

i Contacts

Please phone:

- the number printed on page TR 1 of your tax return
 - the SA Helpline on **0300 200 3310**
 - the SA Orderline on **0300 200 3610** for helpsheets
- or go to hmrc.gov.uk/sa

These notes will help you to complete the *Assembly* pages of your tax return. The *Assembly* pages cover only your Assembly income; make sure you also complete any other pages appropriate to your circumstances.

Gather together the material you need, for example:

- your P60, a Fees Office form showing pay and tax details for the year
- your PAYE Coding Notices for 2013–14 and 2014–15
- a form P11D or equivalent statement from the Fees Office giving details of any benefits and expenses you have received in the year
- receipts for any allowable expenditure you have incurred
- any of the helpsheets you think you need.

The word ‘office’ is used in these notes to include the office held as an Assembly Member, or as an Assembly Member and Minister. Also ‘P11D’ means P11D, P9D or equivalent information.

If you were in office on 5 April 2014

Your P60 should show the total pay and tax from your office (as well as from previous employments during the year). Your P45 Part 1A should, if you had one, also show pay from previous employments. Do not include in the *Assembly* pages any amounts on your P60, or P45 Part 1A relating to employment other than from your office of Assembly Member and/or Minister.

If you were a Member of the Assembly

Fill in one copy of the *Assembly* pages.

Income from office**Box 1 *Payments from P60 (or P45 or payslips) – before tax was taken off***

Enter the money you received as an Assembly Member or as a Minister. Your P60 will show figures for pay and tax from the office you held at 5 April 2014. If you had more than one office the form may also include a second set of pay and tax details for your previous offices. The details will be added together in the figures on your P60.

You may need to refer to other records (such as payslips, forms P45 Part 1A, or statements of taxable benefit) to work out the figures for pay from the earlier offices to go in each copy of the *Assembly* pages you complete (one for each office).

If you were unemployed during the year, your P60 figure will include any Jobseeker’s Allowance or Incapacity Benefit you received. Do not include these in the *Assembly* pages (or any copies of the *Employment* pages that you fill in). Instead you should enter any Jobseeker’s Allowance in box 14 and any taxable Incapacity Benefit in boxes 12 and 13 on page TR 3 of your tax return.

Some of the more common items to include are explained in the ‘Money payments’ section on page WAMN 2 of these notes. If you received an item or payment in connection with your office and are not sure whether to include it, ask us or your tax adviser for advice.

General rule

Include in box 1 all the income you received as an Assembly Member and/or Minister in the year to 5 April 2014, even if you earned it in an earlier tax year or you have been paid for work not yet done.

Treat this income as if you received it on the earlier of:

- the date when the payment, or payment on account, was made, or
- the date you became entitled to be paid.

This is so even if you were not paid until later, or received no actual payment because you arranged for the sum due to you to be applied in some other way instead.

Money payments

For every item, you must enter the amount **before** deducting any expenses you wish to claim.

Money payments you **should** include in box 1 are:

- your salary as an Assembly Member and/or Minister
- Statutory Sick Pay, Statutory Maternity Pay, Ordinary Statutory Paternity Pay, Additional Statutory Paternity Pay and Statutory Adoption Pay except when paid by us
- payments from third parties where the payment is made as a reward for services given, or yet to be given, in your capacity as an Assembly Member and/or Minister.

Items you **should not** include in box 1 are:

- benefits and expenses payments received – these go in boxes 3 to 9
- lump sums paid in connection with termination of office, retirement or death. Enter these in boxes 3 to 9 of the ‘Share schemes etc.’ section on page Ai 2 of the *Additional information* pages
- payments made to the Assembly Pension Scheme.

If you have received a lump sum payment, for example, a Resettlement Grant which was taxed and included on your P45 and which you have entered in the lump sum boxes on your tax return, make sure you deduct it from the figure you enter in box 1.

Box 2 Tax taken off box 1

Enter in box 2 the amount of any tax taken off the amounts entered in box 1.

The tax taken off will be shown on your form P60 or P45 Part 1A.

Enter this figure in box 2 even if you had to complete boxes 3 to 9 of the ‘Share schemes and employment lump sums’ section on page Ai 2 of the *Additional information* pages to make an adjustment in box 1.

Benefits from your office

The Fees Office send us details of all benefits and taxable expenses you received by reason of your office. They will also give you this information.

The details you get will not include any items for which the Fees Office has a dispensation. You do not need to refer to these items. (A dispensation is an arrangement the Fees Office may have made with us. It saves you the trouble of including, as income, a benefit or expenses payment you receive as an Assembly Member and/or Minister and then making a matching claim for the allowable expenses you incur.)

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Box 3 *Family travel costs*

Your Assembly income includes the costs of family travel met by the Fees Office. Where you have made use of the allowance for family travel, the Fees Office will report details to us and to you. All family travel costs are taxable income.

Enter in box 3 the figure given to you by the Fees Office for family travel costs. If you believe this figure covers some allowable business travel costs (that is your spouse or civil partner undertook a journey in their capacity as your secretary or researcher), you can claim in box 10 the amount that relates to business travel. If you would like a further explanation, please ask us or your tax adviser.

Box 4 *Accommodation, excluding Additional Cost of Living Allowance/ Residential Accommodation Expenditure*

Your Assembly income includes the value of any accommodation and ancillary services (for example, heating, lighting or cleaning) you (or your family or household) get by reason of your office as an Assembly Member. (You should show any accommodation you have by reason of another office or employment on separate pages covering that office or employment.)

The value of some accommodation is exempt from tax, for instance, if there is a special threat to your security and the accommodation is provided as part of special security arrangements. If you have agreed with us that your accommodation is exempt, then do not enter anything in box 4 unless circumstances have changed. However, there is a charge to tax on the ancillary services. This is usually limited to 10 per cent of your salary of the office concerned. Enter this value in box 4. You do not have to include the Additional Cost of Living Allowance (ACLA) or payments of Residential Accommodation Expenditure (which replaced ACLA from 5 May 2011) because they are exempt from tax. However, you must include any payments you receive for overnight accommodation outside Cardiff.

Box 5 *Office Costs Allowance*

Payments you receive from the Fees Office to reimburse you for expenses you incur, in the performance of your duties as an Assembly Member and/or Minister on running an office or on secretarial and research assistance, are all taxable. (Claim any expenses allowable for tax purposes by filling in boxes 10 to 13.)

The Fees Office should provide you with details. Enter in box 5 the amount reimbursed or paid to you, or on your behalf. Do not enter anything paid as part of your Office Costs Allowance for capital items such as office equipment, as this is wholly covered by Annual Investment Allowance (see notes on capital allowances starting on page WAMN 6).

Examples of sums to be included in box 5 are those you receive which cover:

- day-to-day office expenses like heating, lighting, phone, postage and stationery
- secretarial and research assistance – salary, employer's National Insurance contributions, payments to casual assistants.

Box 6 *Group Support Allowance*

If, as a Party Leader, you receive payment of Group Support Allowance from the Fees Office, it is taxable as your income (in the same way as the Office Costs Allowance).

Enter the amount in box 6. (You can claim any allowable expenses you incur on your Assembly duties in boxes 10 to 13.) Do not enter anything paid as part of your Group Support Allowance for capital items such as office equipment, as this is wholly covered by Annual Investment Allowance (see notes on capital allowances starting on page WAMN 6).

Box 7 *Other cash reimbursements*

Enter in box 7 any reimbursements made to you by the Fees Office for vehicle hire costs, taxi fares or any taxable reimbursement not entered elsewhere in these pages. You can make any claim for tax relief for these payments in boxes 10 to 13.

Box 8 *All other benefits*

The Fees Office should have given you details of other benefits. Those mentioned in boxes 3 to 7 are the most common. Enter in box 8 the total cash equivalent of any other benefits you receive as an Assembly Member and/or Minister that you have not included elsewhere, for example, in boxes 3 to 7.

Cash equivalents of other benefits

Cash equivalents are arrived at in different ways, according to the type of benefit.

Assets (other than land and motor vehicles) provided for private use

Where the asset has been available throughout the year, the cash equivalent will generally be based on:

- 20% of its market value when it was first used to provide a benefit, plus
- expenses (other than the cost of acquiring it) incurred in connection with it which would not have been incurred but for the provision of the benefit.

If that total represents benefits provided for more than one Member, the cash equivalent for each will be based on a proportion of the whole amount. It is reduced by any amount made good to the provider in return for the benefit. For more information, ask us or your tax adviser.

All other benefits

The cash equivalent is generally what the benefit cost the person who provided it (minus any amount made good to the provider). If that amount represents benefits provided for more than one Member, the cash equivalent for each is a proportion of the whole amount. There is general guidance on benefits and expenses in booklet 480 *Expenses and benefits – A tax guide* available from hmrc.gov.uk/guidance/480.pdf or phone the Self Assessment Orderline for a copy.

Make sure you include in box 8 the benefit of a car, or car and fuel, made available to you by reason of your office as an Assembly Member. Do not include benefits from any non-Assembly office or employment. Enter these on the *Employment* pages of your tax return.

Some of the more common benefits are listed in the Working Sheet on page WAMN 5 of these notes to help you arrive at a total for box 8.

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Working Sheet for box 8

Assets provided for private use

£

Home phone(s)

£

Subscriptions and professional fees

£

Goods or services provided

£

Employer supported childcare (in some circumstances this benefit is not chargeable - see booklet 480)

£

Educational assistance provided (in some circumstances this benefit is not chargeable - see booklet 480)

£

All other benefits

£

Total

A £

Copy the figure in box A to box 8 in the Assembly pages

Box 9 *Balancing charges*

You can claim tax relief for the annual depreciation of equipment which you need to use in carrying out your duties. This relief is called ‘capital allowances’. Sometimes, when you sell or give away an item of equipment, some of the capital allowances you have had will be recovered. This is called a ‘balancing charge’.

A detailed explanation of how ‘capital allowances’ and ‘balancing charges’ are worked out is given in these notes in the section ‘What are capital allowances and balancing charges?’ starting on page WAMN 7. If you need further guidance, ask us or your tax adviser.

Office expenses paid out by you

This section explains the rules for claiming expenses necessarily incurred in performing your duties as an Assembly Member and/or Minister. Please note that the Fees Office may make payments for you, which are not tax deductible.

Dispensations

Do not include in your claim any expenses which you have paid if:

- you can claim them back from the Fees Office, and
- the expenses are covered by a dispensation.

If you are uncertain whether the Fees Office has a dispensation, you should ask for details. Also see the section headed ‘Benefits from your office’ starting on page WAMN 2 of these notes.

However, if you have incurred allowable expenditure over and above the amount covered by the dispensation, you may be entitled to claim a deduction for the excess.

Box 10 *Family travel costs*

Costs of family travel paid by the Fees Office will be reported by the Fees Office to us and you. If you think that any of the costs relate to allowable business journeys (that is, your spouse or civil partner undertook a journey in their capacity as your secretary or researcher), you should enter in box 10 the amount that you believe relates to business journeys.

Box 11 *Secretarial, clerical and research assistance*

You can claim the expense of employing secretarial, clerical and research assistants when necessarily incurred in performing your duties as an Assembly Member and/or Minister. The claim will usually equal the amount of your Office Costs Allowance used for these staff expenses. The Fees Office will provide you with details.

The figure should include payments you made from your own funds and those notified to you by the Fees Office. The total expenses cannot exceed the income from your office including payments notified to you by the Fees Office.

Box 12 *Office expenses*

Enter in box 12 the total spent during the year on the day-to-day running of your office, for example, on heating, lighting, phone, post and stationery. The figure will often correspond to the amounts that have been paid to you or on your behalf by the Fees Office for those sorts of items. They will give you details.

If, during the year, you have paid amounts other than through the Fees Office, put the total of these amounts in box 12. However, do not include anything in box 12 which in any way relates to properties against which you have made a claim to the Fees Office for Residential Accommodation Expenditure.

Box 13 *Other expenses and capital allowances*

Enter in box 13 the total amount of any other expenses and capital allowances.

Other expenses

You can claim only those expenses which each and every Assembly Member and/or Minister would have to meet. The expenses have to be incurred in actually carrying out your official duties. Expenses that might put you in a position to do your official duties, rather than actually doing them, are not allowable.

Most of the expenses which you can claim have been covered earlier. However, you may be able to claim for other expenses you incur in the performance of your duties, for example, payments you have entered in box 7 and which meet the qualifying conditions for tax relief. You may have agreed claims with us on other items in the past. If so, you should work out the amount of allowable expenses on the agreed basis. If you are uncertain about what you may be entitled to claim you should ask us for help before filling in box 13.

Capital allowances

Capital allowances will usually be available on the capital cost to you of equipment you have to provide to carry out your duties as an Assembly Member and/or Minister. No allowance is available for equipment that has been provided to you under the Assembly arrangements for the supply of IT equipment or assets you buy for or to use in residential accommodation. In addition, you cannot claim capital allowances for your motor vehicle. The section on page WAMN 7 tells you how to work them out.

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For more information read [Helpsheet 252 Capital allowances and balancing charges](#).

If during the year you start or stop using an item for your duties as an Assembly Member and/or Minister, work out the capital allowances as if you had bought or sold it on that date using the market value at the time.

What are capital allowances and balancing charges?

This section tells you how to work out your capital allowances and balancing charges that go in boxes 13 and 9 of the *Assembly* pages. The examples on pages WAMN 8 to WAMN 10 of these notes show you what to do.

Capital allowances are a deduction from your taxable income. They are an allowance for the depreciation of assets or equipment that you have to provide to carry out your duties as an Assembly Member and/or Minister. Capital allowances are included in box 13 in the *Assembly* pages of your tax return.

Balancing charges are an addition to your taxable income. They sometimes arise when you sell assets or equipment on which you previously claimed capital allowances, or if you stop using them for your official duties.

Balancing charges are entered in box 9 in the *Assembly* pages.

Which expenses qualify?

Generally speaking, anything you use in your official duties that has a useful life of at least two years may qualify for an allowance. They must be things that are necessary in order to fulfil your duties. Typical examples are office equipment such as desks and filing cabinets.

Assets and equipment are regarded as ‘necessary’ if you could not do your official duties without them. They must be things that each and every Assembly Member and/or Minister would have to provide.

But you cannot claim capital allowances for a car, motorcycle or cycle as the approved mileage allowance rates include an element for depreciation.

What types of capital allowances are there?

Four types of capital allowance are likely to be relevant to you.

- Annual Investment Allowance (AIA).
- Writing down allowances (WDAs).
- Small Pools Allowance (SPA).
- A balancing allowance when you stop being an Assembly Member and/or Minister, or
 - cease to own an asset that you have placed in a ‘single asset pool’, or
 - start using it entirely for purposes other than those connected with your duties as an Assembly Member and/or Minister.

(i) Annual Investment Allowance (AIA)

You can claim the AIA if you bought equipment (but not cars) during the year up to a set maximum amount. From 1 January 2013 the maximum amount of AIA was increased to £250,000 for a temporary period of two years to 31 December 2014.

Add the cost of the equipment together and, if the total cost does not exceed the maximum amount of the AIA, you can claim 100% of that whole amount as your AIA.

Where you have spent more than your maximum AIA entitlement in a year on equipment:

- add all the expenditure together to make a ‘main pool’ of costs
- deduct any AIA up to your maximum entitlement for that year from that main pool
- add the value of any main pool from the previous year
- deduct the value of any disposals you have made during the year.

You can then claim writing down allowance (WDA) of 18% of the remaining pool value.

Do not include any capital expenditure reimbursed to you by the Fees Office under the Office Costs Allowance or Group Support Allowance.

We will assume that you have claimed AIA against any amounts reimbursed for capital items because those items have not been included as taxable income in boxes 5 and 6 of the *Assembly* pages of your tax return. If you do not want to claim the AIA, include the amount of the Office Costs Allowance or Group Support Allowance paid for capital items in box 5 or box 6 and explain the position in the ‘Any other information’ box, box 14 on page WAM 2.

(ii) Writing down allowances (WDAs)

If the total of your purchases is more than your AIA claim, any excess is put into a ‘pool’ (the ‘main pool’). The pool is your total capital expenditure, after deducting your AIA, and after deducting from the pool any money that you may have received if you have sold any items bought in previous years. You might also have a pool of unrelieved expenditure carried forward from a previous year. If so, add this year’s expenditure, after deducting the AIA and any sale proceeds for this year, to that previous year’s pool figure to get your new pool total.

Each year you can claim 18% of the net amount in your pool as a writing down allowance (WDA).

(iii) Small pools of £1,000 or less

If the balance of such a pool after claiming AIA:

- together with any balance carried forward from any previous year
- less any amount you got from disposing of equipment you no longer use, and
- before you claim any WDA

is £1,000 or less, you may claim that whole amount as a ‘Small Pools Allowance’ (SPA).

Example 1

John has been an Assembly Member for two years. For 2013-14 he spent £500 on necessary equipment which has not been reimbursed by the Fees Office. He has a pool brought forward of £700 from 2012-13.

He can claim:

- the full £500 as Annual Investment Allowance, and
- the £700 pool brought forward as a Small Pools Allowance.

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What if I became an Assembly Member part-way through the year?

If you became an Assembly Member part-way through the tax year you will be entitled to an appropriately time-apportioned AIA and a time-apportioned 18% writing down allowance WDA or time-apportioned 'small pools allowance' (if appropriate) on any unrelieved balance of expenditure incurred.

Example 2

Jane became an Assembly Member on 5 October 2013. As Jane will only have been a WAM for 6 months, or $\frac{1}{2}$ of the 2013-14 tax year, no more than a maximum of $\frac{1}{2} \times £250,000 = £125,000$ of her expenditure incurred would be covered by AIA.

What if I use an item partly for official duties?

If you use the item only partly for your official duties, the allowance you can claim is reduced in proportion to the amount of business use. For example, if a particular item was used three-quarters of the time for official business and one quarter privately, you would claim three-quarters of the available allowance. If there is any balance of expenditure after AIA you do not add it to the main pool but instead pool it separately in a single asset pool.

What if I stop using an item for work or stop being an Assembly Member – balancing adjustments?

If during the year you stop using an item of equipment for your official duties or you stop being an Assembly Member, you need to make various adjustments to the allowances you have claimed. These adjustments are from the date you stopped using the item for work or sold it.

Include in your calculations the sale proceeds (or market value if you did not sell them) of any capital items on which you previously claimed capital allowances.

There are two types of adjustment: balancing allowances and balancing charges.

(i) Balancing allowances

A balancing allowance may be due:

- for assets and equipment in the main pool if you ceased to be an Assembly Member during the year
- for other asset(s) or item(s) of equipment in single asset pools, if during the year
 - you ceased to be an Assembly Member, or
 - you sold the item in question, or
 - you stopped using it for your official duties, but did not sell it.

In these cases, the balancing allowance due is:

- the balance of expenditure brought forward from the previous year (if any) together with any new capital expenditure you may have incurred in the current year, minus
- the sale proceeds (or market value if you did not sell them) of the item(s) at the date of cessation, or when you stopped using them for your official duties. (If the asset was one that was used only partly for business use, the sale proceeds taken into account should be adjusted to reflect only the business use of it.)

You should include the amount in your capital allowances claim in box 13 of the *Assembly* pages of your tax return.

(ii) Balancing charges

If the disposal value of an item (or items) is greater than the value in the relevant pool, then a balancing charge will arise. A 'balancing charge' is an addition to your taxable income and can arise:

- if you ceased to be an Assembly Member in the year, or
- if an asset is sold, or
- if you stop using an item for your official duties, but do not sell it.

In these cases, the balancing charge is:

- the sale proceeds (or market value if you did not sell them) of the item(s) at the date of cessation, or when you stopped using them for your official duties, minus
- the balance of expenditure (if any) in the relevant pool before the disposal or cessation.

You should enter the amount in box 9 of the *Assembly* pages of your tax return.

Example 3

Brian stopped being an Assembly Member on 6 May 2013. He has a pool value brought forward of £300 from 2012-13. He disposes of his equipment for £100.

Period ended 6 May 2013

Value brought forward	£300
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Minus

Disposal proceeds	£100
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Therefore, balancing allowance	£200
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The end result is that there is a balancing allowance of £200 to go in box 13 of the *Assembly* pages of the 2013-14 tax return.

Example 4

Judith stopped being an Assembly Member on 6 May 2013. She has a pool value brought forward of £450 from 2012-13. She sells her equipment for £400 but keeps the computer and printer for her personal use. The computer and printer were worth £150 when she stopped being an Assembly Member.

Period ended 6 May 2013

Value brought forward	£450
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Minus

Disposal proceeds (£400 + £150)	£550
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Therefore, balancing charge	£100
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The end result is that there is a balancing charge of £100 to go in box 9 of the *Assembly* pages of the 2013-14 tax return.

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Calculating your tax bill

You can calculate your tax bill by using the *Tax calculation summary* pages and the *Tax calculation summary notes*.

The Working Sheet in the *Tax calculation summary notes* does not have separate boxes for your Assembly income. You should include the amounts from your *Assembly* pages in the 'Employment' boxes on the *Tax calculation summary notes*, as follows.

Assembly pages

Income (box 1)

Benefits (boxes 3 to 9)

Expenses (boxes 10 to 13)

Tax taken off (box 2)

Tax calculation summary notes

Enter this in section 1, box A1 (along with any other employment income you have).

Add the amounts in boxes 3 to 9 together and enter the total amount in section 1, box A5 (along with the total of any other employment benefits you have).

Add the amounts in boxes 10 to 13 together and include the total amount in section 1, box A6 (along with the total of any other employment expenses you have).

Include this in the total figure in section 10, box A229 (along with the total of any other tax taken off any employment income).

These notes are for guidance only and reflect the position at the time of writing. They do not affect the right of appeal.