



Trustees may use this form to advise the settlor of income arising to the trust in which the settlor retains an interest. Do not include any income shown on this form on form R185(Trust Income), 'Statement of income from trust' that you give to another person.

Settlor-interested trusts – income arising to the trust

Income arising to the trust is taxable on the settlor and should be included here. For interest in possession trusts, income arising to the trust belongs to the beneficiary, but the beneficiary is not taxed on that income if it's treated as that of the settlor. You should include that income on this form. Where the trust's total income is within the tax free amount, enter the income as income paid gross at boxes 13, 14 and 14.1 as appropriate.

Settlor-interested trusts – discretionary income payments

Discretionary income paid to the settlor is not taxable on the settlor because the settlor has already been taxed on the income as it arose. Do not include it here or on any form R185(Trust Income). Discretionary income paid to a beneficiary who is not the settlor is taxable on the beneficiary under special rules and should be included on form R185(Trust Income), unless the payment is made to the minor child of the settlor.

Discretionary income payment to minor children of the settlor

The settlor is taxable on any discretionary income payment as though they received it, where it's made to or applied for the benefit of their minor children. The payment should be included here, unless the settlor has already been taxed on the income as it arose. Please note that the allowances and tax reductions (for example, the personal savings allowance) are not available on annual payments.

Notes for settlors are on pages 1 to 3. For more guidance, go to SA107, 'Trusts etc notes' and 'HS270 Trusts and settlements – income treated as the settlor's' on www.gov.uk

The trust's income for the year ended 5 April is shown on page 3 and 4 of this form.

The settlor

Full name of settlor

Address

The trust

Full name of trust

Unique Taxpayer Reference (UTR) of trust

Trust agent's or solicitor's reference

Notes for settlors

Keep this form and refer to it if you're completing a tax return or claiming a tax repayment. If you need to complete a tax return, copy the amounts of income from box numbers 7 to 15 (but not 14.1) to the corresponding boxes on the SA107, 'Trusts etc' pages of the tax return.

Boxes 7 and 10 Read the notes if the income in these boxes includes gross trading income (other than from a partnership) of £1,000 or less and/or UK property income (before expenses) of £1,000 or less, or if your share of allowable expenses deducted are less than £1,000. For more information, go to www.gov.uk/guidance/tax-free-allowances-on-property-and-trading-income

If you want to claim the trading and property allowances and you're entitled to it, you'll need to get the following additional information from the trustees:

- the net amount after tax taken off in box 7 or 10 relating to eligible trading income and/or UK property income
- the tax amount
- the gross income (before deducting any expenses)
- your share of allowable expenses deducted

You claim the allowances by, entering on page TR3 of the tax return (SA100), the:

- gross amount of the trading income and UK property income in box 17
- allowance (of up to £1,000 for property income and up to £1,000 for trading income) in box 18, instead of deducting your expenses (including mortgage interest)
- tax amount in box 19 and then make a note of the type of income in box 21

Notes for settlors continued

The amount of the allowance claimed in box 18 must take into account other trading income or property income allowance amounts reported on the self-employment pages, UK property pages and foreign pages of the tax return. Do not include the net amount after tax taken off or tax amount, relating to this trading or property income, in the boxes on SA107, 'Trusts etc' pages of the tax return. Any remaining amount of other non-savings income should still be included in boxes 7 or 10, net of expenses and tax.

If boxes 7 or 10 include UK property income, read the notes for box 25.

- Boxes 8 and 11** In the second line trustees show the tax that has been paid by them on savings income, you'll get credit for this tax paid. From 6 April 2016 most individuals have a Personal Savings Allowance of up to £1,000 and may not pay tax on savings interest below that amount.
- Boxes 9 and 12** In the second line, trustees show the tax that has been paid by them on the dividend income, you'll get credit for this tax paid. From 6 April 2018 to 5 April 2023 individuals have a Dividend Allowance of £2,000 which means that there's no tax to pay on the first £2,000 of dividend income. From 6 April 2023 to 5 April 2024 individuals have a Dividend Allowance of £1,000 which means that there's no tax to pay on the first £1,000 of dividend income. From 6 April 2024 the Dividend Allowance is £500.
- Box 10** If you're taxable on this income, because you're the settlor of a discretionary trust, and an annual payment is being made to your minor child, you're not eligible for allowances and tax reductions (for example, trade and property allowance or personal saving allowance).
- Box 14.1** Include the amount of dividend income paid gross in the dividend section of your main tax return, not the SA107, 'Trusts etc' page.
- Box 15** You may also have to complete boxes on other pages of the tax return. Read the notes for box 15 on page 3.
- Box 16** Include this information on the SA106, 'Foreign' pages of the tax return not the SA107, 'Trusts etc' pages. The notes for box 16 on page 4 show which columns on the SA106 'Foreign' pages to use. The cost of getting a loan or alternative finance to buy a property that is let, and any interest on those loans and alternative finance is restricted for residential let properties. From 6 April 2020 no residential finance costs are allowable as a deduction for each property business. If you're taxable on residential property income from a non-discretionary trust, or a settlor-interested discretionary trust (one where you or your spouse or civil partner can potentially benefit) you can claim a tax reduction. The trustees will need to provide you with additional information so you can complete SA106.
- Box 25** The cost of getting a loan or alternative finance to buy a property that is let, and any interest on those loans and alternative finance is restricted for residential let properties. From 6 April 2020 no residential finance costs are allowable as a deduction for each property business. If you receive residential property income from a non-discretionary trust, or a settlor-interested discretionary trust (one where you or your spouse or civil partner can potentially benefit) you can claim a tax reduction. Ask the trustees to provide you with a completed 'working sheet from SA107 notes' so you can calculate the reduction. You cannot claim this tax reduction if you're claiming the property income allowance.
- For more information go to www.gov.uk/guidance/changes-to-tax-relief-for-residential-landlords-how-its-worked-out-including-case-studies
- Box 25.1** Put any unused residential finance costs brought forward from previous years in this box.
- Box 42** Include this income in box 42 of the SA106 for income received up to 5 April 2025. From 6 April 2025 onwards see boxes 62, 63 and 64.
- Box 62** Include this income in box 62 of the SA106 from 2025 to 2026 year onwards.
- Box 63** Include this income in box 63 of the SA106 from 2025 to 2026 year onwards.
- Box 64** Include this income in box 64 of the SA106 from 2025 to 2026 year onwards.

If you need to claim a tax repayment, copy the figures at boxes 7 to 16 to the boxes on the R40 'Claim for repayment of tax deducted from savings and investments' as follows:

- box 7 to boxes 4.4 and 4.5 on the R40 - read the notes on claiming the trading and property allowance below if the income in box 7 includes gross trading income (other than from a partnership) of £1,000 or less and/or UK property income (before expenses) of £1,000 or less, or if your share of allowable expenses deducted are less than £1,000
- box 8 to boxes 4.6 and 4.7 on the R40
- box 9 to boxes 4.9 and 4.10 on the R40
- box 10 to boxes 4.2 and 4.3 on the R40 - read the notes on 'Claiming the trading and property allowance' below if the income in box 10 includes gross trading income (other than from a partnership) of £1,000 or less and/or UK property income (before expenses) of £1,000 or less, or if your share of allowable expenses deducted are less than £1,000
- box 11 to boxes 4.2 and 4.3 on the R40
- box 12 to boxes 4.9 and 4.10 on the R40
- box 13 to box 7.4 on the R40
- box 14 to box 3.4 on the R40

- box 14.1 to box 3.5 on the R40
- box 15 to box 7.3 on the R40
- box 16 to boxes 6.1 to 6.12 on the R40, as appropriate – if you're claiming the property income allowance against this income, include the amount of the allowance in box 6.6 instead of deducting any expenses

If you decide to claim the allowances, read the notes to box 7 and 10 on the additional information you'll need. When completing the R40 enter the gross amount of the trading income and UK property income less the allowance (of up to £1,000 across all UK and foreign property income and up to £1,000 for trading income) in box 7.4, the tax amount in box 7.5 and make a note of the type of income in box 7.6. Do not include the net amount after tax taken off and tax amount, of this trading or UK property income, in boxes 4.4 and 4.5 on the R40, but any remaining amounts of non-savings income and tax paid should still be included in boxes 4.4 and 4.5. For more information about the R40 form, go to www.gov.uk/guidance/claim-a-refund-of-income-tax-deducted-from-savings-and-investments

If the tax paid by trustees on the income shown on this form exceeds your own liability on that income, the excess must be paid to the trustees. Any HMRC office or the office dealing with the trust can give you a certificate showing the amount to be paid if you've submitted your Self Assessment tax return or form R40 and give them a copy of the form.

When completing boxes for non-discretionary income use gross income before trust management expenses.

Page 3

Income chargeable on settlor

When completing boxes for non-discretionary income use gross income before trust management expenses.

- 16 Foreign income** - the taxable amount is the total of the net amount, plus UK tax paid, plus foreign tax paid and any foreign dividend tax credit that may be due (on a separate sheet tell the settlor what type of income this is)

Gross amount of income before deducting any UK, foreign or special withholding tax

£ .

Copy this figure to column B on the SA106, 'Foreign' pages. To claim the tax reduction for disallowable finance costs on foreign property income, copy this figure to box 24 of the SA106 and ask the trustees to provide you with the total allowable finance costs (for box 17 SA106), the disallowed finance costs (for box 24.1 SA106) and the unused residential finance costs brought forward from previous years (for box 24.2 SA106). In box 14 put the total property income, plus the amount in box 17.

Foreign tax paid on foreign income - foreign tax is the lower of the foreign tax actually withheld and the amount of tax credit allowed under the terms of a Double Taxation Agreement

£ .

Copy this figure to column C on the SA106, 'Foreign' pages

UK tax paid on foreign income - including any special withholding tax paid

£ .

Copy this figure to column D on the SA106, 'Foreign' pages

- 25 Residential property income** - amount of residential property income or restricted finance costs for calculating relief for residential finance costs (use the working sheet in SA107 notes)

£ .

- 25.1 Unused residential finance costs brought forward from previous years**

£ .

- 42 Settlement benefit charge** - the value of a benefit provided to, or treated as being provided to the settlor of a non-resident trust, or an onward gift provided, so far as the value is matched to the available protected income should be entered here. This is for income up to 5 April 2025 only. Income for the 2025 to 2026 tax year should be in boxes 62 to 64.

£ .

Other overseas income and gains

- 62 Benefits received by settlor in the year from a settlement matched to Transitional Trust Income (TTI) or Protected Foreign Source Income (PFSI) taxable under settlements**

£ .

- 63 Benefits received by close family member of the settlor in the year from a settlement matched to Transitional Trust Income (TTI) or Protected Foreign Source Income (PFSI) taxable under settlements**

£ .

- 64 Benefits chargeable on you under the Onward Gifts rules taxable under settlements**

£ .

Signature and date

I confirm that the information given on this form is correct.

Signature of trustee

Date DD MM YYYY