has been retained for developers who are unable to remove it from their product(s) to allow for customers to file on paper.
ID85	Updated	Issue column updated.
ID98	Updated - no longer applies	We have concluded that Exclusion 98 does not apply. However, it has bee retained for developers who are unable to remove it from their product(s) to allow
ID101	Updated	Issue and Mnemonic criteria columns updated.
ID102	New	New
ID103	New	New
ID104	New	New
ID105	New	New
ID106	New	New

v0.1 01/03/2019

Changes from 2017-18 v3.0 - 20/11/18. Updated wording is in **BOLD**

Unique ID - 2018/19	Notes	Changes
General	Layout	The column layout has been altered and Exclusions have been separated into t different categories : 1) "Live" Exclusions and 2) Online Filling Permanent Exemptions
ID62	Removed	Fixed in 18/19
ID65	Removed	This exclusion has been recategorised as a special
ID70	Removed	Fixed in 18/19
ID79	Removed	Fixed in 18/19
ID80	Removed	This exclusion no longer applies
ID82	Removed	Fixed in 18/19
ID83	Removed	Fixed in 18/19
ID84	Removed	Fixed in 18/19
ID85	Updated but still under review	Issue and Mnemonic criteria columns were updated
ID86	Removed	Fixed in 18/19
ID87	Removed	Fixed in 18/19
ID88	Removed	Fixed in 18/19
ID89	Removed	Fixed in 18/19
ID91	Removed	Fixed in 18/19
ID85	Updated but still under review	Issue and Mnemonic criteria columns were updated
ID92	Removed	Fixed in 18/19
ID93	Removed	Fixed in 18/19
ID94	Removed	Fixed in 18/19
ID95	Removed	Fixed in 18/19
ID97	Removed	Fixed in 18/19

ID98	New	New
ID99	New	New
ID1	Minor update	Date updated
ID100	New	New
ID101	New	New
ID18	Update	Update due to the 18/19 Disguised Remuneration Changes