



Notes for completing form R40

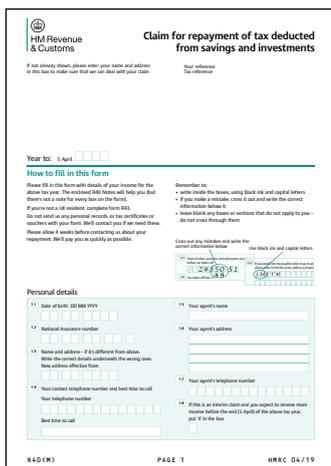
Introduction

i Before you complete form R40 go to www.gov.uk/check-if-you-need-a-tax-return to see if you need to fill in a Self Assessment tax return.

i If you have a non-UK domicile, only include income received in, or remitted to, the UK.

i If you're not resident in the UK do not use this form. Please use form R43. Go to www.gov.uk and search for R43.

If you need more help with this form or need large print, braille or another format Telephone: 0300 200 3300.



R40

Please do not send vouchers, certificates or any other documents with your form. We'll contact you if we need these.

These notes will help you complete the form R40. You need to complete a separate claim for each tax year. The tax year starts on 6 April and finishes on the following 5 April.

If you're claiming for yourself

Enter your name, full address with postcode and the year you're claiming a repayment.

If your form is filled in by someone else

You're responsible for the entries on the form. You need to read the notes for box 12.2 and you must sign the form.

Claiming for someone who has died:

Enter the deceased's details. If you're dealing with the tax affairs of someone who has died you can use the Tell Us Once service or give the capacitor information over the telephone on the bereavement helpline.

For more information, go to www.gov.uk/after-a-death

Please complete the form with the deceased's income, allowances and reliefs. We'll contact you when we've settled the deceased's final tax position.

Claiming a repayment on behalf of someone else

If you're dealing with the tax affairs enter their personal details in boxes 1.1 and 1.2. If you're completing the form on behalf of a minor, leave box 1.2 blank (unless they've already been given their National Insurance number at the age of 15 years and 9 months).

Before you start

Please keep your entries within the boxes, leaving blank any boxes or sections that do not apply. If you make a mistake, cross through it and write the correct information underneath.

Use your income details, for example:

- letters from Department for Work and Pensions (DWP) for state benefits - if paid Employment Support Allowance or State Pension, payments are made every 4 weeks, not monthly
- bank and building society statements (for interest received on savings)
- dividend vouchers
- income statements from trusts and estates
- P60 and P45 from a pension payer or employer

Students

Scholarship income and bursaries are usually exempt from tax.

For more information, go to www.gov.uk/1619-bursary-fund

Capital gains

You must complete a Self Assessment tax return if you have Capital Gains Tax to pay, even if overall you're due a repayment of tax for the year, you must not complete the R40 but instead register for Self Assessment (SA). The easiest way to register for SA is online.

Go to www.gov.uk/log-in-file-self-assessment-tax-return/register-if-youre-not-self-employed

Personal details

1.8

Interim claims

If you're completing the form part-way through the year of claim and you expect to receive more untaxed income before the year end (5 April) put 'X' in box 1.8. Enclose an estimate for the whole year for each type of untaxed income you expect to receive. We may ask for confirmation of these figures after the end of the year.

UK employment income, pensions and state benefits

2.1

Total pay from all employments

Enter the total pay from your 'P60 End of Year Certificate' given to you by your employer. If you left before 5 April, you'll have been given a 'P45 (Part 1A Details of employee leaving work)'.
Remember:

- if you had more than one job, add up the Total Pay from all your jobs during the tax year
- if you received any additional payments from your employer after you received your P45 - include this in box 2.1

2.2

Tax taken off box 2.1 income

Enter the total tax from your employment in box 2.2. If you paid tax on any post-termination payments, include the tax deducted in box 2.2.

2.3

State Pension

Enter the full amount you received for the year (not the weekly or 4 weekly amount), but do not include:

- any addition for a dependent child (do include any addition for a dependent adult)
- the Christmas bonus
- the Winter Fuel payment
- Attendance Allowance
- Disability Living Allowance
- Pension Credits

If you deferred receipt of your State Pension enter the amounts of any lump sum you received in 7.4 to 7.6.

2.4

If you're of retirement age and do not receive State Pension, put an 'X' in box 2.4. (If you do not enter an amount in box 2.3 or an 'X' in box 2.4 we'll include the basic pension in your calculation.)

2.5

Total of other taxable state benefits

If you received any of the following, add them up and put the total in box 2.5:

- 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
- Jobseeker's Allowance - if you were claiming at 5 April, DWP will give you a form P60 (if you stopped claiming before 5 April you'll have been given a P45 - these forms will give you the taxable amount)
- Carer's Allowance - only include an amount for a dependent
- Statutory Sick Pay, Statutory Maternity Pay, Statutory Paternity Pay, or Statutory Adoption Pay, but only if HM Revenue and Customs paid you (not your employer) - ignore Maternity Allowance as it's not taxable
- Employment and Support Allowance and taxable Incapacity Benefit - if you were claiming at 5 April, DWP will give you a form P60
 - if you stopped claiming before 5 April you'll have been given a P45 - these forms will give you the taxable amount (enter the 'tax taken off' amount in box 2.6)
 - if you had more than one claim during the year - add up all the taxable amounts and tax

2.7

Total of other pensions and retirement annuities

Add together all other UK pensions you received in the year, such as occupational pensions and retirement annuities. Your pension payer will give you a P60 or similar statement. Please do not include purchased life annuities in this section; they go in boxes 3.1 to 3.3.

UK interest and dividends

From 6 April 2016:

- a tax-free Personal Savings Allowance for savings income or interest of £1,000 for Basic Rate customers and £500 for Higher Rate customers was introduced (for more information, go to www.gov.uk/government/publications/income-tax-personal-savings-allowance)
- the Dividend Tax Credit ceased and a new £5,000 tax-free allowance for Dividend Income was introduced (for more information, go to www.gov.uk/tax-on-dividends)

3.1

to

3.7

Include income received from:

- building societies, banks and other deposit takers (including internet accounts) from current and deposit accounts
- Government stocks - gilt-edged securities or gilts
- UK authorised unit trusts, open-ended investment companies and investment trusts
- National Savings and Investments products where tax is taken off before you receive it (First Option Bonds - no longer available, Guaranteed Growth Bonds and Guaranteed Income Bonds)
- National Savings and Investments products where no tax is taken off, such as Income Bonds, Investment Account and Direct Saver
- company dividends from stocks and shares
- purchased life annuities
- investments paying interest in non-cash form
- PPI interest payments

NOTE: UK interest and dividends income is taxed at the UK Income Tax rates for all UK (England, Wales and Northern Ireland) and Scottish residents.

Joint savings and investments

If you own investments jointly, enter your share only.

Married couples and civil partners

Income from investments held in joint names is usually treated as belonging in equal shares and each will be taxed on half of the income. However, if you hold the investments in unequal shares, you can elect to be taxed on that basis.

If you made gifts to your children under 18, and those gifts produce more than £100 income (before tax) in a tax year, the income counts as your own and you must include it on your own form.

Exclude interest (or dividends or bonuses) from tax efficient investments, for example, ISAs and PEPs, unless the ISA or PEP manager (or Savings Schemes Office, Liverpool) has advised you that the income is taxable. If you've chosen to receive your gilt interest without tax being taken off, enter the interest in box 3.4, not boxes 3.1 to 3.3.

Purchased life annuities

Include your income from a purchased life annuity in boxes 3.1 to 3.3. If you've completed form R89 or your provider is a non-UK insurer then the purchased life annuity may be paid in gross and should be entered in box 3.4.

Accrued income

Accrued income securities include all interest-bearing securities, including permanent interest-bearing shares (PIBS) in a building society, government loan stock (gilts) and company loan stock, but not shares in a company or National Savings and Investments certificates.

For more information, go to www.gov.uk/government/publications/accrued-income-scheme-hs343-self-assessment-helpsheet/hs343-accrued-income-scheme-2016

Please note claims can only be made on tax taken from bonds in the tax year that the bond matures and the interest has actually been received (unless the interest has been paid into a separate account after each year that the bond is held).

3.1

Net interest paid by banks, building societies etc

As well as bank or building society interest, include interest from other deposit takers and interest paid by UK authorised unit trusts (AUTs), open-ended investment companies (OEICs) and investment trusts. See box 3.6 for dividends from UK AUTs, OEICs and investment trusts.

i If your savings or investment income exceeds £10,000 (before tax) you may need to fill in a tax return.

Trust, settlement and estate income

3.2 Tax taken off

The tax taken off your gross interest (which will go in box 3.3) results in your net interest (box 3.1).

3.3 Gross amount

This is the amount before it was taxed. For tax years up to 5 April 2016 you usually receive interest after tax (at 20%) has been taken off by the payer, for example, the bank or building society. From 6 April 2016 banks and building societies no longer deduct tax before paying interest. Enter the gross interest in box 3.4. Bank and building society statements and passbooks may describe these payments differently. We need you to provide details of each account on a separate sheet. Include account name, number, sort code, interest received and any tax taken off.

3.4 If you get interest that has not been taxed at all

If you have an account or bond that pays interest without tax taken off - a 'gross paying account' or bond - put the gross interest in box 3.4, not box 3.3. This applies to interest paid on most bank and building society accounts after April 2016 and for interest received up to April 2016 where you've completed form R85. From April 2016 form R85 has been withdrawn and the Personal Saving Allowance applies. Also use box 3.4 for interest from government stocks where you've chosen to have your interest paid without tax being taken off. We need you to provide details of each account on a separate sheet. Include account name, number, sort code, interest received and any tax taken off.

3.5 UK company dividends

From 6 April 2016 the Dividend Tax Credit ceased and a new tax-free allowance for Dividend income applies. For dividends received up to April 2016, each dividend voucher shows your holding of shares in the company, the dividend rate, tax credit and dividend payable. You'll get this information even if your dividends are paid directly into your bank account or through your investment broker. Enter the total amount of all dividend payments received. You cannot claim a refund of tax credits on UK dividends.

3.6 Dividends from UK authorised unit trusts (AUTs), open-ended investment companies (OEICs) and investment trusts

Dividend distributions from UK AUTs, OEICs and investment trusts go in box 3.6. See 3.1 for interest from UK AUTs, OEICs and investment trusts.

3.7 Stock dividends

Complete this box if you received shares instead of a cash dividend, specifically if you received a 'stock' dividend. The statement from the company should show the 'appropriate amount in cash', or the 'cash equivalent' of the share capital, to enter in box 3.7.

Enter in box 4.1 the Unique Taxpayer Reference (UTR) of the Trust. You should find this reference number on form R185(Trust Income) or, R185(Settlor) that the trustees give you.

4.1 Fill in boxes 4.2 to 4.9 if you received (or you're treated as receiving) a payment or were entitled to income from:

- 4.12
- an accumulation or discretionary trust
 - an interest in possession trust
 - a settlement
 - the estate of a deceased person

Box 4.8 enter any dividend income received on or before 5 April 2016.

Box 4.9 enter any non-payable tax credit on dividend income.

Box 4.10 enter the actual amount of any income received from a settlor-interested discretionary trust after 5 April 2006.

This amount is treated as taxed and there will be no more tax to pay on it.

Box 4.11 enter any dividend income received on or after 6 April 2016.

Box 4.12 enter any tax paid on dividend income.

Do not enter income from unit trust schemes in this section. If there's no UTR let us know the reason. If there's more than one trust, please include any additional UTR's on a separate sheet.

i To download notes and helpsheets go to www.gov.uk or you can phone the SA Orderline on 0300 200 3610.

Trust income

Use the information from form R185(Trust Income) given to you by the trustees of the trust. If you do not have an R185(Trust Income) ask your trustees to provide one for you. If you have entries on more than one line of your R185(Trust Income) you should enter figures for the amount and the tax paid or tax credit in the appropriate boxes. If you're entitled to untaxed income from a trust, enter that income in the boxes that deal with the type of income concerned (for example, untaxed interest in box 3.4). If you want to claim the trading or property income allowance enter the income in box 7.4 and the tax paid in box 7.5. Instructions are provided on form R185(Trust income). For more information on trading and property allowance, go to www.gov.uk/guidance/tax-free-allowances-on-property-and-trading-income

Settlement income

Settlements include trusts and non-trust arrangements. If you've provided funds for a settlement, its income may be treated as yours for tax purposes.

For example, if:

- you or your spouse or civil partner can benefit from a trust of which you're the settlor (one where you provided funds)
- you gift assets or cash to a minor unmarried child and the income arising from all of these gifts exceeds £100 (before tax) in any year

For more information, go to www.gov.uk/government/publications/trusts-and-settlements-income-treated-as-the-settlors-hs270-self-assessment-helpsheet

Estate income

This is income from the estate of a deceased person. If you received an asset that produced income (for example, a bank account or a property that is let) and you're entitled to that income from the deceased's death, include it on your form, in the boxes that deal with the type of income concerned. (For example, enter details of bank interest in boxes 3.1 to 3.3.)

Residuary beneficiaries

Special rules apply to the income from a deceased person's estate paid to you if you're a beneficiary with an interest in the residue. Enter the information from the R185(Estate Income) you received from the personal representative(s).

Income

You need to complete a tax return if your net income from UK land and property exceeds £2,500. Enter in box 5.1 the total income you received from land you own or a property you let. If you own property jointly with your spouse or civil partner, the income and tax are usually shared on a 50/50 basis. If you own the property in unequal shares and made a valid election on form 17, enter the income and tax on the unequal basis.

If you let property jointly with someone else, enter your share only.

Own home - 'Rent a Room'

If you let a furnished room (or rooms) in your own home (but not if the room is used as an office) and the total rent you receive is less than £7,500 in the year (£3,750 if you share the income with someone else) you do not need to tell us about it.

For more information, go to www.gov.uk/government/publications/letting-rooms-in-your-home-a-guide-for-resident-landlords/letting-rooms-in-your-home-a-guide-for-resident-landlords

Expenses allowable for tax

Generally, you can either claim the cost to you of letting your property, land, etc or you can claim to deduct the £1,000 property allowance. You cannot claim both expenses and the property allowance.

UK land and property

5.1

i If your share of gross income from property (before expenses) exceeds £10,000 you need to fill in a tax return.

5.2

The Working Sheet below lists the most common types of expense. Exclude the proportion that represents your personal use. Do not claim any personal expenses, or capital costs.

Working Sheet	
Rents, rates, insurance, ground rent you pay	£
Property repairs and maintenance	£
Finance charges, including allowable loan interest* (see below)	£
Legal and professional** (see below)	£
Cost of any services you provide, such as cleaning	£
Cost of replacing domestic items - for residential lettings only	£
Others, for example, advertising, stationery, property allowance*** (see below)	£
Total (copy to box 5.2)	£

*Finance charges: If you have finance costs associated with a residential property some of these costs will not be allowable as an expense for tax purposes. For more details, go to www.gov.uk/guidance/changes-to-tax-relief-for-residential-landlords-how-its-worked-out-including-case-studies

If you're eligible for a tax reducer for any residential finance costs that are not allowable as an expense, then call 0300 200 3300 quoting 'Landlord Relief'.

Alternatively, if you think that next year, you may need to register for Self Assessment because of your income from property, you may wish to register this year instead of completing this form. For more information, go to www.gov.uk/renting-out-a-property/paying-tax

**Exclude the legal and professional expenses of a first letting, if it's 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.

***Property Allowance: You can claim up to a maximum of £1,000, instead of deducting expenses. If you have more than one property business, (for example a UK and an overseas business), then the income from both businesses are combined and only a single £1,000 allowance is available. You cannot claim more than your income shown in box 5.1. For more information, go to www.gov.uk/guidance/tax-free-allowances-on-property-and-trading-income

5.3 Profit
Enter in box 5.3.

5.4 Loss
Enter in box 5.4, 5.2 minus box 5.1.

5.5 Land and property losses brought forward from earlier years
We take off brought forward losses from the profit (box 5.3). If you made a loss (box 5.4) add it to your existing brought forward losses and enter the total in this box on next year's form.

Foreign income

Foreign dividend income received of £300 or under should be declared on this form. For larger amounts you'll need to complete a Self Assessment tax return.

6.1 to 6.12 If you received foreign dividends, income from foreign property or any other foreign income (including pensions), complete boxes 6.1 to 6.12. If you have an absolute entitlement to the income from a non-UK resident trust, or receive income from a foreign estate, enter the information in boxes 6.1 to 6.12, according to the nature of the income. Convert the foreign gross income and any tax deducted into the sterling equivalent. Any foreign tax paid is not repayable in the UK, you may be entitled to Foreign Tax Credit Relief which reduces the UK tax chargeable on your foreign income. At boxes 6.1 and 6.3 do not add on the tax credit for dividends. You cannot claim a refund of tax credits on foreign dividends.

If you claim foreign property expenses and you're eligible for a tax reducer for any residential finance costs that are not allowable as an expense, then call 0300 200 3300 quoting 'Landlord Relief'. If you claim foreign property expenses you cannot also claim the property allowance.

If the company is an offshore fund and more than 60% of assets are invested in interest-bearing assets, you must enter these dividends in box 6.8, not 6.1. You're not entitled to a tax credit for these dividends.

From April 2017 foreign pension income is taxed at the same tax rate as UK pension income. Foreign Pension Allowance applies up to 31 March 2017.

If there's more than one country of origin, please give the additional details.

7.1 Chargeable event gains

7.3 If you made any gains on UK life insurance policies, life annuities or capital redemption policies or received refunds of surplus funds from additional voluntary contributions,

i If you have more than one property business (for example, a UK and an overseas business), then the income from both are combined and only a single £1,000 allowance is available. Find more information at 5.2 Expenses allowable for tax.

Any other income and benefits

i If you've received a benefit because you owned, or contributed to the acquisition of, a property (a 'pre-owned asset'), please contact us.

you may need to fill in boxes 7.1 to 7.3. UK insurers must by law issue a certificate when a gain has been made. Use the information on your certificate to complete boxes 7.1 to 7.3. If you receive income from an estate that relates to gains realised on certain insurance policies, use the information on your form R185(Estate Income) to complete boxes 7.1 to 7.3. Most gains from UK insurance policies are treated as having had tax deducted; this tax is not repayable.

For more information, go to www.gov.uk/government/publications/gains-on-uk-life-insurance-policies-hs320-self-assessment-helphsheet

Most gains from foreign life insurance policies are not treated as having tax deducted. Fill in boxes 6.10 and 6.11 if you've made a gain from a foreign policy.

If you've made gains from more than one policy, either UK or foreign, please give additional details.

7.4 Other income and benefits

to

7.6

Use boxes 7.4 to 7.6 for other taxable income and benefits you've had in the year to 5 April. If you deferred receipt of your State Pension and have received a lump sum payment, enter the amount received in box 7.4 and the tax taken off it in box 7.5. Only one type of income should be entered here.

8.1

to

8.4

Gift Aid is a tax relief for cash gifts to UK charities and Community Amateur Sports Clubs (CASCs). The charity or CASC will ask you to give a declaration that you pay UK Income Tax and/or Capital Gains Tax - they can then claim tax back from us. If you've not paid an amount of UK Income Tax or Capital Gains Tax equal to the amount the charity or CASC claims back on your gift, we'll ask you to pay the difference (usually by including it in your tax calculation).

If you pay tax at the higher rate you're entitled to tax relief - the calculation works it out for you.

If you were born before 6 April 1938, your Gift Aid payments could reduce your tax bill so fill in box 1.1 - we need your date of birth to work out your correct tax-free personal allowances.

8.1

Gift Aid payments made in the year of claim

Enter the actual amounts given to charity. Do not include (in box 8.1 or anywhere else on your form) any payments under Payroll Giving; those payments are taken off your salary before your employer taxes it.

8.2

Gift Aid payments made in the year of claim but treated as if made in the preceding year (not included in box 8.1)

If you've already asked us to treat payments made in the year of claim as if they had been made in the preceding year, enter those payments in box 8.2.

8.3

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 8.3 any 'one-off' payments included in box 8.1. These will be Gift Aid payments made in the year of claim that you do not intend to pay in the following year.

8.4

Gift Aid payments made after the end of the year of claim but to be treated as if made in that year

You can treat Gift Aid payments, made after the end of the year of claim but before the following 31 January, as if they were made in the year of claim, provided you do so by that 31 January. For more information, go to www.gov.uk/donating-to-charity

Other reliefs

For more information, go to www.gov.uk/income-tax-reliefs

If you live in England or Wales and:

- are certified blind or severely sight impaired by an eye specialist
 - are on a local authority register of blind (severely sight impaired) people
- put 'X' in box 9.1 and enter the name of the local authority in box 9.2

9.1

to

9.2

If you live in Scotland or Northern Ireland and you're:

- on a register put 'X' in box 9.1 and enter the name of the local authority in box 9.2
- not on a register but your eyesight is so bad it prevents you from doing any work for which sight is essential, put 'X' in box 9.1 and enter 'Scotland' or 'Northern Ireland' in box 9.2

Gift Aid

Blind Person's Allowance

Married Couple's Allowance

Transferring unused Blind Person's Allowance

Any unused Blind Person's Allowance can be transferred to your spouse or civil partner. If you wish to transfer any unused allowance enter 'X' in box 10.6.

Married Couple's Allowance

You can claim this allowance if all the following apply:

- you're married or in a civil partnership
- you're living with your spouse or civil partner
- one of you was born before 6 April 1935

For marriages before 5 December 2005, the husband's income is used to work out Married Couple's Allowance. The allowance is given at 10% and could reduce the amount of tax you pay.

10.6

Transfer of unused allowances

If you've any unused Married Couple's Allowance or Blind Person's Allowance for the year of claim and want to transfer it to your spouse or civil partner, put 'X' in box 10.6.

If we calculate a repayment is due, we can send a cheque direct to:

- you at your home address
- your nominee's address (fill in boxes 11.1 and 11.2)

If you wish your repayment to be paid to a nominee, please make sure that you give us a full postal address, including postcode.

The cheque can only be paid into an account held in your name or your nominee's.

Repayments cannot be made by Bacs (Bankers Automated Clearing Service).

11.1

If you've signed on behalf of someone else

You may claim on behalf of:

- an unmarried minor (someone under the age of 16 in Scotland or under 18 elsewhere) - a grandparent cannot sign on behalf of a grandchild unless they're the legal guardian
- a mentally incapacitated person
- an individual who's granted you the power to act on their behalf
- someone who has died - Power of Attorneys that were in place cease after someone has died, therefore an executor or administrator must sign the form.

Please note that form 64-8 does not provide authority to sign the R40; a power of attorney must be held.

Claims should be made by:

- a parent or guardian on behalf of an unmarried minor
- an attorney authorised by an ordinary or general Power of Attorney
- the executor or administrator of the estate of someone who has died (the claim will relate to income up to the date of death only)

Those who are 16 or over (in Scotland) or 18 (elsewhere) should complete this form themselves.

'Your Charter' explains what you can expect from us and what we expect from you.

For more information, go to www.gov.uk/government/publications/your-charter

HM Revenue and Customs is a Data Controller under the Data Protection Act 1998.

We hold information for the purposes specified in our notification to the Information Commissioner, including the assessment and collection of tax and duties, the payment of benefits and the prevention and detection of crime, and may use this information for any of them.

We may get information about you from others, or we may give information to them.

If we do, it will only be as the law permits to:

- check the accuracy of information
- prevent or detect crime
- protect public funds

We may check information we receive about you with what is already in our records.

This can include information provided by you, as well as by others, such as other government departments or agencies and overseas tax and customs authorities.

We'll not give information to anyone outside HM Revenue and Customs unless the law permits us to do so.

Repayment instructions

Declaration

Your rights and obligations

How we use your information