

Household Income help sheet

This help sheet tells you

- the different kinds of income you need to tell us about
- where to find the right figure to enter on the form
- what proof you need to provide.

All documentation must be relevant to year ending **5 April 2024**.

Income from employment

Provide your 2024 P60 certificate for all employment and enter the 'total for year' figure.

Alternatively enter the gross total from your week 52 or month 12 payslip for March 2024.

Include the totals from your P45 certificate for any jobs which ended during the year, if they are not included on your P60.

Income from self-employment

Provide your tax calculation certificate for 2023-2024 (SA302 form) and enter the 'total income received' figure. Do not subtract your personal allowance from the total.

Alternatively provide your most recent certified accounts showing your total taxable profit from self-employment.

Taxable benefits from your employer(s)

This includes company car and fuel, taxable vouchers and payments in kind from all jobs. You may have received benefits from your employer which were not paid out in wages but which were taxable. These are called benefits in kind. Your employer should have given you information about these, usually on a P9D or P11D form. You do not have to work out the amount of each individual benefit – your employer will tell you the taxable values.

You should enclose your 2024 P9D or P11D form and give the following details where applicable:

- Any goods and assets our employer gave you that you could sell for cash or anything bought for, or paid to you, other than at market value. For example, gifts of food, drink, fuel, cigarettes, clothes etc. The amount to include should be found at section A of the P11D or the third or fourth boxes in section A (2) of the P9D.
- Any payments made by your employer which you should have paid. For example, if your employer paid your rent directly to your landlord or paid your gas, telephone or electricity bills or your income tax liability. Again, these amounts are shown on forms in section B of the P11D and section A (2) of the P9D (in the first, second and, if appropriate, fifth boxes).
- Cash and non-cash vouchers and credit tokens, such as company credit cards. The value of these benefits is shown at section C of the P11D and at section B of the P9D (add together all the boxes at section B),

If you earn at a rate of £8,500 or more a year (including any benefits in kind), or you are a company director, the following benefits are also taxable and should be declared:

- Mileage allowance payments, paid to you for using your own car for business, more than the tax-free 'approved amount'. The taxable amount is shown at section E of form P11D.
- The cost, where your employer paid someone else for any other running cost (for example, insurance). The taxable amount is included with the other expenses at section N of the P11D.
- Any company car or car fuel benefits provided by your employer. These can be found at boxes 9 and 10 at section F of the P11D.
- Expenses payment made to you or on your behalf (shown at section N on form P11D).

If you have had benefits from more than one employer, add the figures together to show the amounts received from all employments.

Enter the total of these benefits for the year to 5 April 2024 rounded down to the nearest pound. For example, if your 2023-2024 benefits in kind were £254.36 enter £254.

If you

- Are not paid any mileage allowance for using your own car for business, or
- Receive less than the 'approved amount' of these allowances you can deduct the difference between the 'approved amount' and what you receive from your employer, from your earnings as an employee (see section 6.2.5).

Allowable deductions

Allowable deductions include:

- Losses from self-employment
- Pension contributions made to an external pension scheme
- Donations to charity via Gift Aid

If you made pension contributions to an HM Revenue & Customs-approved pension scheme (other than through your employer), you should deduct the gross amount for year 2023-2024 from the total household income. You must provide evidence from the pension fund scheme. If you made contributions through your employer, you do not have to deduct anything.

Figures entered should be BEFORE tax and National Insurance Contributions, and any share Incentive Plan deductions.

Deduct up to the first £100 for each week you received Statutory Maternity Pay, Statutory Paternity Pay and Statutory Adoption Pay.

(for example, if you received £80 please enter 0; if you received £120 please enter £20).

Allowable Expenses Incurred:

Deduct

- Any expenses which you met from your earnings and which arose wholly, exclusively and necessarily in the course of your work (as well as travelling expenses necessarily incurred in the performance of your duties).
- certain payments from your earnings which are deductible for income tax purposes, such as fees and subscriptions to professional bodies and learned societies, employee liabilities and indemnity insurance premiums, and agency fees paid by entertainers.
- Flat-rate expenses agreed by your employer and HM Revenue & Customs, to maintain or renew tools or special clothes (such as a uniform) that are necessary to do your work.

If you paid such expenses and were not reimbursed by your employer, deduct the amount of these from your gross pay. If your employer reimbursed you, do not

- include the reimbursed amount received in your claim, or
- make any deduction from your earnings.

Please note: The sum total income under the following sections are subject to a £300 disregard. If the sum total is £300 or less, it is treated as nil. If the sum total is more than £300, only the excess is taken into account.

Notional income

Notional Income is any income that you are treated as having received and includes income that you are treated as having received, even though you may not have. It may include:

- Capital treated as income (e.g. stock dividend)
- Trust income that under the income tax rules is treated as the income of another person e.g. investment income of a minor child where trust funds have been provided by a parent and the amount exceeds £100.
- Income that you have deprived yourself of e.g. if you sell the right to an occupational pension worth £10 a week for £2500, the £2500 should not be included but you should add £10 a week to your income OR income not taken because you worked for less than the going rate (or for nothing) but where the person for whom the work was done, or for whom the service was provided, has the means to pay. This does not apply to voluntary work or employment or training programmes.
- Income that you were entitled to but did not apply for. For example, a social security benefit or allowances paid to local government councillors or civic dignitaries. This does not apply to
 - a deferred state pension (although when it is paid, a social security pension lump sum or an enhanced state pension will count as 'pension income' for tax credits purposes)
 - a deferred personal pension
 - a deferred retirement annuity or
 - compensation for personal injury
- Income you lost out on because you worked for less than the going rate (or for nothing) in the person you are working for, or to whom you are providing a service, has the means to pay. This does not apply to
 - voluntary work (for example, helping in a charity shop or Citizens Advice Bureau), or
 - employment or training programmes.

Please provide appropriate evidence.

UK Pensions

Enclose your state pension award letter and enter the amount of any State Pension you received, including

- The basic (or old age) pension
- The social security pension lump sum
- State earnings related pensions (SERPS)

- Graduated pension (graduated retirement benefit)
- Industrial Death Benefit
- Widow's Pension
- Widowed Mother's Allowance, Widowed Parent's Allowance
- Any increase for a dependent child
- Any incapacity addition or addition for a dependent adult
- Any increases paid by the Department for Work and Pensions or Department for Social Development to up rate a guaranteed minimum pension.

Do not include the Christmas Bonus and the Winter Fuel payment.

Other UK pensions

If you received a pension other than a State Pension, include the full amount before any tax was taken off. Your pension provider should provide you with a P60 (or similar certificate) by the end of May each year showing the amount of pension paid and tax deducted.

Also, include any annuity payments from a pension scheme. If your pension includes an extra amount because you were disabled by injury on duty, or by a work-related illness (compared to what would have been paid had you retired at the same time on ordinary ill health grounds), exclude that extra amount.

If you receive a pension from outside of the UK it should be included as foreign income (see below).

Income from savings and investments

Include interest from any personal or joint bank or building society accounts. This is the interest before tax was taken off (the gross interest). Your passbook or statement will help you work out this figure. If you received company dividends from any UK company (including dividends from a company of which you or your partner, or both of you are directors), add the tax credit shown on the voucher supplied by the company, to the dividend.

Ignore tax-free savings (for example, ISAs, TESSAs, PEPs, Index Linked and Fixed Interest National Savings Certificates and Children's Bonus Bonds).

Also, include here a 'chargeable event' gain from a life insurance policy. Include the full amount before 'top slicing' relief for income tax. Please provide appropriate evidence (income statement/tax voucher).

Property Income

Please enclose your 2024 SA302 certificate. Include income from property or land in the UK that you owned or leased out. If this was part of your business income (if you were self-employed) include it here. Ignore any income covered by the 'Rent a Room' scheme (briefly, if you let furnished accommodation in your own home for up to £7,500 a year).

If your rental property made a loss, relief for this loss is generally given in the same way as for income tax. Normally, the loss should be carried forward and set-off against profits from the same source in the following tax year. If, however, part of the loss arises from capital

allowances or from agricultural land, that part of the loss may be set against other income which you (but not your spouse or partner) may have, either in the tax year in which the loss was made or in the following tax year. In such cases, the amount of loss relief available for tax credits purposes is based on your tax calculations.

Trust income

If you received income from a trust, settlement or a deceased person's estate, the trustees or administrators will have given you a certificate telling you what income was paid to you. Include the gross income (that is, the amount before any tax was taken off).

Please provide appropriate evidence.

Foreign income

For example, income from investments and property overseas, non-UK pensions and social security payments from overseas governments.

Include the full amount, if it was remitted to the UK, in British pounds not the foreign currency. Also, include the gross income (the amount before any foreign tax was taken off) even if it is not taxable in the UK because of a double taxation agreement.

If you receive a foreign pension, if it was remitted to the UK, you should include 90% of the full amount received (in British pound, not the foreign currency).

You may deduct any banking charge or commission paid when converting foreign currency to British pounds.

Please provide appropriate evidence.