



# PEARSON MAY

CHARTERED ACCOUNTANTS & CHARTERED TAX ADVISERS

Originated 1841

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## ACT NOW IF YOU NEED TO REGISTER FOR SELF-ASSESSMENT

Do you need to complete a Tax Return for the year ended 5 April 2024? If you don't normally complete Tax Returns but think that you may have tax to pay then remember, it is your responsibility to tell HM Revenue & Customs (HMRC). Don't wait for them to come after you! The clock is ticking. You must tell HMRC by 5 October 2024 at the very latest, otherwise they can issue penalties for late notification.

Not everyone needs to complete a Tax Return and this includes the majority of individuals in employment or in receipt of pensions, since their tax liabilities for the year are generally collected at source through their pay/pensions via the PAYE system. However, some examples of when you may need to register for self-assessment and complete a Tax Return for the year ended 5 April 2024 are as follows (this list is not exhaustive):

- You were self-employed and earned more than £1,000 in the tax year.
- Your untaxed income (e.g. rental income) was £2,500 or more.
- You received a P800 from HMRC and didn't pay the tax owed voluntarily.
- Your savings or investment income was £10,000 or more before tax (see below).
- Your income was over £50,000 and you or your partner continued to receive child benefit (known as the High Income Child Benefit Charge).
- You had income from abroad that you need to pay tax on.
- You lived abroad and had taxable UK income.
- Your total income was over £150,000.
- You received regular annual income from a Trust or Settlement or income from an estate of a deceased person and further tax is due.
- You were liable to tax on a state pension lump sum.
- You were liable to certain other tax charges such as excess Gift Aid contributions or pension contributions.
- You made a gain on capital disposals, such as the sale or gift of shares, property or other assets.

HMRC do have an online tool which individuals can use to check if they need to register for self-assessment and complete a Tax Return for the year ended 5 April 2024. This can be found here - [www.gov.uk/check-if-you-need-tax-return](http://www.gov.uk/check-if-you-need-tax-return)

### Savings and investment income

It should be noted that if your savings or investment income (e.g. bank interest, dividends etc.) was below £10,000 for the year, but there is tax payable thereon then you must still report this to HMRC.

As the rates of interest have increased on savings accounts over the past couple of years or so, it is important to review the total amounts of interest you have generated on your savings in the year ended 5 April 2024. ISA savings can be ignored since they are tax free. If the amounts received exceed the Personal Savings Allowance for the year, which is set at £1,000 for basic rate taxpayers and £500 for higher rate taxpayers (and nil for additional rate taxpayers), you will likely have a tax liability on that interest.

Where possible, HMRC will collect the tax due on this income by making an adjustment to your PAYE tax code. However, if this is not possible, you may need to complete a Tax Return.

HMRC are using, in some instances, savings interest data received directly from banks and building societies to populate tax calculations but it is important to check that these are correct and you should notify HMRC of any inaccuracies.

You should also bear in mind that the dividend allowance was reduced to £1,000 for the year ended 5 April 2024 (and reduced further to £500 from 6 April 2024). Individuals who receive between £1,000 and £10,000 of dividends and who need to pay tax on those dividends may not need to complete a Tax Return but will need to notify HMRC of the income received.

As a reminder, self-assessment Tax Returns for the year ended 5 April 2024 must be submitted by 31 January 2025 to avoid automatic penalties and interest. If submitting a Return on paper then the deadline is 31 October 2024.

*The above is for general guidance only and no action should be taken without obtaining specific advice.*

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