

Country Information: UNITED KINGDOM

Country Information: UNITED KINGDOM	1
I worked in the United Kingdom and paid taxes. Do I file a tax return?	2
What does a “tax refund” mean?	2
Why do some agencies claim that they will refund MORE tax overpayment for you than the others?	2
How much taxes are paid on your income?	3
What documents do you need for your tax refund?	3
What is a P45 and P60 form?	3
What if you do not have all the necessary documents?	3
How many years back can I file my tax return?	3
How long does it take to receive my tax refund?	4
When is the deadline for filing the tax return?	4
What are the penalties for late tax return filing/tax paying?	4
Why is your tax calculation different from the actual Tax Office calculation?	4

1. I worked in the United Kingdom and paid taxes. Do I file a tax return?

Everybody who works abroad and pays income tax should file a tax return. Under certain conditions, you can refund some of the taxes you (your employer) paid. We refund overpaid **taxes** from the United Kingdom.

2. What taxes are paid in the United Kingdom?

Most people pay Income Tax through PAYE. This is the system your employer or pension provider uses to deduct income tax and National Insurance contributions before they pay your wages or pension.

3. What does a “tax refund” mean?

A **refund** means that your employer paid more taxes on your behalf than was necessary, and you can claim that excess money back from the tax office.

By filing a tax return, you are actually reporting to the UK Tax Office, how much you earned as gross income and how much you paid on taxes, while you stayed in the UK.

4. Why do some agencies claim that they will refund MORE tax overpayment for you than the others?

There is **no such a thing as “more refund”** on your taxes. Be careful, because this might be a marketing trick to attract you to sign a contract.

If a tax specialist does your tax return properly, according to the UK tax laws, the **refund can be calculated in only one possible way!** If an agency applies tax deductions that you are NOT entitled to, your refund will increase on one hand (you will get back more money), but you are at a very high risk that you will have to pay it back to the Tax Office.

5. How much taxes are paid on your income?

A tax year runs from 6 April one year to 5 April the following year. The percentage rates or bands of taxable income may change for each tax year. As an employee you pay 0% on earnings up to £12,500* for **2019-20**; 20% on anything you earn between £12,501 and £50,000; 40% on earnings between £50,001 to £150,000. If you earn £150,001 and over you will pay 45% tax. Most taxpayers are allowed a certain amount of tax-free income, called a personal allowance, of up to £12,500.

6. What documents do you need for your tax refund?

In order to get your income tax refund as quickly as possible and to apply for the highest amount, you need to have:

- **A P45 or P60 form** from each employer

7. What is a P45 and P60 form?

Form P45 - this document you receive from your employer when you leave employment during a fiscal year

Form P60 - this document certifies year to date income, tax and National Insurance contributions from your income. You always receive this document after the end of a fiscal year

8. What if you do not have all the necessary documents?

Even if you do not have all the documents mentioned above, you can still apply for your tax refund. We offer a "replacement" service - we will contact your former employer/s and will request copies of your earning documents as your agent.

9. How many years back can I file my tax return?

The limit is set to **4 years**. For example, claims for the year of 2015-16 must be made by 5th of April 2020. Claims made after this time cannot be repaid.

10. How long does it take to receive my tax refund?

On average **it takes 10 to 12 weeks** to be processed by the tax office. This is counted from the time your documents are received by the tax authorities. The actual time may vary on a case by case basis.

11. When is the deadline for filing the tax return?

For income earned in 2019-20 the required date to submit both returns and payments is no later than **31 October 2020**.

12. What are the penalties for late tax return filing/tax paying?

If you submit your tax return even a day late, HMRC will impose a £100 penalty fine. If you are up to three months late, you will receive a £10 fine for every extra day (capped at 90 days), plus the initial £100 fine. That is a possible total fine of £1000. Should you let your return drift by six months, you will need to pay the higher amount of £300 or 5% of what is owed. And that on top of what you have already paid. If you are a year late, you can add on another £300 fine or 5% of the tax due.

13. Why is your tax calculation different from the actual Tax Office calculation?

In some cases, the tax preparer calculates the **tax on your Tax Return higher or lower than the Tax Office shows in the final calculation**.

What are the most frequent causes?

- The Tax Office had different data on your record (your employer reported different data than you have on your P45 or P60 form)
- Your employer wrongly paid more/less than was necessary
- You may have some **debt/overpayment from previous years**