

Self Assessment Guide



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What is Self Assessment?

If you work for an employer, the income tax that you owe is usually deducted from your wages, and your employer pays it to HMRC on your behalf.

However, if you're self-employed or earn money that you have not already paid tax on, you will need to complete a Self Assessment tax return so HMRC knows how much tax you need to pay.



Who must complete a Self Assessment tax return?

Sole traders

If you're self-employed (such as a freelancer, or run a business which is not a limited company), then you are known as a sole trader and are required to submit Self Assessment tax returns.

Partners in a partnership

If you operate your business as a partnership, then each partner must submit their own Self Assessment.

Each person is responsible for submitting their Self Assessment return to demonstrate the income they have received from the business.

Directors of a limited company

Directors of limited companies will need to register for Self Assessment if they are also shareholders, and receive dividends from the company's profits. A director who only receives salary payments from a company will pay any tax through PAYE.



Annual income of £100,000 plus

If your annual income is £100,000 or more (whether you are an employee or retired pension), you must submit a return.

Investment income of £10,000 or more

If your investments or savings earn you £10,000 or more before tax every year, you must declare the income on a Self Assessment tax return.

Other income

From money that you earn from renting out property, in tips and commission, or from overseas. If you are not sure, you can use the [GOV.UK online checker](#).



Registering for Self Assessment

To complete a Self Assessment tax return, you must first register with HMRC.

If you do not register by 5th October in the second tax year of your business running, you could be fined, so getting it done early is good idea.

You can register online, but make sure you leave yourself plenty of time to complete the process, as HMRC will need to send you a Unique Taxpayer Reference (UTR) number through the post.

This will enable you to set up your digital tax account and complete your Self Assessment.

Unless your tax affairs are very straight forward, it is always better to take advice from a professional.

Your dedicated accountant can help by taking care of all dealings with HMRC and filing any returns that are required.



Self Assessment deadlines

HMRC are very strict about when you must submit information, otherwise you may be fined. So it's important to make a note of these important dates.

31st October

This is the deadline for filing a paper return, rather than an online one.

For example, to submit a Self Assessment for the tax year ending 5th April 2024, HMRC must receive your paper return by the 31st October 2024.

30th December

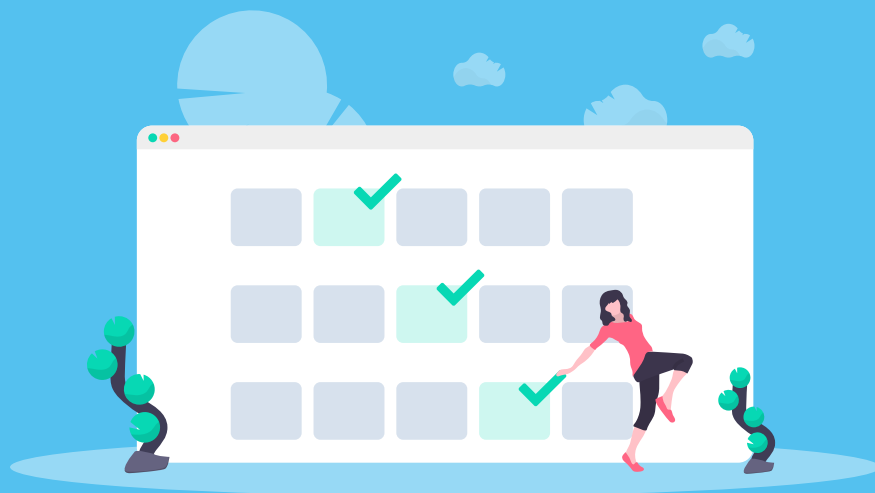
This is the deadline for filing a paper return, rather than an online one.

You can only use this method if your Self Assessment tax bill is less than £3,000.

31st January

This is the deadline for filing a paper return, rather than an online one.

For example, if you have any income to declare for the tax year ending 5th April 2024, the deadline to submit an online return and pay any money due for this is 31st January 2025.



The information HMRC requires

It's important that you keep accurate bookkeeping records, the information you provide to HMRC is what they will use to calculate your tax bill.

There is no set format for this, but the recommended minimum is to keep a record of all:

- ✓ Sales
- ✓ Expenses
- ✓ Purchases

This is useful for making sure you pay the right amount of tax (and avoid any nasty fines) as well as monitoring how effectively your business is performing.

We provide a [bookkeeping service](#) for our clients, using our very own bookkeeping software, [Pandle](#).

There are tax relief schemes and potential expenses which could reduce your tax bill that that you might not be aware of if you choose to submit your own Self Assessment.

So if in doubt, call us 020 3355 4047 and one of our accountancy advisors will be happy to help.





Looking for more help with your Self Assessment?

If you have any further questions simply phone us on 020 3355 4047 and one of our friendly accountancy advisors will be happy to help.

 [Get An Instant Quote](#)

