

# How to fill in your Short Tax Return

This guide will help you to fill in your paper Short Tax Return. It is important that you read and understand the first few pages about who can and cannot use this return before you start to fill in the form. Then, once you have completed the paper Short Tax Return, it must reach us by **31 October 2014**.

**Please do not send any attachments with your return unless we have specifically asked you to do so.**

Alternatively, why not file online? This is secure, convenient and there is on-screen help if you need it. You will have an extra three months to finish the form as online returns are due by **31 January 2015**. It is straightforward and can be found on our website.

To sign up, log in or find out more about Self Assessment Online, go to [hmrc.gov.uk/online](http://hmrc.gov.uk/online) When you sign up we will send you an Activation Code within seven working days. You will need this before you can use the online service. Sign up before 21 January to make sure you get it in time.

We have a range of services for disabled people. These include guidance in Braille, audio and large print. Most of our forms are also available in large print. Please contact our helplines for more information.

# Contents

<b>Filing your tax return</b>	<b>1</b>	<b>Married couples and civil partners</b>	<b>19</b>
Online filing	1	Gifts	19
Paper filing	1	Box 5.1 - Taxed UK interest etc. - the net amount after tax has been taken off	19
<b>Who cannot use the Short Tax Return?</b>	<b>1</b>	Box 5.2 - Untaxed UK interest etc. - total amounts which have not had tax taken off	20
If you cannot use the Short Tax Return	2	Box 5.3 - Company dividends	20
<b>Who can use the Short Tax Return?</b>	<b>2</b>	<b>UK property</b>	<b>20</b>
<b>Filing deadline - paper</b>	<b>3</b>	Box 6.1 - Income	21
<b>Filing deadline - online</b>	<b>3</b>	Rent a Room Relief	21
<b>How to fill in the Short Tax Return</b>	<b>4</b>	Box 6.2 - Expenses allowable for tax	21
<b>Student Loan repayments</b>	<b>4</b>	Box 6.3 - Profit	21
<b>Employment income</b>	<b>5</b>	Box 6.4 - Loss	21
Box 2.2 - Pay from all employments before tax was taken off	5	Box 6.5 - UK property losses brought forward from earlier years	22
Box 2.3 - Tax taken off box 2.2	5	<b>Other UK income and capital gains</b>	<b>22</b>
Box 2.4 - Benefits and taxable expenses received	5	Box 7.4 - Capital gains	22
Box 2.5 - Allowable expenses	6	<b>Gift Aid</b>	<b>22</b>
Box 2.6 - PAYE tax reference of your main or last employer	7	Box 8.1 - Gift Aid payments made in the year to 5 April 2014	23
<b>Self-employment income</b>	<b>7</b>	Box 8.2 - Total of any 'one-off' payments included in box 8.1	23
Box 3.4 - Date you made your books up to	7	<b>Paying into registered pension schemes or overseas pension schemes</b>	<b>23</b>
Class 2 National Insurance contributions	9	Limits to relief	23
Box 3.5 - Class Basis	9	Payments deducted from your pay before it is taxed (the net pay arrangement)	24
Box 3.6 - Class 4 National Insurance contributions	9	Box 9.1 - Payments to registered pension schemes where basic rate tax relief will be claimed by your pension provider - 'Relief at source'	24
Box 3.7 - Business Start-up Allowance	9	Box 9.2 - Gross payments	24
Box 3.8 - Turnover	10	Payments to an overseas pension scheme	24
Box 3.9 - Expenses allowable for tax	10	<b>Blind Person's Allowance</b>	<b>25</b>
Box 3.10 - Capital allowances	11	<b>Married Couple's Allowance</b>	<b>25</b>
Box 3.11 - Profit	15	<b>If you have paid too much tax or not enough tax</b>	<b>26</b>
Box 3.12 - Loss	15	Signing your form and sending it back	28
Box 3.13 - Business losses brought forward from earlier years	15	<b>More information</b>	<b>28</b>
Box 3.14 - Deductions on payment and deduction statements from contractors	15	Your rights and obligations	28
<b>UK pensions and State benefits received</b>	<b>16</b>	If you have a complaint	28
Box 4.1 - State Pension	16	How we use your information	28
Box 4.2 - Total of other pensions etc. - before tax was taken off	17	<b>A rough guide to working out your Income Tax bill</b>	<b>29</b>
Box 4.3 - Taxable Incapacity Benefit and contribution-based Employment and Support Allowance	17	<b>What to pay by 31 January 2015</b>	<b>30</b>
Box 4.4 - Tax taken off boxes 4.2 and 4.3	17	<b>Ways to pay</b>	<b>30</b>
Box 4.5 - Jobseeker's Allowance	17		
Box 4.6 - Total of other taxable State benefits	18		
<b>UK interest, dividends and other investment income</b>	<b>18</b>		
Joint savings and investments	18		

## **Contacts**

Notes and helpsheets are available to download from [hmrc.gov.uk/selfassessmentforms](https://hmrc.gov.uk/selfassessmentforms)

For more information about Self Assessment go to [hmrc.gov.uk/sa](https://hmrc.gov.uk/sa) or [hmrc.gov.uk/sacontactus](https://hmrc.gov.uk/sacontactus)

## **Filing your tax return**

We want filing your tax return to be easy. Choose whether to file your return **online** (you will be guided to the parts that apply to you) or to fill in the **paper** Short Tax Return.

### ***Online filing***

Self Assessment Online is simple to use, has a built-in checking facility and does the calculations for you. We will send you an immediate acknowledgement confirming receipt and, if we owe you money, you will get it back more quickly than if you file a paper tax return. To register, log in or find out more about Self Assessment Online, go to [hmrc.gov.uk/online](https://hmrc.gov.uk/online)

### ***Paper filing***

If you decide to file your return on paper, first of all please check whether you can use the Short Tax Return. Based on our records for you, we think you will be able to use this form, but it is up to you to make sure that you can – so please check the list below before completing the form.

## **Who cannot use the Short Tax Return?**

You must **not** use the Short Tax Return if, in the year 6 April 2013 to 5 April 2014, you:

- were a company director – unless the company was set up for charitable purposes, or is non-profit-making and does not trade, and does not pay you in any way or provide any company benefits
- received a lump sum from your employer (or a former employer) unless it was a redundancy payment covered by the £30,000 exemption
- were liable to the High Income Child Benefit Charge. For more information go to [hmrc.gov.uk/childbenefitcharge](https://hmrc.gov.uk/childbenefitcharge)
- received income covered by third-party arrangements or ‘disguised remuneration rules’
- were an employee who wants to claim capital allowances
- received a State Pension lump sum
- were self-employed and
  - you had more than one business, or
  - your annual turnover or self-employed income was £79,000 or more, or
  - you changed accounting date, or
  - your ‘basis period’ – that is, the self-employed period for which you are taxable – is not the same as the period for which you prepare your accounts ([Helpsheet 222 How to calculate your taxable profits](#) explains basis periods), or
  - you have business losses that you want to set off against non-business income, or against an earlier year’s tax
  - as a foster carer or shared lives carer, you wish to take advantage of qualifying care relief ([Helpsheet 236 Qualifying care relief: Foster carers, adult placement carers, kinship carers, staying put carers and parent and child arrangements](#) explains how this works)
- were in partnership
- had any taxable income from securities options, share options, shares (excluding dividends) or share-related benefits where your employer has either (a) not deducted tax from the whole of the taxable amount, or (b) told you that the value it used to arrive at the taxable amount for PAYE, was lower than it should have been
- received UK property income of £79,000 or more, or the income was from furnished holiday letting

- received Property Income Distributions (PIDs) from UK Real Estate Investment Trusts (UK REITs) or Property Authorised Investment Funds (PAIFs), including PIDs paid by the issue of a stock dividend
- received chargeable event gains (or a trust to which you contributed received such gains) from UK or foreign policies, including life insurance policies, and contracts, including purchased life annuity contracts, taken out with a life insurer. If you have received a chargeable event certificate or a certificate under Section 552 ICTA 1988 you cannot use this form
- received income from abroad (unless this was only a small amount of taxed foreign dividends, up to £300 net). The penalty for failing to declare income that arises outside the UK can be up to 200% of the tax due on the income
- received income from the estate of a deceased person, or received, or are treated as having received, income, benefits or gains from a trust or settlement
- are treated as receiving a benefit because you use property you previously owned, or have given or lent funds to finance the acquisition of such property, but do not pay fully for that use (referred to as ‘pre-owned assets’)
- were not resident, ‘not ordinarily resident’ or not domiciled in the UK (please phone us if you are not sure if this applies to you)
- want to defer, or have deferred, some of your Class 4 National Insurance contributions because you are employed as well as self-employed
- unusually, have income losses that you wish to set against capital gains
- are a part-time teacher, included in the Repayment of Teachers’ Loans Scheme, repaying your Student Loan
- were a party to one or more disclosable tax avoidance schemes
- want to claim relief for certain gifts to charity (see the ‘Gift Aid’ section on page STRG 22)
- were within the Managing Deliberate Defaulters (MDD) programme for any part of the year.

**Look through the form – you should not use it if you cannot find a box for something you think should go on your tax return.**

### ***If you cannot use the Short Tax Return***

You can file your return online – go to [hmrc.gov.uk/onlinereturn](http://hmrc.gov.uk/onlinereturn) for more information. If you want to file on paper, please phone the Self Assessment Helpline on 0300 200 3310 to say that you cannot use the Short Tax Return we sent you, tell us why (so we can update your records), and we will send you the full tax return.

### **Who can use the Short Tax Return?**

If you had one or more of the following kinds of income in the year from 6 April 2013 to 5 April 2014, you can probably use this form. Use this form if you:

- were an employee and were paid wages or a salary, or received taxable benefits or expense payments. It does not matter if you had more than one job in the year
- are repaying your Student Loan (but not part-time teachers in the Repayment of Teachers’ Loans Scheme)
- were self-employed, that is, you worked for yourself and not for an employer, and your annual turnover or business income (money earned, or income received (if using the cash basis) before expenses in a 12-month period) was below £79,000. But please check the ‘Who cannot use the Short Tax Return?’ section which starts on page STRG 1 of these notes
- received a UK pension (State, occupational or private) or a retirement annuity
- received income from a purchased life annuity

## **Contacts**

Notes and helpsheets are available to download from

[hmrc.gov.uk/selfassessmentforms](http://hmrc.gov.uk/selfassessmentforms)

For more information about Self Assessment go to

[hmrc.gov.uk/sa](http://hmrc.gov.uk/sa) or [hmrc.gov.uk/sacontactus](http://hmrc.gov.uk/sacontactus)

- received taxable State benefits – for example, Jobseeker's Allowance
- received UK property income below £79,000, for example, rents, including letting a room in your own home (but excluding furnished holiday letting)
- received taxable income from UK savings, for example, interest from a bank or building society, taxable National Savings & Investments income, company dividends, or dividends and interest from authorised unit trusts and open-ended investment companies.

This guide will help you fill in your Short Tax Return. It does not have box-by-box notes – only notes for boxes you might need help with or want more information about. Sometimes we will refer you to some other notes or a helpsheet, available from [hmrc.gov.uk/selfassessmentforms](http://hmrc.gov.uk/selfassessmentforms) or the Self Assessment Orderline on 0300 200 3610. But if you need more help with anything on the return, please contact us. Please do not fold the return and please do not send us additional information unless you have been specifically asked to do so (for example, a capital gain computation). The form is processed by a machine so any unnecessary additional information will either slow down, or remove completely, the benefits of this process.

## **Filing deadline – paper**

If you decide to fill in a paper tax return, we need it back by 31 October 2014 to give us time to work out your tax bill, or repayment, and let you know the result before the payment deadline of 31 January 2015.

If we receive your paper tax return by 31 October and you:

- owe tax (up to £3,000), and
- have a PAYE tax code

we will, if possible, try to collect the tax you owe through next year's tax code, unless you prefer to pay it by 31 January 2015.

If you send back your tax return after 31 October 2014, we will charge you a £100 penalty. You'll have to pay this even if:

- your return is just a day late
- you have no tax to pay
- you pay all the tax you owe on time.

If you still don't send us your return, you'll also be charged the following penalties.

- Over three months late – a penalty of £10 for each additional day that it is late, for a maximum of 90 days (£900).
- Over six months late – an additional £300 or 5% of the tax due if this is higher.
- Over twelve months late – a further £300, or a further 5% of the tax due if this is higher, or up to 100% of the tax due if you deliberately withhold information to prevent us from assessing your liability. This could be up to 200% if the income or gains not being declared arise outside the UK.

If you miss the filing deadline for paper returns, it will be advantageous for you to file online as less penalties could be charged.

## **Filing deadline – online**

The online filing deadline is 31 January 2015 (so if you miss the paper filing deadline you can still file your return online as long as you haven't already filed a paper return). We strongly recommend online filing because:

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

To sign up for our online service, go to [hmrc.gov.uk/online](http://hmrc.gov.uk/online)

Registration can take between seven and ten days, so make sure you register early to allow yourself plenty of time to file. If you file your return online after 31 January 2015, we will charge you a £100 penalty. You'll have to pay this even if:

- your return is just a day late
- you have no tax to pay
- you pay all the tax you owe on time.

If you still don't send us your return, you'll also be charged the following penalties.

- Over three months late – a penalty of £10 for each additional day that it is late, for a maximum of 90 days (£900).
- Over six months late – an additional £300 or 5% of the tax due if this is higher.
- Over twelve months late – a further £300, or a further 5% of the tax due if this is higher, or up to 100% of the tax due if you deliberately withhold information to prevent us from assessing your liability. This could be up to 200% if the income or gains not being declared arise outside the UK.

## **How to fill in the Short Tax Return**

If this return is appropriate for you, please read 'How to file your return' on page PG 1 of the tax return. In addition:

- collect your tax and business records before you fill in the form
- enter the information clearly and legibly. As the form is machine read, poor handwriting can lead to errors resulting in you being asked to pay the wrong amount which can take time to correct
- do not use correcting fluid if you make a mistake
- keep your entries within the boxes and do not strike through boxes that do not apply
- if you enter pence they will not be taken into account (that is why we ask you to round down income and round up tax paid/tax credits).

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

## **Student Loan repayments**

Income Contingent Repayment (ICR) loans are collected by us (for new borrowers from August 1998). You will have received a letter from the Student Loans Company before you were due to start repaying your ICR loan telling you the date from which any repayments will become due. ICR loan repayments are based on your income not on the loan amount borrowed and this is what makes the loan 'income contingent'. In addition repayments only become due once your income exceeds the annual threshold. The threshold for 2013–14 is £16,365.

If you have not received notification that your loan has been fully repaid but you think that you are nearing the end of your loan term you should contact the Student Loans Company direct. Contact details are on their website.

Go to [studentloanrepayment.co.uk](http://studentloanrepayment.co.uk)

**Alternatively, you can contact HMRC and request a full tax return.**

**The full tax return has an option that allows HMRC to contact the Student Loans Company to determine if your loan is near to conclusion.**

## **Contacts**

Notes and helpsheets are available to download from [hmrc.gov.uk/selfassessmentforms](https://hmrc.gov.uk/selfassessmentforms)

For more information about Self Assessment go to [hmrc.gov.uk/sa](https://hmrc.gov.uk/sa) or [hmrc.gov.uk/sacontactus](https://hmrc.gov.uk/sacontactus)

Additionally, please contact us if:

- you receive notification after you have sent your tax return that your ICR Student Loan has been fully repaid before 1 January 2015, or
- you feel that our calculation of your Student Loan repayment will exceed the balance remaining on your loan. For more information, go to [hmrc.gov.uk/leaflets/csl1.pdf](https://hmrc.gov.uk/leaflets/csl1.pdf)

Full-time teachers in the Repayment of Teachers' Loans (RTL) Scheme can ignore these boxes altogether. Part-time teachers in the RTL Scheme must not complete this return, and should either file online or contact us for the full tax return.

## **Employment income**

There are special rules if you worked wholly or partly abroad. If you did, please phone us.

### **Box 2.2 Pay from all employments before tax was taken off**

Your employer must give you a record of your pay and tax – if you were working on 5 April, you will get a P60 *End of Year Certificate*. If you left before 5 April, you will have been given a P45 (Part 1A). If you only had one job in the year put in box 2.2 the pay from the 'In this employment' box on the P60, or from the 'Total pay in this employment' box on the P45. If you had more than one job, add up all your 'In this employment' figures (if you had two or more jobs at 5 April and so had more than one P60) or the 'Total pay in this employment' figures from your P45s. If you received tips in employment, you should include them here.

If your employer has reported the amount of a benefit from your employment on your form P11D *Expenses and benefits*, and taxed that amount through the payroll, you should deduct from the P60 or P45 figure the amount (before tax is taken off) reported on your P11D. You should enter the amount you have deducted from the P60 or P45 figure on the Working Sheet for box 2.4 (see page STRG 6) as appropriate. Please refer to any specific advice issued by your employer if you are not sure what figures to enter.

### **Box 2.3 Tax taken off box 2.2**

Add up the 'Total tax in this employment' figures from your P45s, or the 'Tax deducted in this employment' figures from your P60s (if you had more than one), and put the total in box 2.3. If your P45 or P60 shows that tax was refunded to you, please put a minus sign in front of the tax figure in box 2.3.

### **Box 2.4 Benefits and taxable expenses received**

If you were provided with taxable benefits such as medical insurance or a company car, or were paid taxable expenses, your employer has to give you, by 6 July, the information for your return, probably on a P11D. If you have not had it by then, speak to your employer or phone us. Use your P11D and the Working Sheet on page STRG 6 to get the figure for box 2.4.

If you are repaying a Student Loan advanced under the Income Contingent Repayment Scheme and you are in receipt of any non-cash benefits in kind, you should not complete this return. Complete your tax return online, download a full tax return from [hmrc.gov.uk/selfassessmentforms](https://hmrc.gov.uk/selfassessmentforms) or contact the Self Assessment Orderline on 0300 200 3610 for a full tax return.



Non-cash benefits include:

- interest-free and low-interest loans
- company cars and vans and any fuel for them
- private medical and dental insurance
- accommodation, goods and other assets provided by your employer.

Non-cash benefits do not include taxable expenses payments and any benefit identified by an asterisk in the Working Sheet below.

<b>Working Sheet</b>	
*Mileage allowance (above limits)† (from box 12 in Section E on P11D)	£ <input type="text"/>
Cash equivalent of all cars (from box 9 in Section F)	£ <input type="text"/>
Cash equivalent of all fuel (from box 10 in Sections F and G)	£ <input type="text"/>
Vans (from box 9 in Section G)	£ <input type="text"/>
Private medical or dental insurance (from box 11 in Section I)	£ <input type="text"/>
Interest-free and low-interest loans (from box 15 in Section H)	£ <input type="text"/>
*Credit cards, vouchers, etc (from box 12 in Section C)	£ <input type="text"/>
Accommodation (from box 14 in Section D)	£ <input type="text"/>
Other (for example, assets transferred and payments made for you)	£ <input type="text"/>
<b>Total</b> <i>copy to box 2.4</i>	£ <input type="text"/>

†If your employer pays you a mileage allowance for using your own car, motorcycle or cycle for work, you only have to pay tax on it if you are paid more than:

- cars or vans – 45 pence a mile for the first 10,000 miles, then 25 pence a mile after that
- motorcycles – 24 pence a mile
- cycles – 20 pence a mile.

If you receive less than the maximum, you can have tax relief for the difference – read the notes for box 2.5.

### **Box 2.5 Allowable expenses**

You can only take off the costs you had to pay out in doing your job – if you need help with this, please phone us. If you also want relief for capital allowances you cannot use this form.

#### **Travel costs**

You cannot get tax relief for the cost of travelling from home to your usual place of work. However, you can take off the cost of business journeys – whether in the UK or abroad – as well as the related costs of accommodation and meals. Business journeys are travelling from one place of work to another in the same employment. You can also take off the cost of travelling between your home and a temporary workplace (somewhere you work for less than two years, unless you work there for all, or almost all, of a short-term employment).



## **Contacts**

Notes and helpsheets are available to download from

[hmrc.gov.uk/selfassessmentforms](http://hmrc.gov.uk/selfassessmentforms)

For more information about Self Assessment go to

[hmrc.gov.uk/sa](http://hmrc.gov.uk/sa) or [hmrc.gov.uk/sacontactus](http://hmrc.gov.uk/sacontactus)

If travelling is your job, you can take off the cost of travel and meals etc. from the time you leave home. (But if you live a long way from the area you work in, you cannot take off the costs of getting you to that area.)

### ***Using your own car, motorcycle or cycle***

If your employer pays you less than the maximum mileage allowance, you can get tax relief for the shortfall. Keep a record of your business mileage and of the mileage allowance expenses you are paid.

#### **Example 1**

You travelled 16,000 business miles in your own car. The most you can receive without having to pay tax is:

10,000 miles at 45 pence	£4,500
6,000 miles at 25 pence	£1,500
<b>Total</b>	<b>£6,000</b>

So if you were only paid £3,500, you can deduct the difference (£2,500) as an expense.

Now add together:

- all the allowable travel costs, including related meals and accommodation
- business expenses, such as business phone calls
- flat-rate expenses (these may be on your PAYE Coding Notice for the year)
- fees or subscriptions to professional bodies which you pay personally
- any other allowable expenses

and put the total in box 2.5.

### **Box 2.6 *PAYE tax reference of your main or last employer***

You will find the PAYE tax reference of your employer on your PAYE Coding Notice, your P45 or your P60 for the year to 5 April 2014.

If you had more than one job in that year, put the reference for your main employment – that could be where you worked most recently if you are no longer employed, where you worked the most hours, or where you earned the most money.

Enter 'None' in box 2.6 if exceptionally your employer does not have a PAYE tax reference.

## **Self-employment income**

You can only use this form if your annualised turnover or business income received (if using the cash basis accounting) was below £79,000 – make sure you read the note for box 3.8 on page STRG 10. If you want to record 'overlap relief' you cannot use this form. You will need to either file online or contact us for the [full tax return](#) and [Self-employment \(full\)](#) pages.

You can work out your profit for 2013–14 using the traditional accounting rules that you used for your tax return for 2012–13 or you can use cash basis.

For more information, go to [gov.uk/simpler-income-tax-cash-basis](http://gov.uk/simpler-income-tax-cash-basis)

What you put in box 3.4, and boxes 3.8 to 3.12, will depend on how long you have been working for yourself. It is not that easy to work out, so read the notes on page STRG 8 and find the heading that matches your circumstances.

### **Box 3.4 *Date you made your books up to***

It is usual to keep your business records (and you must keep records, by law, to support the information on your return) year by year. We suggest you

‘make up your books’ to the same date each year – that date will be your ‘end of year date’ or ‘annual accounting date’. Put your end of year date in box 3.4. There is a helpful factsheet on what you need to know about keeping records at [hmrc.gov.uk/factsheet/record-keeping.pdf](http://hmrc.gov.uk/factsheet/record-keeping.pdf)

***Have you been working for yourself for more than three years?***

If so, put in boxes 3.8 to 3.11 (or 3.12) your details for the 12 months up to your end of year date that fell between 6 April 2013 and 5 April 2014.

***Did you start working for yourself during the year 6 April 2013 to 5 April 2014?***

If you have been working for yourself for less than 12 months, you will have to choose an end of year date and then use this same date each year. It can be any date in the year, but, as the tax year ends on 5 April, you might find it easier to use 5 April. You can only use this form if the date you choose is between 31 March 2014 and 5 April 2014 inclusive (unless you also stopped working for yourself before 5 April 2014 – see below).

When you have chosen your first end of year date, put that date in box 3.4. For example, if you choose 5 April 2014, put the figures from the date you started working for yourself up to 5 April 2014 in boxes 3.8 to 3.11 (or 3.12).

If, by 31 October 2014, you have not chosen your end of year date or made up your first set of books, please contact us as you cannot use this form. Where you have both started and stopped working for yourself between 6 April 2013 and 5 April 2014, put the figures for the period from when you started to when you stopped in boxes 3.8 to 3.11 (or 3.12).

***Did you start between 6 April 2012 and 5 April 2013?***

You will have decided on your end of year date by now. If you made up your first books to 5 April 2013, put the figures for the year ended 5 April 2014 in boxes 3.8 to 3.11 (or 3.12).

If you made up your first books for a 12-month period to a date after 5 April 2013, put in boxes 3.8 to 3.11 (or 3.12) the figures from the date you first started working for yourself to the end of year date 12 months later that fell between 6 April 2013 and 5 April 2014.

If the date in box 3.4 is not exactly 12 months after you started to work for yourself, you cannot use this form.

***Did you start between 6 April 2011 and 5 April 2012?***

If you made up your first books to a date before 5 April 2013, put in boxes 3.8 to 3.11 (or 3.12) the figures for the year beginning on the day after your last end of year date, and ending on the end of year date between 6 April 2013 and 5 April 2014.

If you made up your first books to a date after 5 April 2013, you cannot use this form.

***Did you stop working for yourself in the year 6 April 2013 to 5 April 2014?***

If you have been working for yourself for two or more years, your tax return for the year 6 April 2012 to 5 April 2013 will have included details for your end of year that fell between those two dates.

The figures needed for this return are for the period beginning on the day after your last end of year date, up to the date you stopped working for yourself (the dates in boxes 3.3 and 3.4). You may be entitled to a tax relief that will reduce your profit in box 3.11, depending on the length of time you have worked for yourself. If you are, we will work this out for you.

## **Contacts**

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For more information about Self Assessment go to

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## **Class 2 National Insurance contributions**

There is nothing to put on the return but, because you work for yourself, you have to pay Class 2 National Insurance contributions (NICs). If you pay late you may lose benefits, now or later on.

If you have only just started working for yourself you must tell us quickly. If you do not register on time you can be penalised. If you want to know more, go to [hmrc.gov.uk/online/new.htm](https://hmrc.gov.uk/online/new.htm) or phone the Newly Self-Employed Helpline on 0300 200 3504.

### **Box 3.5 Cash Basis**

Put an 'X' in box 3.5, if you used the cash basis.

The cash basis is a simpler way of working out your business profits or losses. You add up all your business income received and take off any allowable expenses paid in your accounting period. You **do not** include money you owe or owed to you at the end of year date.

You can use, or may already be using cash basis, if your business income **does not exceed** £79,000 (or £158,000 if you claim Universal Credit).

If you use cash basis:

- you only record income when it is received
- you only record expenses when they are paid
- payments for equipment, including vans, are allowable expenses
- a maximum of £500 is allowed as an expense for interest paid on cash borrowings
- any losses you make cannot be set off against your other income
- you cannot use capital allowances (see the note for box 3.10) for anything except cars

Certain businesses **cannot** use the cash basis. For more information on cash basis, go to [hmrc.gov.uk/helpsheet222](https://hmrc.gov.uk/helpsheet222)

### **Box 3.6 Class 4 National Insurance contributions**

If your profit to go in box 3.11 is over £7,755 you may have to pay Class 4 NICs as well as Class 2. We will work out how much you have to pay.

#### ***Exempted***

You are exempt from paying Class 4 NICs if:

- you were State Pension age at the beginning of the tax year (6 April 2013) or you became State Pension age **on** 6 April 2013, or
- you were under 16 on 6 April 2013, or
- during 2013–14 you were not resident in the UK for tax purposes (if you are not sure, please contact us or your tax advisor).

To find out your State Pension age go to [gov.uk/calculate-state-pension](https://gov.uk/calculate-state-pension)

#### ***Deferment***

If you are employed as well as self-employed, the National Insurance Contributions and Employer Office may agree that some of your Class 4 NICs can be deferred until your overall contributions can be determined. If your application for deferment is agreed they will send you a certificate of deferment (form CA2703). If you have already been given a certificate of deferment, or if you want to apply for deferment of Class 4 NICs, please contact us as you cannot use this form.

### **Box 3.7 Business Start-up Allowance**

**Do not include** any New Enterprise Allowance in this box. If you do, you may pay tax when you do not need to.

### Box 3.8 *Turnover*

Turnover is the total amount of money earned or received by your business or your self-employed work before taking off expenses.

This includes:

- all payments for services or work your business has provided or goods you have sold – in cash, by card, cheques or any other method (including income from construction work)
- tips, fees and commissions
- any payments ‘in kind’ – that is, not paid by cheque or cash for work done or goods sold
- money owed to you for work already done (unless you use the cash basis). If you are using cash basis, only include the money you actually received in the tax year. It **does not** include money received if you have sold your business premises or a piece of machinery (unless your business is selling machinery or you use the **cash basis**).

You should also include any balancing charges in box 3.8 (see the note for ‘balancing charges’ on page STRG 15).

#### *Annual turnover*

You can only use this return if your annual turnover was below £79,000.

If, for example, you had only been working for six months, that £79,000 is reduced to £39,500 ( $\frac{6}{12} \times £79,000$ ). If your annual turnover was £79,000 or more, please contact us as you cannot use this return.

### Box 3.9 *Expenses allowable for tax*

Expenses vary from business to business. Allowable expenses include the cost of buying stock, wages, rent, rates, lighting, heating, postage, phone calls, and motor costs such as fuel and insurance. They do not include the cost of buying a vehicle or other equipment (unless you use the cash basis, where allowable expenses include payments for equipment and vehicles other than cars), depreciation of equipment, your own salary or the cost of entertaining.

Some expenses are only partly allowable. For example, you can only claim the business part of the cost of using your own car or using a room in your home as your office. Helpsheet 222 *How to calculate your taxable profit* lists the expenses that you can claim.

If you use the cash basis, you can only claim up to £500 of any payments of interest and other costs for cash borrowings. For more information, go to [hmrc.gov.uk/helpsheet222](http://hmrc.gov.uk/helpsheet222)

#### *Simplified expenses*

Simplified expenses is a new way of calculating certain types of allowable expenses. From 2013–14 you can use flat rates instead of actual business expenses. You can use flat rates for:

- business costs for vehicles and either
- business use of your home, or
- private use of business premises as a home.

**All other expenses you have to calculate in the usual way.**

You will find information on simplified expenses in Helpsheet 222 *How to calculate your taxable profits*. All sole traders and business partnerships can use simplified expenses, whether they also use the cash basis or not.

## Contacts

Notes and helpsheets are available to download from [hmrc.gov.uk/selfassessmentforms](http://hmrc.gov.uk/selfassessmentforms)

For more information about Self Assessment go to [hmrc.gov.uk/sa](http://hmrc.gov.uk/sa) or [hmrc.gov.uk/sacontactus](http://hmrc.gov.uk/sacontactus)

For more information download the *Self-employment (short) notes* for the year ended 5 April 2014 from [hmrc.gov.uk/worksheets/sa103s-notes.pdf](http://hmrc.gov.uk/worksheets/sa103s-notes.pdf) and Helpsheet 222 *How to calculate your taxable profits* from [hmrc.gov.uk/helpsheet222](http://hmrc.gov.uk/helpsheet222) Or you can phone the Self Assessment Orderline for copies. Ignore the box numbers quoted in them – they refer to boxes on another tax return.

### Working Sheet

Purchases of stock or materials	<input type="text" value="£"/>
Cash equivalent of all cars (from box 9 in Section F)	<input type="text" value="£"/>
Labour and subcontractor costs	<input type="text" value="£"/>
Wages paid to employees	<input type="text" value="£"/>
Rents, rates and lighting, heating, etc.	<input type="text" value="£"/>
General maintenance and replacement of small tools	<input type="text" value="£"/>
Office costs - postage, advertising, phone	<input type="text" value="£"/>
Motor costs - fuel, insurance etc.	<input type="text" value="£"/>
Legal and professional costs - accountants' and solicitors' fees	<input type="text" value="£"/>
Unrecovered (bad) debts	<input type="text" value="£"/>
Interest and overdraft charges	<input type="text" value="£"/>
Other	<input type="text" value="£"/>
<b>Total</b> <i>copy to box 3.9</i>	<input type="text" value="£"/>

### Box 3.10 *Capital allowances*

You can claim capital allowances for the cost of buying, or improving, vehicles and equipment such as computers, business furniture and tools that you use in your business (even if the items were bought under hire purchase). The costs of such items are not allowable expenses in working out your taxable profits. The type of capital allowance that you can claim will depend on the cost and type of items that you have and other circumstances – see the notes starting on page STRG 12. You must not claim capital allowances for:

- the costs of things that it is your trade to buy and sell as you can claim for these as business expenses
- the interest and other fees that you may be charged for purchasing items under hire purchase. These charges should be separated out and included in box 3.9

**You cannot** claim capital allowances if you are using the cash basis. The only exception is cars. If you have previously claimed capital allowances for a car used in your business, you can continue to claim the allowance in box 3.10. Include any business part of the running costs as an allowable business expense in box 3.9. You cannot use flat rates.

If you have never claimed capital allowances for the car, you can choose to use the flat rate, or claim capital allowances.

For help with working out your allowances, go to [hmrc.gov.uk/helpsheet252](http://hmrc.gov.uk/helpsheet252)

The notes that follow only apply if you have a 'standard' 12-month accounting period and summarise the allowances available. If your accounting period is shorter or longer than a year, or began before April 2008, or if you want to know more about capital allowances, please refer to [Helpsheet 252 Capital allowances and balancing charges](#), or contact us or your tax adviser.

### ***Business and private use***

Where you use an item of equipment for both business and private purposes, the allowances you claim should be reduced by the amount of your private use. To do this, calculate the capital allowances due for each item which has any private use separately using a 'single asset pool', and reduce the allowances you claim by the private use proportion (see Example 2 below and Example 3 on page STRG 14).

### ***Annual Investment Allowance (AIA)***

You can claim a capital allowance called an Annual Investment Allowance (AIA) if you bought equipment (but not cars) during the year, up to a set, maximum amount. The maximum amount of AIA is £250,000, for a temporary period of two years from 1 January 2013 to 31 December 2014.

To claim the AIA, add the cost of all the equipment you have purchased in the year together. If the total does not exceed your maximum AIA entitlement for the year, you can claim 100% of that whole amount as your AIA.

Where you use an item of equipment for both business and private purposes, the AIA claimed has to be reduced by the private use proportion.

#### **Example 2**

Gordon has a chargeable period that follows the tax year. He buys some tools for £5,000 and a van costing £10,000. The tools are used only for the business. The van is used 60% for business and 40% for private motoring. As the total cost is less than his maximum amount of AIA, Gordon can claim the full amount as AIA.

However, because the van is used for private purposes, Gordon must restrict the amount of AIA that he claims on the van to reflect his private use. This means that the AIA he can claim for the van is £6,000 (£10,000 less 40% private use).

His total AIA claim is £11,000 (£5,000 for the tools plus £6,000 for the van).

If AIA is the only capital allowance you are claiming, put the total amount of AIA in box 3.10.

### ***18% writing down allowance (WDA)***

The rate of WDA for the main pool is 18%. Where you have spent more than your maximum AIA entitlement in a year, on equipment, or on or after 6 April 2013 you have purchased a car with CO<sub>2</sub> emissions of 130g/km or less, add all the expenditure together to make a 'main pool' of costs. Deduct any AIA up to your maximum entitlement (excluding any expenditure on cars). If you have a main pool of unrelieved expenditure carried forward from the previous year, add the value of that pool to the amount you have spent in the current year after deducting AIA. Deduct the sale proceeds or value of any disposals you have made during the year (see the note for 'disposals' on page STRG 15).



## **Contacts**

Notes and helpsheets are available to download from

[hmrc.gov.uk/selfassessmentforms](http://hmrc.gov.uk/selfassessmentforms)

For more information about Self Assessment go to

[hmrc.gov.uk/sa](http://hmrc.gov.uk/sa) or [hmrc.gov.uk/sacontactus](http://hmrc.gov.uk/sacontactus)

The CO<sub>2</sub> emissions thresholds, for capital allowances for cars, were reduced for cars purchased on or after 6 April 2013. For more information, see Helpsheet 252 *Capital allowances and balancing charges*. Go to [hmrc.gov.uk/helpsheet252](http://hmrc.gov.uk/helpsheet252)

You can then claim a writing down allowance (WDA) of 18% of the remaining pool value (unless the expenditure is ‘special rate’ expenditure – see the note for ‘8% writing down allowance’ below). For cars bought before 6 April 2009 see below.

### **8% writing down allowance (WDA)**

The rate of WDA for the special rate pool reduced from 10% to 8% from 6 April 2012. Some items will only be eligible for writing down allowances at the ‘special rate’ of 8% a year and these items go into a separate ‘special rate’ pool. The most common items are cars purchased on or after 6 April 2013, with CO<sub>2</sub> emissions of over 130g/km, and certain integral features of a building or structure, such as electrical systems.

The CO<sub>2</sub> emissions thresholds, for capital allowances for cars, were reduced for cars purchased on or after 6 April 2013. For more information, see Helpsheet 252 *Capital allowances and balancing charges*. Go to [hmrc.gov.uk/helpsheet252](http://hmrc.gov.uk/helpsheet252)

### **Small pools allowance**

If the balance of either the main pool or the special rate 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 (for example, by selling it) is £1,000 or less, you may claim that whole amount as a ‘small pools allowance’ instead of the 18% and/or the 8% writing down allowance in the case of your main rate or special rate pools respectively.

### **100% allowances**

You may also be entitled to a 100% first year allowance if you have bought certain energy-efficient or environmentally beneficial equipment used in the business. They are available for the purchase of:

- designated energy-saving and water efficient technologies
- new, unused cars with CO<sub>2</sub> emissions of less than 95g/km. The CO<sub>2</sub> emissions threshold for 100% first year allowances was reduced for cars purchased on or after 1 April 2013 For more information, see Helpsheet 252 *Capital allowances and balancing charges*
- equipment for refuelling vehicles with natural gas, biogas or hydrogen fuel
- new, unused, zero emission goods vehicles.

For more information go to [etl.decc.gov.uk](http://etl.decc.gov.uk)

## **Cars**

### ***Restricted annual allowance for cars costing more than £12,000 bought before 6 April 2009***

If you bought a car costing more than £12,000 before 6 April 2009, you cannot claim more than £3,000 in any one year for it. The 18% writing down allowance has to be restricted to a maximum of £3,000, which is further reduced if there is any private use of the car (see the note for ‘Private use’ on page STRG 14).

Put each car costing more than £12,000 in a separate ‘car pool’ and do a separate calculation for each one. You should continue to do this for as long as you own the car, or until 6 April 2014.



### Example 3

In January 2009 Joe bought a car for more than £12,000. The car is used 60% for business and 40% for private motoring. The cost of the car did not qualify for AIA. The cost could not go into the main pool because the car cost more than £12,000 and also because there was private use. Joe could only claim writing down allowances (WDA) up to a maximum of £3,000 (not 18% of its value as that would be more than £3,000). The balance carried forward to 2013-14 is £21,000.

2013-14	Car pool	Allowance
Written down value of car brought forward from 2012-13	£21,000	
WDA for 2013-14		
£21,000 x 18% (£3,780) ( <i>restricted to £3,000</i> )	(£ 3,000)	£3,000 x 60% = £1,800
Value carried forward	£18,000	

Because Joe uses the car 40% for private purposes the WDA he can claim has to be restricted to the 60% business use proportion, which is added to the allowances in box 3.10.

### Cars bought on or after 6 April 2009

For cars bought on or after 6 April 2009 the allowances you can claim depend on the car's carbon dioxide (CO<sub>2</sub>) emissions.

Expenditure on cars purchased on or after 6 April 2013 with CO<sub>2</sub> emissions:

- over 130g/km should be put into the special rate pool and will be eligible for writing down allowances at 8%
- of 130g/km or less should go into the main pool and will be eligible for writing down allowances at 18%.

Expenditure on new unused cars purchased on or after 1 April 2013 with CO<sub>2</sub> emissions of 95g/km or less will be eligible for a 100% first year allowance. The cost of second hand cars with CO<sub>2</sub> emissions of 95g/km or less go into the main pool and will be eligible for allowances at the main rate of 18% a year.

If the car is used partly for non-business purposes the expenditure should be pooled in a single asset pool. The rate of allowances for that pool will depend on the car's CO<sub>2</sub> emissions as above but should be reduced so that only the proportion due to business use is claimed.

Expenditure on cars purchased before 6 April 2013 with CO<sub>2</sub> emissions:

- over 160g/km should be put into the special rate pool and will be eligible for writing down allowance at 8%
- of 160g/km or less should go into the main pool and will be eligible for writing down allowance at 18%.

Expenditure on new unused cars purchased before 1 April 2013 with CO<sub>2</sub> emissions of 110g/km or less was eligible for a 100% first year allowance. The cost of second hand cars below the CO<sub>2</sub> emissions threshold, for the first year allowance, go into the main pool and will be eligible for allowances at the main rate of 18%.

For more information, see Helpsheet 252 *Capital allowances and balancing charges*. Go to [hmrc.gov.uk/helpsheet252](http://hmrc.gov.uk/helpsheet252)

### Private use

If you have a car which you use for business and for private use, the cost or value of it has to go into a separate 'single asset' pool. Calculate the appropriate allowances due (but not AIA) depending on when the car was bought, the cost and (if the car was bought on or after 5 April 2009) the CO<sub>2</sub> emissions. You must then reduce the allowances to the business use proportion.

You can find more information about capital allowances for cars and worked examples in Helpsheet 252 *Capital allowances and balancing charges*.

## **Contacts**

Notes and helpsheets are available to download from

[hmrc.gov.uk/selfassessmentforms](http://hmrc.gov.uk/selfassessmentforms)

For more information about Self Assessment go to

[hmrc.gov.uk/sa](http://hmrc.gov.uk/sa) or [hmrc.gov.uk/sacontactus](http://hmrc.gov.uk/sacontactus)

## ***Disposals***

If you dispose of or sell an item, and you have previously added that expenditure to your main rate, special rate, or a 'single asset' pool, deduct the amount you receive for it from the value of the relevant pool (even if that value has been reduced to nil by earlier claims to capital allowances) up to the item's original cost to you.

Likewise, if you no longer use the item for business purposes, or your business has ceased, deduct the market value of the item from the relevant pool. If the whole cost of the asset had been claimed as AIA (or first year allowance) the pool to use is the one the asset would have gone into. If all previous expenditure has been written off, the opening balance in that pool will be nil.

## ***Balancing allowances***

For pools with just one item in them ('single asset' pools), if the sale proceeds or value are less than the pool value, the difference is called a 'balancing allowance'. You should include it in box 3.10. (You can only claim a balancing allowance on the main or special rate pool in the year your business permanently ceases.) Put the total of any AIA, writing down allowances, first year allowances, small pools allowances, balancing allowances, and any other capital allowances you are claiming in box 3.10.

## ***Balancing charges***

If you dispose of an item or no longer use it in the business, take off the sale proceeds or value of it from the pool value. If the sale proceeds or value of the item are more than the amount in the pool, the difference is called a 'balancing charge' – see [Helpsheet 252](#) for more information. You must add any balancing charges to your turnover in box 3.8, and not enter them in box 3.10.

## **Box 3.11 Profit**

If your turnover is more than your expenses and capital allowances added together, you have made a profit for tax. Your profit is box 3.8 minus boxes 3.9 and 3.10 added together. Put your profit in box 3.11.

## **Box 3.12 Loss**

If your expenses and capital allowances added together are more than your turnover, you have made a loss for tax. Your loss is boxes 3.9 and 3.10 added together minus box 3.8. Put your loss in box 3.12.

## **Box 3.13 Business losses brought forward from earlier years**

We will take off brought forward losses from the profit (box 3.11) that we tax. But if you made a loss (box 3.12) you should add it to your existing brought forward losses and enter the total in this box on next year's tax return.

## **Box 3.14 Deductions on payment and deduction statements from contractors**

If you are a subcontractor in the construction industry, and your contractor made deductions from the money they paid you, they should have given you 'payment and deduction statements' for each payment or for each month they paid you. These should show what you were paid and what was deducted from these payments. Contractors must give these statements to subcontractors who are paid under deduction. Add up all the deductions on your payment and deduction statements for the year to 5 April 2014 and put the total in box 3.14. (Please do not enclose your payment and deduction statements with your return.)

If you have already sent us your payment and deduction statements to claim a repayment you should have kept details – make sure the figure in box 3.14 includes the deductions on those statements. (The repayment should go in box 12.7 on page PG 4.) If you did not keep those details, please phone us.

If your contractor did not give you payment and deduction statements when they paid you, ask for them now. If you have lost any, ask your contractor for copies. If there is a problem please phone us.

If you make an entry in box 3.14, do not forget to include your gross receipts from all contractors in box 3.8 (that is, the full amount of the payments you received before taking off the CIS deductions).

## **UK pensions and State benefits received**

For more information on what is and what isn't taxable income, go to [hmrc.gov.uk/taxableincome](http://hmrc.gov.uk/taxableincome)

### **Box 4.1 State Pension**

We consider the 'full amount' of State Pension you were entitled to for the year to 5 April 2014, to work out the tax due. Because your State Pension entitlement is paid in arrears (weekly, 4-weekly or quarterly), it is unlikely to be the same as the actual payments you received in the year to 5 April 2014.

To find out your weekly State Pension entitlement, you can use the 'About the general increases in benefits' letter that The Pension Service sent you before the start of the 2013–14 financial year. This letter tells you your weekly State Pension entitlement from 8 April 2013.

However, if your weekly entitlement changed between 8 April 2013 and 5 April 2014 (for example, due to a change in your circumstances) then The Pension Service will have sent you a letter telling you what your new weekly entitlement is. You can use this new 'entitlement letter' to find out your weekly entitlement for the remainder of the year. Both these letters also include a breakdown of the components of your State Pension.

If you do not have the appropriate letter(s), phone The Pension Service on 0845 606 0265 (Textphone 0800 731 7339) and ask for a BR735 'Statement of pension' form for the period 6 April 2013 to 5 April 2014.

**If you get State Pension for the full year to 5 April 2014**, to calculate the total amount you were entitled to for the year, multiply your weekly entitlement by 52. If your weekly entitlement changed during the year you will need to multiply each amount by the number of weeks for which it was received up to a maximum of 52 weeks.

**If you get State Pension for part of the year**, you will need to count the number of weeks from the date your State Pension began to 5 April 2014 and multiply this by your weekly entitlement to calculate your total entitlement for this tax year.

### ***A quick guide to calculating your total weekly entitlements for a full year***

If you were paid:

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

As well as your basic State Pension, the box 4.1 figure should include:

- any graduated pension
- the age addition if you are over 80

## **Contacts**

Notes and helpsheets are available to download from [hmrc.gov.uk/selfassessmentforms](https://hmrc.gov.uk/selfassessmentforms)

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

**Because they are not taxable do not include:**

- any addition for a dependent child
- the annual Christmas bonus
- Winter Fuel Payment.

### **Box 4.2 *Total of other pensions etc. – before tax was taken off***

Add together all other UK pensions you received in the year, such as occupational pensions and retirement annuities. The pension payer will give you a P60 or a similar statement. Do not include purchased life annuities here, you include income from purchased life annuities in box 5.1 or 5.2.

Do you receive a pension following retirement because of a work-related illness or an injury at work? If you do, and your pension is more than it would have been had you retired for health reasons not caused by your work, please phone us.

### **Box 4.3 *Taxable Incapacity Benefit and contribution-based Employment and Support Allowance***

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

The P60(IB) provided by the Department for Work and Pensions (by 31 May 2014) tells you how much of your benefit is taxable. If you stopped claiming before 5 April 2014 you will have been given either a form P45(IB) Part 1A or P45 (Part 1A)(IB)(O); the taxable amount will be shown on either form, as will any tax taken off (to go in box 4.4).

All contribution-based Employment and Support Allowance is taxable. The P60(U) provided by the Department for Work and Pensions (by 31 May 2014) tells you the taxable amount. If you stopped claiming before 5 April 2014, the taxable amount will be shown on the form P45(U) given to you when your claim ended. Tax is not taken off the payments that you receive.

### **Box 4.4 *Tax taken off boxes 4.2 and 4.3***

Put the total tax taken off from all your other pensions, taxable Incapacity Benefit and contribution-based Employment and Support Allowance in box 4.4. If your P60 (or similar statement) shows that tax was refunded to you, please put a minus sign in front of the tax figure in box 4.4.

### **Box 4.5 *Jobseeker's Allowance***

If you were claiming on 5 April 2014, the Department for Work and Pensions will give you a P60(U) – put the taxable amount on your return. If you stopped claiming during the year, you will have been given a P45(U) that tells you the taxable amount. If you had more than one claim during the year, add up the taxable amounts.

#### **Box 4.6 Total of other taxable State benefits**

If you received any of the following, add them up and put the total in box 4.6.

- Bereavement Allowance or widow's pension.
- Widowed Parent's Allowance or Widowed Mother's Allowance, excluding any child dependency increase.
- Industrial Death Benefit pension excluding Industrial Death Benefit Child Allowance.
- Carer's Allowance. Include any amount for a dependent adult but ignore any for a dependent child.
- Statutory Sick Pay or Statutory Maternity, Paternity or Adoption Pay, but only if we, HM Revenue & Customs, paid you (not your employer). Ignore Maternity Allowance – it is not taxable.

For more information about taxable/non-taxable state benefits, go to [hmrc.gov.uk/taxableincome](https://hmrc.gov.uk/taxableincome)

### **UK interest, dividends and other investment income**

#### **Include**

You must put on your return:

- interest and interest distributions you received from:
  - banks and building societies (including internet accounts) – current and deposit accounts
  - taxable interest received on compensation payments, for example payment protection insurance (PPI)
  - government stocks – gilt-edged securities or gilts (but read 'Gilts' on page STRG 19)
  - UK authorised unit trusts, open-ended investment companies and investment trusts
  - National Savings & Investments products where tax is taken off before you receive it (such as Guaranteed Growth Bonds and Guaranteed Income Bonds)
  - National Savings & Investments products where no tax is taken off, such as Income Bonds, Investment Account and Direct Saver Account (but exclude accumulated interest on Savings Certificates, including index-linked certificates and interest on Children's Bonds)
- income from a purchased life annuity (include in box 5.1 or box 5.2 as appropriate). Income will only be part of the payment you receive – check your payment certificate. Do not put the rest of the payment on this return. A purchased life annuity is not a retirement annuity, nor the result of contributions you made to a personal pension plan
- if you have made gifts in this tax year or earlier years to any of your children who are under 18, and those gifts produce more than £100 income (before tax) in a tax year, you must include the whole of that income in your return
- if you have an investment with a bank or building society that, instead of paying you interest, pays you another kind of return (the bank or building society may call this payment an alternative finance return or profit share return) include the payment you receive in box 5.1 if it is taxed, and box 5.2 if it is not
- dividends from UK companies and dividend distributions from authorised unit trusts and open-ended investment companies.

#### **Joint savings and investments**

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

## **Contacts**

Notes and helpsheets are available to download from

[hmrc.gov.uk/selfassessmentforms](https://hmrc.gov.uk/selfassessmentforms)

For more information about Self Assessment go to

[hmrc.gov.uk/sa](https://hmrc.gov.uk/sa) or [hmrc.gov.uk/sacontactus](https://hmrc.gov.uk/sacontactus)

## ***Married couples and civil partners***

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

### **Exclude**

- Interest (or dividends or bonuses) from tax exempt investments, for example, ISAs, unless something has happened to make the income taxable.
- Premium Bond, National Lottery and gambling prize winnings.

If you are not sure if you have to put your interest on this return, please contact us.

### ***Gilts***

You can choose to receive your interest without tax being taken off.

If so, you should include the interest in box 5.2, not box 5.1.

Was your holding in gilts (shown on your tax vouchers) in the two years ended 5 April 2014, more than £5,000 each year? If it was, and you have bought or sold gilts in the year to 5 April 2014, you cannot use this return. Please either file online or contact us for a full paper return.

### ***UK interest etc.***

#### **Box 5.1 *Taxed UK interest etc. – the net amount after tax has been taken off***

You will usually receive your interest etc. after tax (at 20%) has been taken off (deducted) by the payer, for example, the bank, building society or manager of an authorised unit trust, open-ended investment company or investment trust. What you need to put in box 5.1 is the net amount – that is, the interest etc. after tax was taken off – the amount that actually increased the balance in the account.

Bank statements or building society passbooks, and vouchers or information provided electronically by a UK authorised unit trust, open-ended investment company or investment trust, may describe this differently. Your statements may show three amounts – ‘gross interest’, ‘tax deducted’ and ‘net interest’.

If so, it is a simple matter of copying the net interest figure to box 5.1.

But some payers will just show gross interest and tax taken off (or deducted). The net interest is what you get by taking the tax taken off figure away from the gross interest. And some payers just show ‘net interest’ in your statement so all you have to do is copy that figure to box 5.1.

If you have more than one account add up all your net interest etc. figures and put the total in box 5.1.

Interest includes interest received in non-cash form. You will usually receive any non-cash interest after tax has been taken off. The company or person taking off the tax must provide you, if you ask, with a statement showing the value of the interest before tax is taken off, the amount of tax taken off, the net value of the interest paid and the date of the payment.

You will usually receive your purchased life annuity payments after tax at 20% has been taken off. You should include in box 5.1 the net amount of income – that is after the tax has been taken off. Do not include the rest of the payment you receive.



### **Box 5.2 *Untaxed UK interest etc. – total amounts which have not had tax taken off***

If you have an account that pays you interest etc. without tax being taken off – a ‘gross paying account’ – put the gross amount in box 5.2.

You are usually entitled to have a tax-free amount of income – for 2013–14 this is £9,440. Your tax-free income reduces where your income is above £100,000 – by £1 for every £2 of income above the £100,000 limit. If your total income is over £118,800 you are not entitled to any tax-free income. If your total income is below £9,440, you can register to have your interest etc. paid without tax being taken off. Download form R85 *Getting your interest without tax taken off* from [hmrc.gov.uk/forms/r85.pdf](http://hmrc.gov.uk/forms/r85.pdf) or phone the Self Assessment Orderline for a copy.

Also use box 5.2 for interest from government stocks where you have chosen to have your interest paid without tax being taken off.

If your purchased life annuity is paid to you without tax being taken off, then put the taxable income amount in this box, do not include the rest of the payment you receive. If your total income is below the tax-free amount, then you can register to have your purchased life annuity payments paid without tax taken off. Download form R89 *Application to receive an annuity without tax taken off* from [hmrc.gov.uk/forms/r89.pdf](http://hmrc.gov.uk/forms/r89.pdf) or phone the Self Assessment Orderline for a copy.

### ***UK dividends***

#### **Box 5.3 *Company dividends***

Each dividend voucher will show your holding of shares in the company, the dividend rate, the tax credit and the dividend payable. You will get this information even if your dividends are paid direct into your bank account or through your investment broker. The only figure to put on your return is the total of all dividend payments (not including tax credits). For example, if the dividend paid to you was £54, the tax credit £6 and the dividend income £60, you would enter £54.

Include here dividend distributions from authorised unit trusts, open-ended investment companies, scrip dividends, dividends arising on accumulation and investment trusts. (See under ‘UK interest etc.’ on page STRG 19 if you received an interest distribution from any of these.)

If you received dividends from shares acquired through employee share schemes and are not sure what to put on your return, or if you are affected by the ‘service company’ rules (you will know if you are), please contact us.

If you received foreign dividends (up to £300) from which foreign tax has been deducted you can include them in box 5.3. You should include the sterling equivalent amount of foreign dividends received after tax. Only basic (10%) tax credit will be given when we process your return. If you are not sure of the tax effect of including foreign dividends here, please ask us. If your foreign dividends were more than £300 you cannot complete this form. Please contact us to complete the main tax return and *Foreign* pages.

### **UK property**

If you sold a property during the year ended 5 April 2014, you should consider whether you have made a capital gain (or loss). Read the note for box 7.4 on page STRG 22 and fill in the *Capital gains summary* pages if appropriate.



## Contacts

Notes and helpsheets are available to download from [hmrc.gov.uk/selfassessmentforms](http://hmrc.gov.uk/selfassessmentforms)

For more information about Self Assessment go to [hmrc.gov.uk/sa](http://hmrc.gov.uk/sa) or [hmrc.gov.uk/sacontactus](http://hmrc.gov.uk/sacontactus)

### Box 6.1 *Income*

If you received income from any land that you own or lease out, or a property you let, put the total in box 6.1. But you cannot use this return if the income was £79,000 or more, or from furnished holiday letting. If it was, please contact us.

#### *Rent a Room Relief*

If you let a furnished room (or rooms) in your own home (but not if the room is used as an office) you do not have to tell us about it, so long as the rents you receive are not more than £4,250 (£2,125 if you share the income with someone else). But, if your rents are more than £4,250, you can choose between:

- paying tax just on the excess over £4,250 – without taking off any expenses. If so, enter the excess in boxes 6.1 and 6.3, or
- paying tax on the excess of rents over expenses. If so, enter the total rents in box 6.1, the expenses in box 6.2 and the profit in box 6.3.

### Box 6.2 *Expenses allowable for tax*

Generally, you can claim the cost to you of letting your property, land etc. The Working Sheet below lists the most common types of expense. Exclude the proportion that represents your personal use. Do not claim any other personal expenses or any capital costs.

#### Working Sheet

Rent, rates, insurance, ground rent that you pay

£

Property repairs and maintenance

£

Finance charges, including loan interest

£

Legal and professional†

£

Cost of any services you provide, such as cleaning

£

10% wear and tear (10% of the net rents of furnished accommodation, after Council Tax and water rates paid by the landlord)

£

Others, for example, advertising, stationery

£

**Total** copy to box 6.2

£

† Exclude the legal and professional expenses of a first letting, if it is for more than one year. This includes the legal costs of drawing up a lease or planning permission. However, you can claim the cost of renewing a lease.

### Box 6.3 *Profit*

If your expenses are less than your income you have made a profit. In box 6.3, enter box 6.1 minus box 6.2.

### Box 6.4 *Loss*

If your expenses are more than your income you have made a loss. In box 6.4, enter box 6.2 minus box 6.1.

For more information download the *UK property notes* for the year ended 5 April 2014 from [hmrc.gov.uk/worksheets/sa105-notes.pdf](http://hmrc.gov.uk/worksheets/sa105-notes.pdf) (but ignore any

box numbers in those notes) or you can phone the Self Assessment Orderline for a copy. If you want to claim capital allowances (and/or Landlord's Energy Saving Allowance), please contact us as you cannot use this form.

### **Box 6.5 UK property losses brought forward from earlier years**

We will take off brought forward losses from the profit (box 6.3) that we tax. But if you made a loss (box 6.4) you should add it to your existing brought forward losses and enter the total in this box on next year's return.

### **Other UK income and capital gains**

Use boxes 7.1 to 7.4 for other taxable income and capital gains you have had in the year to 5 April 2014. For example, you could put in casual earnings, or commission, that you have not included in box 2.2. Exclude redundancy payments covered by the £30,000 exemption.

You should not use this section for the types of income listed in 'Who cannot use the Short Tax Return?' on page STRG 1.

### **Box 7.4 Capital gains**

Gains (or losses) are made if you sell or otherwise dispose of all, or part of, something you own (an asset), such as company shares or property. If, in addition to some of the income listed on page STRG 1, you have made a capital gain or loss you will still be able to use the Short Tax Return. But you must also fill in the *Capital gains summary* pages and let us have your computation if:

- the assets sold or otherwise disposed of were worth more than £43,600 (ignore exempt assets and assets disposed of to your spouse or civil partner, if you were living together at some time during the year), or
- your chargeable gains (before the deduction of any losses) are more than £10,900, or
- you want to claim an allowable capital loss or make any other capital gains claim or election for the year, or
- you have made an election for foreign losses accruing to be allowable for a previous year when you are not domiciled in the UK, and foreign chargeable gains (which accrued in or after the first year covered by that election but before 2013–14):
  - were remitted to the UK in 2013–14, and
  - are chargeable on the remittance basis.

Download the *Capital gains summary* pages from [hmrc.gov.uk/forms/sa108.pdf](http://hmrc.gov.uk/forms/sa108.pdf)  
To find out more on capital gains download the *Capital gains summary notes* for the year ended 5 April 2014 from [hmrc.gov.uk/worksheets/sa108-notes.pdf](http://hmrc.gov.uk/worksheets/sa108-notes.pdf) or phone the Self Assessment Orderline for copies of the pages and notes.

### **Gift Aid**

Gift Aid is a tax relief for cash gifts to charities and Community Amateur Sports Clubs (CASCs), including charities and CASCs located in certain non-UK countries. For this purpose 'charity' means an organisation that meets the definition of a charity for tax purposes. HMRC is publishing on its website a list of organisations that it has confirmed meet the definition. The charity or CASC will ask you to give them a declaration that you have paid an amount of UK tax for the year at least equal to the amount that they can claim back from us. If you have not paid an amount of tax at least equal to the amount the charity or CASC claims back on your gift, we will ask you to pay the difference. Gift Aid does not apply to gifts of shares or property.

## **Contacts**

Notes and helpsheets are available to download from

[hmrc.gov.uk/selfassessmentforms](https://hmrc.gov.uk/selfassessmentforms)

For more information about Self Assessment go to

[hmrc.gov.uk/sa](https://hmrc.gov.uk/sa) or [hmrc.gov.uk/sacontactus](https://hmrc.gov.uk/sacontactus)

If you have been making charitable payments under a deed of covenant since before 6 April 2000, those payments automatically come under Gift Aid.

If you have entered into the deed since 6 April 2000, the charity should have asked you to make a declaration that you pay UK Income Tax.

If you pay tax at 40%, or both 40% and 45%, you are entitled to additional tax relief – we will work this out when we send you a tax calculation.

If you were born before 6 April 1948, your Gift Aid payments could reduce your tax bill. If you want more information, please contact us.

### **Box 8.1 *Gift Aid payments made in the year to 5 April 2014***

Put the total Gift Aid payments you actually made in the year to 5 April 2014 in box 8.1. If you asked us to treat part of your 2013–14 Gift Aid payments as if they had been paid in 2012–13, you must take those payments away from the figure you are now putting in box 8.1. If you:

- want to treat 2014–15 payments as if they were made in 2013–14
  - gifted shares or property to charity
  - want to claim relief for gifts to charities located outside the UK
- you will not be able to use this tax return. Please phone us.

Please do not include in box 8.1 any payments you make under Payroll Giving. (Those payments are taken off your salary before your employer taxes it.)

### **Box 8.2 *Total of any 'one-off' payments included in box 8.1***

To help us get your PAYE tax code right, if you have one, enter in box 8.2 any one-off Gift Aid payments that you have included in box 8.1.

## **Paying into registered pension schemes or overseas pension schemes**

If you are a UK individual who is building up benefits in a registered pension scheme, then you can usually have tax relief on the contributions paid into that scheme. You must:

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

The tax relief is for the year the contributions are made by you (or someone else, other than your employer, on your behalf). No tax relief is given for contributions made after you reach the age of 75.

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

For more information download Helpsheet 347 *Personal term assurance contributions to a registered pension scheme* from [hmrc.gov.uk/helpsheet347](https://hmrc.gov.uk/helpsheet347) or phone the Self Assessment Orderline for a copy.

### ***Limits to relief***

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

- £3,600, or
- the amount of your UK earnings which may be taxed in the year.

If your UK earnings are less than £3,600 but you contribute more, then tax relief on contributions up to the £3,600 limit may be given if the pension scheme is a 'Relief at source' scheme.

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

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

**Box 9.1 *Payments to registered pension schemes where basic rate tax relief will be claimed by your pension provider – 'Relief at source'***

Under 'Relief at source' arrangements, contributions to a personal pension (including a stakeholder) scheme are made after tax relief at the basic rate (20% in 2013–14). The scheme administrator will have claimed tax relief on your behalf and added it to your pension fund. You will have made a 'net' payment. You should enter the gross amount (the amount you paid plus the tax relief) in box 9.1. These amounts may be on any pension certificate or receipt you get from the administrator, or you can work it out by dividing the amount you actually paid by 80 and multiplying the result by 100.

**Example 4**

You paid £800 into your pension fund. You should enter £1,000 in box 9.1, (£800 divided by 80 and multiplied by 100), which is your net payment plus the tax relief of £200 (£1,000 at 20%).

If you pay tax at 40%, or both 40% and 45%, you are entitled to further tax relief. We will work it out and give you credit in your tax calculation.

**Box 9.2 *Gross payments***

If you pay contributions into a registered pension scheme and no tax relief is given at the time of payment, you can claim the relief by entering the total amount you paid in the tax year in box 9.2. We will work out the tax relief and give you credit in your tax calculation. This may occur when:

- your contributions to your employer's pension scheme were more than your earnings from that employment, or
- your employer was unable to deduct the contributions from your pay before taxing it (perhaps because your payment was made close to 5 April), or
- you have a retirement annuity contract and the provider does not operate the relief at source system for your contract (they do not claim the basic rate tax relief on your behalf), or
- you are not an employee but you are a member of a public services pension scheme or a marine pilots' fund, or
- you are a member of an occupational pension scheme but contributions were made on your behalf by someone else, then no tax relief will have been given and you should enter the actual payment made in box 9.2.

***Payments to an overseas pension scheme***

If you make payments (which were not deducted from your pay before tax) to an overseas pension scheme which is not a UK registered pension scheme, you may be entitled to tax relief. If you are eligible for migrant member relief, transitional corresponding relief or relief under a Double Taxation Agreement, enter the amount that qualifies for relief in box 9.2.

## **Contacts**

Notes and helpsheets are available to download from

[hmrc.gov.uk/selfassessmentforms](https://hmrc.gov.uk/selfassessmentforms)

For more information about Self Assessment go to

[hmrc.gov.uk/sa](https://hmrc.gov.uk/sa) or [hmrc.gov.uk/sacontactus](https://hmrc.gov.uk/sacontactus)

## **Blind Person's Allowance**

If you live in Scotland or Northern Ireland and are not on a register, you can claim Blind Person's Allowance if your sight is so bad you cannot do any work for which eyesight is essential. If you do, put 'Scotland' or 'N. Ireland' in box 10.2.

## **Married Couple's Allowance**

You can only claim Married Couple's Allowance if either you, your spouse or your civil partner were born before 6 April 1935 and you are married or in a civil partnership. If this does not apply to you, leave boxes 11.1 to 11.4 blank and go to the 'If you have paid too much tax or not enough tax' section on page STRG 26.

Married Couple's Allowance is claimed by:

- the married man for marriages before 5 December 2005, or
- the married man, spouse, or civil partner with the higher income for marriages or civil partnerships formed on or after 5 December 2005.

The allowance is made up of two parts:

- the 'minimum amount' (worth up to £304), plus
- an age-related amount (worth up to £487.50 but this amount is reduced if the income exceeds £26,100) dependent on:
  - the income of the husband, for marriages before 5 December 2005, or
  - the person with the higher income for marriages and civil partnerships formed on or after 5 December 2005.

If either you, or your spouse or civil partner have previously asked for **half** the 'minimum amount' of the Married Couple's Allowance to be given to each of you, then **you cannot complete this return**. Please either file online, or contact us to say why you cannot use the Short Tax Return and we will send you the full tax return.

### **Box 11.1 *To claim the full allowance, enter your spouse's or civil partner's first name***

If you are a wife, spouse or civil partner with the lower income, leave this box blank.

If you married before 5 December 2005 and you are a married man, enter your wife's first name in this box.

If you married or formed a civil partnership on or after 5 December 2005, and you are the spouse or civil partner with the higher income, enter your spouse's or civil partner's first name in this box.

### **Box 11.2 *If, as a couple, you have already asked us to give all of the minimum amount to you, or your spouse or civil partner, put 'X' in the box***

If you are filling in this form as a married man who married before 5 December 2005, and have jointly elected (before 6 April 2013) for all of the 'minimum amount' of the Married Couple's Allowance to be transferred to your wife, put 'X' in this box.

If you married or formed a civil partnership on or after 5 December 2005, and you are filling in this form as a married man, or as the spouse or civil partner with the higher income, and you have jointly elected (before 6 April 2013 or, if you married or formed a civil partnership in the year to 5 April 2014, before 6 April 2014) for all of the 'minimum amount' of the Married Couple's Allowance to be transferred to your spouse or civil partner, put 'X' in this box.

If you are filling in this form as a married woman, or as the spouse or civil partner with the lower income, and you have jointly elected for all of the 'minimum amount' to be transferred to you, put 'X' in the box. If you wish to change the way the minimum amount is allocated, please contact us.

**Box 11.3 Your spouse's or civil partner's date of birth**

If your spouse or civil partner is older than you, enter their date of birth in this box. Otherwise, leave this box blank.

**Box 11.4 Date of marriage or formation of civil partnership – if between 6 April 2013 and 5 April 2014**

If you married or formed a civil partnership in the period between 6 April 2013 and 5 April 2014, enter the date in this box. The Married Couple's Allowance is reduced by  $\frac{1}{12}$  for each complete month before the marriage or civil partnership.

**If you have paid too much tax or not enough tax**

You must send your paper tax return to us by **31 October 2014** to avoid a penalty. We will check your arithmetic then work out your tax bill. We will send you a calculation, followed by a Statement, both before 31 January 2015, the date any tax is due. (If you have to make payments on account, the first one for the year to 5 April 2015 will also be due by 31 January 2015. We will work it out for you.)

If you send your paper return after the 31 October deadline (but before 31 January), you will not give us enough time to look at it and issue a calculation before any tax is due on 31 January 2015. You may wish to use the Working Sheet on pages STRG 29 and STRG 30 to work out if there is tax to pay or if you are due a repayment.

The Working Sheet will give you a rough idea of your tax bill. It will not work it out to the last penny – the calculation we send you when we have looked at your return will do that. Using this Working Sheet may result in too high a tax bill if:

- you were born before 6 April 1948 and have more than £26,100 income – it may not give you the full Personal Allowance you are entitled to
- you have claimed Married Couple's Allowance – your tax bill will be reduced by a minimum of £304.

And it could result in too low a tax bill if:

- underpaid tax for an earlier year was collected through your PAYE tax code for 2013–14
- you began working for yourself after 5 April 2011, or stopped working for yourself before 6 April 2014.

If you need help with the calculation, or you send your return after 31 October and you are worried that you will not hear from us in time, please phone us. Make sure that any payment due reaches us by **the payment deadline of 31 January 2015**. We charge interest on tax paid late and you may also be required to pay a late payment penalty.

**Boxes 12.1 to 12.6**

Repaying overpaid tax directly into your bank or building society account is safe and efficient. Please take care when filling in boxes 12.1 to 12.5, particularly when entering your account number and sort code (the repayment could go astray if you make a mistake). Only fill in box 12.4 if you have asked us to send your repayment to a building society. Enter your

## **Contacts**

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For more information about Self Assessment go to

[hmrc.gov.uk/sa](http://hmrc.gov.uk/sa) or [hmrc.gov.uk/sacontactus](http://hmrc.gov.uk/sacontactus)

bank or building society account number in box 12.3. It does not matter if the number starts on the left or right of the box, just make sure the number of digits is the same as on your account. Do not add any extra zeros.

We usually carry forward small overpayments of tax (below £10) to set against your next tax bill. But if you ask us we will repay even small amounts. If you have asked us to repay a nominee, any additional repayments for the year to 5 April 2014 will be sent to that person, unless you contact us again.

We can send a cheque to your home address if you do not have a bank or building society account, but a cheque repayment is less secure and will take longer to get to you. We are modernising our payment processes and plan to change future returns so that direct repayment to a bank or building society account is used whenever possible. Electronic methods of payment have the benefit of being quicker, more secure and cost effective than cheques. If we owe you tax but you do not complete boxes 12.1 to 12.5 we will not be able to make a repayment until you contact us.

By entering an 'X' in box 12.6 you are asking us to make a repayment to someone other than you and any additional repayments for the year will be sent to that person, unless you contact us again. If, on the other hand, you wish us to send a repayment directly to your bank account, leave box 12.6 blank.

### **Box 12.7 2013-14 tax already refunded**

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

### **Box 12.8 If you owe tax for 2013-14 and have a PAYE tax code**

Providing you send us your return by 30 December, if you owe less than £3,000 tax for 2013-14 and have a PAYE tax code, we will try to collect the tax due through your tax code for 2015-16. Put an 'X' in this box if you do not want us to collect the amount owed in this way.

### **Box 12.9 If you are likely to owe tax for 2014-15 on income other than employed earnings or pensions**

If you have included any of the following types of income in this tax return:

- savings or investments
- property
- casual earnings
- commission

**and** you expect to receive such income in this tax year (2014-15), there are two ways of paying the tax that will be due for 2014-15.

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

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

If you would like us to collect your 2014-15 tax this way there is nothing for you to do now, so leave box 12.9 blank. We will automatically change your 2014-15 PAYE tax code.



**Alternatively**, you can pay the tax direct to us, through Self Assessment, after you have completed your tax return for 2014–15. You will either have to make:

- a single payment by 31 January 2016, or
- in certain circumstances two payments on account of your eventual tax bill. The first payment to be made by 31 January 2015 and the second by 31 July 2015 (with any balancing payment due by 31 January 2016).

If you prefer to pay this way, please put 'X' in box 12.9. How you complete box 12.9 now will override any previous arrangement we have made.

## **Signing your form and sending it back**

Do not miss the filing deadline because you are waiting for final figures. Instead provide provisional figures and make sure you send the final figures as soon as you can. You could be charged a penalty if you did not have good reasons for supplying provisional figures or you provided unreasonable ones. You must sign and date the form before sending it to us. It will be returned to you if it is received unsigned. **Please do not attach any information unless you are required to do so (for example, a capital gain computation) as this will slow down the automated process.**

### ***What happens next***

Use the pre-addressed envelope provided and send your completed

Short Tax Return to:

Self Assessment Return Processing Office

PO Box No 6571

LIVERPOOL

Great Britain

L75 1ZY

For payments, please go to the 'What to pay by 31 January 2015' section on page STRG 30.

Later, we may check your return in more detail, including checking it against any information we already know about you (for example, from your employer, or bank). If you realise you have got something wrong, or have missed something off your return, let us know at once. We will help you sort it out.

If your return turns out to be incorrect and you have paid too much tax we will repay you, with interest. If it is incorrect and you have not paid enough, we will ask for more, with interest and possibly penalties (but only if you have failed to take reasonable care or the error is deliberate). False information could also lead to prosecution.

## **More information**

### **Your rights and obligations**

*Your Charter* explains what you can expect from us and what we expect from you. For more information go to [www.gov.uk/hmrc/your-charter](http://www.gov.uk/hmrc/your-charter)

### **If you have a complaint**

For information about our complaints procedures go to [hmrc.gov.uk/complaints-appeals](http://hmrc.gov.uk/complaints-appeals)

### **How we use your information**

HMRC is a Data Controller under the Data Protection Act 1998.

For more information go to [hmrc.gov.uk/leaflets/data-protection.htm](http://hmrc.gov.uk/leaflets/data-protection.htm)

## A rough guide to working out your Income Tax bill

You cannot use this guide if your total income is more than £100,000.

### **Note**

If W7 minus W11 is less than £2,790 and you have an amount in either box W5 or box W6 this Working Sheet will not produce a reliable result.

### **Personal Allowance**

Enter £9,440 in box W9 unless you were born before 6 April 1948 and your total income received (box W7 + (box 5.3 x 10 divided 9)) is less than £26,100. Use the table below to work out the amount to go in box W9.

	Amount to go in box W9
<b>Your birthday</b>	
Between 6 April 1938 and 5 April 1948	£10,500
Before 6 April 1938	£10,660

### **Note**

If you were born before 6 April 1948 and your total income is between £26,100 and £28,540, this Working Sheet may not give the full amount of Personal Allowance to which you are due.

### **Note for boxes W12 to W27**

Please do not use minus numbers. If a calculation produces a minus number, change it to zero.

#### **Income**

Total from all employments  
*box 2.2 + box 2.4 minus box 2.5* **W1** £

Profit from self-employment  
*box 3.7 + (box 3.11 minus box 3.13)* **W2** £

UK pensions and State benefits and other income  
*boxes 4.1 + 4.2 + 4.3 + 4.5 + 4.6 + 7.1* **W3** £

Box 5.1 x 10 divided by 8 **W4** £

Box 5.2 **W5** £

Profit from UK land and property  
*box 6.3 minus box 6.5* **W6** £

*W1 + W2 + W3 + W4 + W5 + W6* **W7** £

#### **Allowances, etc.**

Payments into a retirement annuity contract box 9.2 **W8** £

Personal Allowance (see aside) **W9** £

Blind Person's Allowance £2,160 **W10** £

**Total allowances etc.** *W8 + W9 + W10* **W11** £

*W7 minus W11* **W12** £

#### **Working out the tax**

The maximum amount that can be taxed at basic rate (20%) is £32,010 + (box 8.1 x 100 divided by 80) + box 9.1 **W13** £

Any taxable income over W13 is charged at higher rates

*Smaller of W12 or W13* **W14** £ x 20% **W15** £

If W13 is more than W12 enter zero in boxes W16 and W17

*W12 minus W14* **W16** £ x 40% **W17** £

## A rough guide to working out your Income Tax bill *continued*

### **i** Note for boxes W12 to W27

Please do not use minus numbers. If a calculation produces a minus number, change it to zero.

#### Work out any higher rate tax due on dividends

Box 5.3 x 10 divided by 9

W18 £

W13 minus W14

W19 £

W18 minus W19

W20 £ x 22.5% W21 £

#### Income Tax due

W15 + W17 + W21

W22 £

plus, if you are self-employed, Class 4  
National Insurance contributions  
(NICs) W2 minus £7,755

W23 £ x 9% W24 £

#### Income Tax and Class 4 NICs

W22 + W24

W25 £

minus total tax taken off

boxes 2.3 + 3.14 + 4.4 + 7.2 + (W4 x 20%)

W26 £

#### Total tax and Class 4 NICs due

W25 minus W26

W27 £

## What to pay by 31 January 2015

If W26 is more than W25 you will not have to pay anything by 31 January and you may be due a refund. Otherwise you will have to pay W27 to settle your 2013–14 tax bill, and you may need to make a payment on account of your 2014–15 tax bill.

If W25 minus W26 is more than £1,000, and W25 x 80% is more than W26, a payment on account is due. The payment on account is half of W25 minus W26; this should be added to your tax due for 2013–14 (W27) and is payable by 31 January.

If you have taxable capital gains then an additional amount may be due for Capital Gains Tax and is payable by 31 January.

## Ways to pay

You can pay by one of the following methods.

- Direct Debit.
- Your bank's online or phone banking facility.
- BillPay – pay online using your debit or credit card.
- At your own bank branch.
- At a Post Office.
- By post.

We recommend you make your payment electronically as this is more efficient and secure. Go to [hmrc.gov.uk/paytaxbill](http://hmrc.gov.uk/paytaxbill) for more information.

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