

Self Assessment Guidance from J C Accounting Ltd

What is a Self-Assessment Tax Return?

If you receive income or capital gains that do not have tax automatically deducted via your employer's payroll/PAYE system – you will need to report this under a self-assessment.

The Self Assessment personal tax return informs HMRC about your taxable income and gains for a tax year and is submitted online or by paper annually.

You are solely responsible for informing HMRC that you need to file this tax return, and you must not wait for them to contact you first. When you send in your personal tax return, HMRC or your accountant will calculate your tax liability – and you may have (or not) to pay any tax due for that year.

Do I need to complete a Self-Assessment tax return?

You must submit a tax return if any one of the following applies to you:

- Self-employed and your income is not within the annual £1,000 trading allowance.
- A company director with an income that has not been taxed under PAYE – unless you are the director of a not-for-profit organisation
- A partner in a business partnership
- A landlord or you receive property income (unless this income qualifies for rent-a-room relief or is within the annual £1,000 property allowance)
- A trustee or the executor of an estate
- You intend to claim tax relief on employment expenses over £2,500 in a year.
- If you earned £10,000 or more from savings interest or investment income
- An employee or pensioner who earned £100,000 or more last tax year.
- You earned £2,500 or more in untaxed income – for example, from tips or commission.
- A UK non-resident with a taxable income in the UK
- A UK non-resident landlord getting rental income in the UK.
- You have an annual income of £100,000 or more before tax.
- If you have income from savings and investments of £10,000 or more before tax

- You have tax due at the end of the year that cannot be collected via your PAYE coding notice in a later year.
- If you get state pension payments that exceed your personal allowance and it's your only source of income.
- If you pay the High Income Child Benefit charge because you claim child benefit – yet your adjusted net income or your partner's income is over £50,000.
- You get a P800 form from HMRC saying you didn't pay enough tax last year – and you haven't yet paid the outstanding sum.
- If you are required to pay Capital Gains Tax on profits from selling things like shares or a second home
- A religious minister from any denomination
- Received (claimed) coronavirus support payments erroneously – and have not repaid HMRC.

If you are still unsure if you have to complete a Self-Assessment tax return, you can use the [HMRC Self-Assessment tool](#) to confirm.

How to register for Self-Assessment

Follow the link below to register for Self Assessment

To register online: <https://www.gov.uk/set-up-sole-trader>

Self-Assessment important dates and deadlines

Please bear in mind that if you need help with your tax returns leaving it until mid-January will mean potentially a higher fee and may mean the accountant can not meet the 31st of January deadline

31st January	Submit online tax returns Submit your Self-Assessment tax return online by midnight on January 31.
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31st July	First Payment on account The deadline for your first payment on account
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Fines for being late with Self-Assessment tax return deadlines

You may attract a penalty or interest charges if you file your tax return late – or fail to pay the tax you owe on time. Some of the potential fines include:

How late	Charge
One day late	£100 for one day after the deadline
Three months late	£10 for each additional day (capped at 90 days), plus a £100 initial fine – a maximum of £1,000
Six months late	Either £300 or 5% of the tax due (whichever is higher), on top of the penalties above
Twelve months late	An additional £300 fine, or 5% of the tax due, plus the above penalties. In the most serious cases, you could be fined 100% of the tax due.

Records to keep

You must keep records because you may be forced to pay a penalty if you fail to produce them when asked by HMRC. You will also need the correct details when you file your return.

The length of time you can hold on to the records depends on if you are:

- An Individual: Keep your records for 22 months from the end of the tax year to which they relate – if you filed your return on time. However, you must keep your records for an extended period if – you file your tax return late, you are buying or selling assets, or HMRC are looking into your return.
- Self-employed or in a partnership: if you file your tax return on time, you may keep your records for at least five years from 31 January following the tax year of the return. Contrarily, you must keep your records for an extended time if – you file your tax return late, you are buying or selling assets, or HMRC are looking into your return.

The types of records should reflect the claims you make to HMRC. They could be personal financial records or documents you have signed or have been given.

Submitting a Self-Assessment tax return – what you will need

Even though you can submit a Self-Assessment tax return your, I would recommend hiring a professional to do it for you will ensure your return is submitted accurately – and may minimise your tax liability.

Before you start submitting your tax return, it is important to have some documents on hand to ease the process. They may include:

- Benefits claimed (including child benefit)
- Unique Taxpayer Reference (UTR)
- National Insurance number
- P60 or P45 forms if you were employed for that tax year.
- P11D where applicable.
- Income records like employment earnings, rent
- Gifts or donations made to a charity
- Details of any compensation received
- Details of tax avoidance schemes that you are part of.
- Work-related expenses if you are self-employed
- Investments you hold (or have sold in the tax year)
- Interest earned
- Pension / State Pension income
- Student loan repayments
- Redundancy payments

Get Self-Assessment Guides and support

Feel free to contact jayne@jcaccountingltd.co.uk for help and support with all your self-assessment needs.

There is also plenty of information on Self-Assessment on the <https://www.gov.uk/government/organisations/hm-revenue-customs>

<https://www.jcaccountingltd.co.uk/>