

# Application for payment of benefits without deduction of tax

Permanent health and similar insurance policies		
Instructions for insurer paying the benefits		
Before sending this form to your customer, please complete the boxes below. Please use capital letters.		
Insurer's reference	Maximum amount of benefits payable in this tax year	
	£ ·	
Policy number	Tax year ended 5 April (enter year) YYYY	
Full name of payee Mr/Mrs/Miss/Ms or other title	Date of first payment of benefits to this payee DD MM YYYY	
Name of insurer paying the benefits		

#### About this form

An insurer will normally pay benefits to you after deducting basic rate tax, if:

- your former employer had an insurance policy that could pay benefits in the event of your sickness, disability, or infirmity
- you are no longer in that employment but receive benefits directly from the insurer under your former employer's policy or under a new policy

You can use this form to ask an insurer to pay your benefits in full without deducting tax if either:

- you contributed to all or part of the premiums that relate to you, (complete Parts A and B)
- you are unlikely to pay Income Tax this year (complete Parts A and C)

The notes on Page 2 will help you decide this.

If you contributed a proportion of the premiums that relate to you under your employer's scheme, the same proportion of any benefits which you receive will be tax-free.

## The remainder of the benefits will be liable to tax

You must tell your HM Revenue and Customs office about the proportion of premiums that you paid for, and you must include any benefits which are taxable in your Tax Return.

Please keep a copy of this form for your records.

# How to apply - before tax has been deducted

To apply for payment of your benefits without deduction of tax, please fill in:

- Part A
- either Part B, or Part C

Complete the relevant Declaration and send the form to the society or company that is paying you the benefits. They will pass it on to us.

## How to apply - after tax has been deducted

If you contributed to the premiums paid by your former employer and completed Part B, the insurer will repay any tax which was not due. You must tell your HM Revenue and Customs office about any repayment which you get from the insurer.

If you have completed Part C, ask your insurer for a certificate showing the amount of tax deducted. Tell your HM Revenue and Customs office that you want to apply for a repayment of tax. They will send you a form to fill in and return, along with the certificate from your insurer.

A Your details	
To be completed by all claimants. Use capital letters	HM Revenue and Customs office
Address	
	Tax reference
Postcode	National Insurance number

B Declaration  To be completed if you contributed to the premiums of your former employer's insurance policy.  Declaration  You may be prosecuted for making false statements  I declare that I contributed to the premiums of my former employer's insurance policy. I will contact my HM Revenue and Customs office and will give them details of my contributions to my former employer's premiums. Please pay the benefits without deduction of tax.	Signature of person receiving the benefits  Date DD MM YYYY
<ul> <li>C Declaration</li> <li>To be completed if:</li> <li>you are a resident of the UK</li> <li>you are unlikely to pay Income Tax this year</li> <li>The notes below will help you decide this</li> </ul>	Signature
<ul> <li>Declaration</li> <li>You may be prosecuted for making false statements</li> <li>Please pay the benefits without deducting tax</li> <li>I am a resident of the UK</li> <li>I am unlikely to have to pay Income Tax this year</li> <li>I will inform my HM Revenue and Customs office if my income increases and I become liable to tax</li> </ul>	Date DD MM YYYY

Please send the completed form to the society or company paying your benefits

# **Notes**

Benefits - does tax have to be taken off? For any tax year this depends on:

- the income you think you will have
- your tax allowances, which give you a tax-free amount

#### Income

The most common types of income are:

- wages
- pensions
- dividends
- state benefits
- · interest on savings

Your income includes the maximum annual amount of the insurance benefits payable.

You must include the full annual amount of the insurance benefits, even if you will only receive the benefits for part of the tax year.

### Allowances

You will not have to have tax deducted from your benefits payments if you expect that all of your income, before any tax is taken off, will not add up to more than your personal allowance. Details of the current allowances can be found at www.gov.uk/income-tax-rates

Your Personal Allowance may be higher if you are entitled to:

- Blind Person's Allowance
- Marriage Allowance

If you or your partner were born before 6 April 1935, go to www.gov.uk/married-couples-allowance for more information.

If your income goes up - you must check again to see if you are likely to have to pay tax. If you are, you must tell your HM Revenue and Customs office straight away.

#### Useful guidance

The Insurance Policyholder Taxation Manual contains guidance on permanent health and similar insurance policies. You can find this manual on our website at www.gov.uk