The what, when and why of Self Assessment

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Today's webinar

Send us your questions!

If there isn't enough time to answer, we'll follow up with you directly

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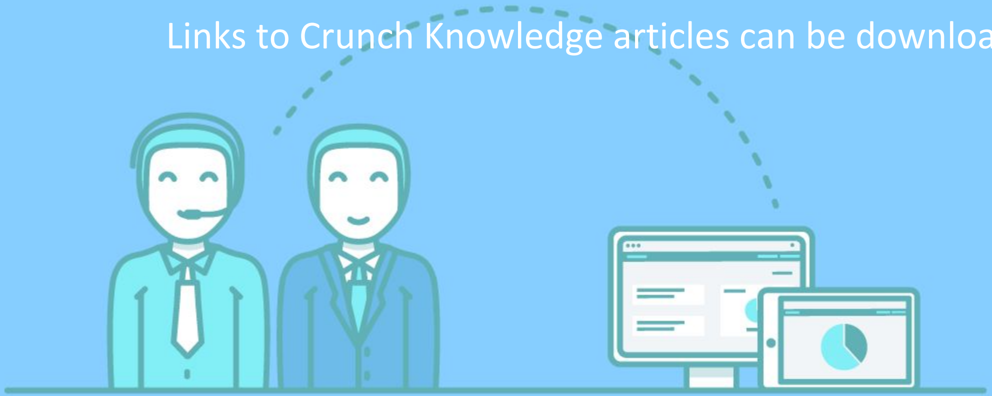
Links to Crunch Knowledge articles can be downloaded through your webinar screen



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Who needs to complete a Self Assessment?

- Sole Traders
- Limited company directors
- Anyone who receives income that isn’t taxed at source

Gov.uk website has a tool that will tell you if you need to file a return.

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Get registered & file early

When do I have to register?

- Tax year runs from the 6th April to the 5th April the following year
- Deadline for registering is October 5th following the end of each tax year (October 5th 2018 for the 2017/18 tax year)
- Deadline for online filing, and payment of tax due is 31st January in the following year

What happens if I miss the registration date?

- If you miss the registration deadline then you may face a penalty.
- If you can prove to HMRC that you had valid reasons for not registering in time, and you still manage to submit your Self Assessment and pay any tax due by 31st January, then these penalties can be reduced or even removed entirely.

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What will I get when I register?

- A Unique Taxpayer Reference Number (UTR).
- If you’ve previously registered for Self Assessment you don’t need to get a new one.
- After you’ve registered for Self Assessment, HMRC will send your UTR in the post, and you’ll need it to submit subsequent Self Assessments, so keep it safe and don’t lose it!

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Do I have to register every year?

- No. Once you're registered you'll be reminded to submit a Self Assessment every year until you inform HMRC you no longer need to complete one.

- If you inform HMRC you no longer need to complete a Self Assessment, but later end up in a situation where you need to start filing personal tax again, you'll have to re-register, and get a new UTR.

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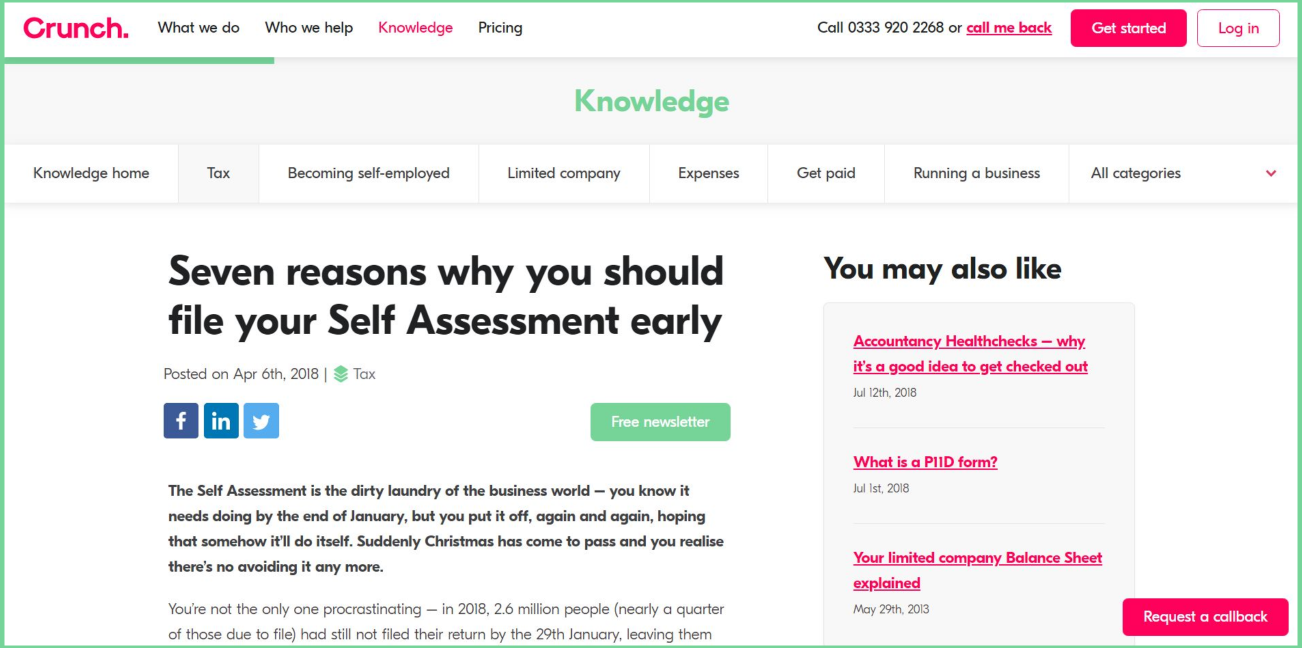
File early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Seven reasons why you should file your Self Assessment early

Posted on Apr 6th, 2018 | Tax

Free newsletter

The Self Assessment is the dirty laundry of the business world – you know it needs doing by the end of January, but you put it off, again and again, hoping that somehow it'll do itself. Suddenly Christmas has come to pass and you realise there's no avoiding it any more.

You're not the only one procrastinating – in 2018, 2.6 million people (nearly a quarter of those due to file) had still not filed their return by the 29th January, leaving them

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Jul 12th, 2018

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Jul 1st, 2018

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Keeping proper records

- Having an organised stack of paperwork (or an online accounting system) can save you heaps of time and stress.
- Here’s a small selection of the financial records you should have to hand when you go to complete your Self Assessment.

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What type of business are you?

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Income from employment (Salary)

- Your employer (even if it’s your own limited company) must provide you with a Form P60 at the end of the tax year.
- You then use the information on the P60 to record the income from your employment and the tax you paid in the year on your Self Assessment.
- Form P11D is used to inform HMRC about any taxable benefits provided by your employer such as a company car or private medical insurance. If you have a Form P11D for the tax year, you’ll need it.
- If you’re in receipt of a redundancy lump payment, you should have been given a Form P45 or Form P60 from the benefit provider or employer.

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Self-employment income

- If you’re a sole trader, this means your income minus your business related expenses, ideally you’ll want these in a spreadsheet, or better still a nifty online accounting system.

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Dividends

- If you’re running your own limited company and are paid dividends, this will apply.
- You’ll need all the vouchers for dividends issued in the relevant tax year.
- If you have shares in any other company that issued you with a dividend, you’ll need the relevant dividend certificates, these could be paper or online.

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Other income

Any other income you receive

- Details of any income you received through a **Partnership.** Information on interest you've received from banks or building societies is needed.

- If you own **rental property**, you'll need details of all the income you've received from it in the previous tax year. You'll need records of what you spent and you'll need to ensure that the expense is allowable.

- Receiving any **income from overseas**? Keep the details handy.

Any other income you receive

- If you received any **pension income**, you’ll need records - usually your pension company will provide you with a Form P60 with this information.

- Have you sold any assets in the tax year? Shares? Second property? You may be subject to **Capital Gains.**

- If you have received a **Student Loan** you will need to record this too.

- If your household has received child benefit you may need to record this too.

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Tax relief to remember

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Pension contributions

- If you pay into a pension you should keep details of all the payments you’ve made.

Charity donations

- If you’ve given anything to charity and you want to claim Gift Aid on it, these details will be needed too.

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Final checklist

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What you've learned

How to keep records

What type of income to record

How to pay your tax - personal tax liability is due to be paid in full by 31 January after the tax year end

Payments on account - if your Self Assessment personal tax liability is more than £1,000 you will need to make a payment on account.

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If in doubt, speak to a specialist

Here are some signs it might be time to find yourself a good accountant:

- If any of the terms listed above gave you a headache
- If you think you have some of the above, but you're not sure
- If you're not sure which of the above relates to **income** and which to **expenses** and **allowances**
- You're unsure of the tax law for specific items.

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Q&A

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