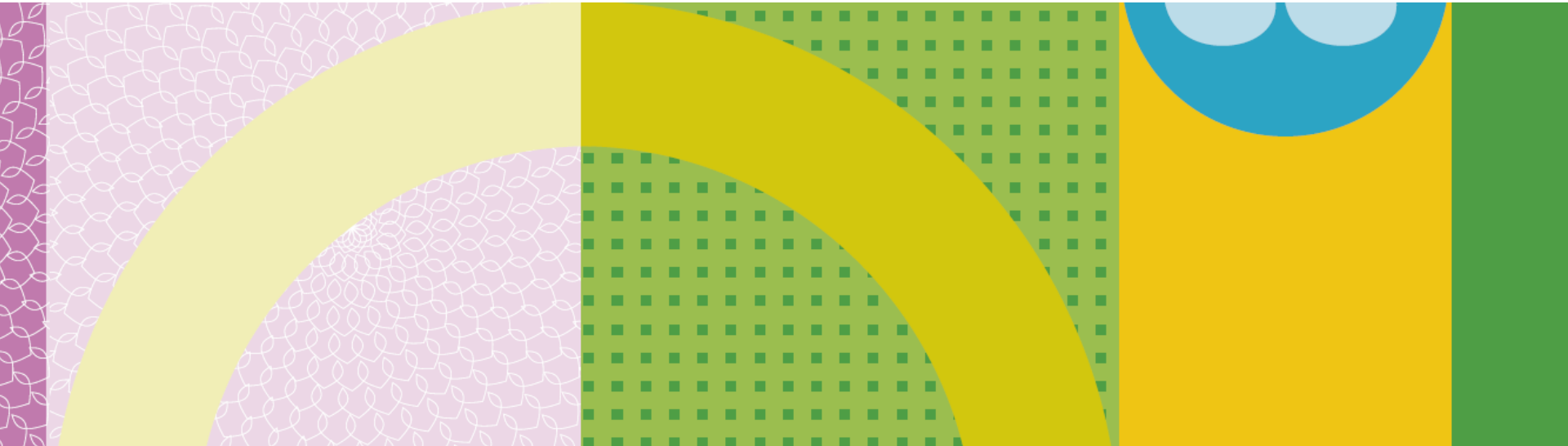




Institute of Money Advisers Virtual Annual Conference 2021



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Virtual exhibitors

TaxAid and Tax Help for Older People



- Who we are
- What we do
- Common Tax Issues
- Tax Debt Activity
- Q&A

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Who we are



Tax Help supports older people (55 years +), in poverty and/or with vulnerabilities living in the UK who have tax problems but cannot access professional tax service.

TaxAid provides free, expert and independent tax advice for working age taxpayers in poverty and/or with vulnerabilities living in the UK.

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Who do we help



- Unable to afford paid for advice
- Cannot resolve their issue with HMRC
- Taxpayer is otherwise unrepresented (ie they don't have an accountant)
- TaxAid for self-employed or working age
- Tax Help for over 55s and not self-employed

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How do we help



- Telephone advice
- In-house casework
- Face to face (when possible) currently telephone appointments
- Referrals to HMRC's extra support team

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What sort of issues can we help with?



- PAYE coding issues
- PAYE underpayments
- Self-employed tax questions
- Pension tax questions

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What sort of issues can we help with?



- Declaring income to HMRC
- Tax debt advice
- Limited support for CT and VAT

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Common Tax Issues - PAYE



- Duplicate allowances
- Incorrect RTI entries
- Failure to operate PAYE at all
- Problems with company changes/takeovers

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Common Tax Issues – Simple Assessment



- Issued where PAYE underpayment can't be collected through a tax code
- Have 60 days to appeal otherwise automatically finalised
- Not payable until 31 January following end of tax year
- Can't set up TTP arrangement but can make voluntary payments or set money aside
- HMRC currently not adding interest or late payment surcharges to Simple Assessments

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Common Tax Issues – Pension Flexibility



- Since 2015 over 55s have had flexibility in how they draw their pensions
- For your clients of this age, this can be a possible debt solution
- Usually a tax consequence:
 - Lump sum (up to 25% tax free)
 - Annuity taxable as received
 - Flexi-drawdowns (25% qualifies as tax free and then remainder taxable when taken)
- Consider total income in tax year – better to wait until after 5 April?

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Common Tax Issues – Coronavirus SEISS



- Launched in 2020, different schemes for employed and self-employed
- Self-Employed Income Support Scheme (SEISS) based on reported profits per Tax Return
- Are taxable and need to be included on 2020/21 tax returns
- Specific place to report
- May need to be paid back if claimed incorrectly

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Common Tax Issues – Tax Debt



- Make sure the debt is correct and final. The debt can often be reduced e.g. where there are penalties and determinations.
- HMRC income and expenditure form – much simpler than typical debt I&E

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Common Tax Issues – Tax Debt



- Distinguishing between ‘actual tax’ and what could be appealed e.g. penalties / determinations
- Need a statement from HMRC and analyse between different types of debt

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Common Tax Issues – Tax Debt



- Activity:
- Breakout rooms for 25 mins
- Discuss – most common tax issues you come across
- Work through statement and determine:
 - Amount of tax and interest
 - Amount of appealable penalties
 - Anything else

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Common Tax Issues – Tax Debt



- HMRC pursue bankruptcy as a matter of policy, where a commercial creditor might not.
- Warning letter from HMRC – time to pay still possible. Case is then transferred to Enforcement and Insolvency Office in Edinburgh who will issue statutory demand
- Action to change debt figure (returns, appeals) is possible throughout the process
- Important to bring affairs up to date
- Special tax rules for year of bankruptcy

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Q&A



- Any questions?



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How to get in touch with us



- **TaxAid**
 - Priority Adviser Line: 0300 330 5477
 - General Public Line: 0345 120 3779
 - help@taxaid.org.uk
- **Tax Help for Older People**
 - General Line: 01308 488066
 - taxvol@taxvol.org.uk

Lines open 9am – 5pm Monday - Friday

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