



**SELF ASSESSMENT TAX**



**THE WHY, WHO,  
WHERE & WHAT  
OF DOING YOUR  
RETURN.**

# Who Needs To Complete a Self Assessment Tax Return?

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- Self-employment income was more than £1,000.
- Income from renting out property was more than £2,500.
- Earned more than £2,500 in untaxed income, for example from tips or commission.
- Your income from savings or investments was £10,000 or more before tax.
- You need to pay Capital Gains Tax on profits from selling things like shares or a second home.
- You're a director of a company.
- You, or your partner's, income was over £50,000 and you're claiming Child Benefit.
- You have income from abroad you need to pay tax on, or you live abroad but have an income in the UK.
- Your taxable income was over £100,000.
- If you earn over £50,001 in the 2019/20 tax year (£50,001 for 2020/21) and make pension contributions you may have to complete an assessment to claim back the extra tax relief you're owed.
- You want to make voluntary Class 2 National Insurance Contributions (NICs) to help you qualify for benefits such as the State Pension.



## How To Register

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If you've never submitted a return before, you will first need to register for Self Assessment, this can be done on HMRC website. Once you have registered, you will be sent your Unique Taxpayer Reference (UTR).

To submit your Self Assessment form online, you will then need to set up a Government Gateway account. To do this, follow the instructions in the letter containing your UTR.

Once you've set-up the account you will get an activation code in the post, which you need to complete the set-up of your Gateway account.

Make sure you have access before you submit your return in case you have any log in issues – this will not be an acceptable reason to HMRC for a late submission of a return!



# Self Assessment Deadlines

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## You Submit Tax Returns For Tax Years, Not Calendar Years, And You Do This In Arrears.

For example, for the 2019/20 tax year, running 6 April 2019 to 5 April 2020, you would:

- Submit your return by midnight 31 January 2021 if filing online.
- pay the tax you owe by midnight 31 January 2021.

If you fail to meet any of the deadline, HMRC will impose penalties.



# Information you need

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## Before You Start, Make Sure You Have:

- Your 10-digit Unique Taxpayer Reference (UTR)
- Your National Insurance number.
- Details of your untaxed income from the tax year, including income from self-employment, dividends and interest on shares.
- Records of any expenses relating to self employment.
- Any contributions to charity or pensions which might be eligible for tax relief.
- P60 or other records showing how much income you received which you've already paid tax on. If you're filling in your Self Assessment form online, you can also find helpful online by clicking the '?' next to the different fields.

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# How To Complete

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## The main section is the SA100, which deals with:

- Taxed and untaxed income in the form of dividends and interest.
- Pension contributions
- Charitable donations
- Benefits, including State Pension, Child Benefit and Blind Person's Allowance.

If you have income to declare as a company director, you will also need to fill in a supplementary page.

## Income

This section is specifically for declaring tax and untaxed income from interest earned from bank and building society accounts and dividends from shares.

## Pensions, Annuities And State Benefits

If you're claiming benefits, you will need to enter the:

- Amount received in Incapacity benefit and Jobseeker's Allowance.
- Grand total of taxable benefits received including Bereavement Allowance, Carer's Allowance and Industrial Death Benefit.

You do not need to include Attendance Allowance, lump sum Bereavement Support Payment, Personal Independence Payment (PIP), Pension Credit, Working Tax Credit, Child Tax Credit, income-related Employment Support Allowance, Maternity Allowance, or War Widow's Pension. These benefits are not taxable.

## Other UK Income

This section is for any other taxable income, not related to interest, dividends or on the supplementary pages.

You can also enter any allowable expenses related to this income, and any income tax you've already paid on it.

## Pension Contributions

Any payments into a registered pension scheme, annuity contract, or employer's scheme where deductions were made after tax.

## Charitable Donations

Grand totals of Gift Aid donations made to charities during the tax year.

## Student Loan Repayments

Confirm whether or not you're currently repaying your Student Loan and deductions made by your employer.

## High Income Child Benefit Charge

You only need to fill in this section if you're receiving Child Benefit and your income was over £50,000.

## Marriage Allowance

Complete this section if your income for the tax year was less than the Personal Allowance and you wish to transfer some of your Personal Allowance to your spouse.

## Supplementary Pages

If you have extra income to declare from self-employment, property or capital gains, you will need to fill in a supplementary page. If you're:

- Self-employed you need to complete SA103
- Reporting property income, fill in SA105
- Declaring capital gains, complete SA108.

## When Do You Need To Pay?

The deadline for payment is 31 January.

## How Do I Pay My Tax Bill?

There are many ways to pay your Self Assessment tax bill, namely Online or telephone banking, Clearing House Automated Payment System (CHAPS), debit or corporate credit card and in person at your bank or building society, are the fastest ways to pay.

## What If I Miss The Deadline?

If you miss the deadline to register, submit your return or pay your bill you will get a penalty.

## What If I Make A Mistake?

If you realise you've made a mistake after you've submitted you can still make changes up until the filing deadline the year after. This means, for the tax return you submitted by 31 January 2020, you can make changes up until 31 January 2021.



## Tips And Advice

1. Make sure you know whether your accounts are prepared using the cash basis or the accruals basis. Cash basis must have a turnover of £150,000, and allows you to only report any money you've paid or received during your accounting period. Accruals basis you must include receipts and expenses that were due during the accountancy year – regardless of whether the money was actually paid or received.
2. As a self-employed person, you'll pay tax on your profits, rather than your income. That's why it's important to deduct the costs of running your business from your taxable income, which will reduce your profit and therefore your tax bill.
3. If you work from home, you can claim a proportional amount for things such as heating, electricity and lighting, depending on how much is actually used for work.
4. Include expenses for your car, if you use your personal car to travel for business, it's possible to claim tax relief using a flat rate for each mile you drive: 45p per mile up to 10,000 miles 25p per mile for anything over 10,000 miles. This doesn't apply to your commute or for any personal travel.
5. Claim for capital expenditure such as buying computers and machinery.
6. Personal allowance: the personal allowance was £12,500 in 2019-20 unless you earned more than £100,000, in which case you lose £1 of personal allowance for every £2 earned.
7. Dividend tax allowance: the dividend allowance for 2019-20 is £2,000.
8. The tax you pay above this threshold depends on your income tax band – basic-rate taxpayers are charged at 7.5%, while higher-rate taxpayers pay 32.5%, and additional-rate taxpayers pay 38.1%.



