EQUITY

Tax & National Insurance 2022/23

Contents

1. INTRODUCTION

This guide has been written by the Social Security and Tax team for those submitting tax returns for tax year 2022/23 – due by 31/01/24 if done online or by 31/10/23 if done on paper.

Should you have any questions after reading this guide, please contact the Social Security and Tax Helpline on 0207 670 0223 (open Mondays and Thursdays, 10am-1pm and 2-5pm) or email helpline@equity.org.uk.

Important recent updates on tax and national insurance for Equity members are as follows:

a) Changes to National Insurance

The government introduced an increase of 1.25% for Class 1 and Class 4 NICs from April 2022 but this was scrapped by Chancellor Kwasi Kwarteng in his mini budget on 22/09/22 when it was announced these increases will cease to apply as from 06/11/22, as follows:

- Class 1 NICs – the employee contribution will go back to 12% for those above the Primary Threshold and to 2% for those above the Upper Earnings Limit. The Employer contribution will go back to 12%.
- Class 2 NICs – no change, the rate will remain at £3.15 per week
- Class 4 NICs – the rate will go back to 9% for those above the Lower Profits Limit (LPL) and 2% for those above the Upper Profits Limit.

Class 1 NICs

For those in employed, PAYE jobs, the threshold at which you start paying will be the equivalent of £9,880 per year for the period 6th April 2022 – 5th July 2022 and then £12,570 per year for the rest of the tax year 2022/23. From 2023/24 the Primary Threshold will be £12,570 per year until tax year 2027/28.

Class 2 NICs

From 2022/23 the way class 2 NIC is charged has changed. For more information see our class 2 NIC section.

b) Making Tax Digital (MTD) update

As reported in previous editions of this Guide, the UK Government has plans to introduce Making Tax Digital for Income Tax Self-Assessment (MTD for ITSA). This is the requirement for businesses and individuals to keep digital records and provide quarterly reporting of income and expenses to HMRC using approved software.

For those who are VAT registered, MTD is already operational and VAT returns must be filed using approved software. See VAT Notice 700/22: Making Tax Digital for VAT - GOV.UK (www.gov.uk).

On 19/12/22 the Government announced that MTD for ITSA will now be mandatory from April 2026, rather than from April 2024 as previously planned. Current amended plans are as follows:

- From April 2026, self-employed individuals and landlords with an income of more than £50,000 will be required to keep digital records and provide quarterly updates on their income and expenditure to HMRC through MTD compatible software.
- Those with an income of between £30,000 and up to £50,000 will need to do this from April 2027.
- The Government will review the needs of smaller businesses, and particularly those under with an annual income under £30,000, before taking further decisions about MTD for ITSA. Once that review is complete – and in consultation with businesses, taxpayers, agents, and others – it will lay out the plans for any further mandating of MTD for ITSA.
- Most taxpayers within the scope of MTD for ITSA will be able to sign up voluntarily before they are mandated to do so.
- The Government will not extend MTD for ITSA to general partnerships in 2025. The government remains committed to introducing MTD for ITSA to partnerships at a later date, to be confirmed.

Equity have made clear to HMRC that members are concerned about the added administration time and cost that current MTD for ITSA plans will create. We be in communication with members on this issue as it develops.

c) IR35 – roll out of “off-payroll” arrangements

IR35 refers to a Revenue briefing which appeared in 2000 to address cases of ‘disguised employment’ i.e., those taxpayers operating via Personal Service Companies (PSCs) who were seen as avoiding payment of tax and Class 1 NICs through adopting a company structure when they were in fact employees for tax purposes.

IR35 has already been rolled out to the public sector (from April 2017) and so is already being operated by engagers like the BBC. It is now being applied to those working in the private sector from April 2021. For tax year 2020/21 HMRC have been applying a light touch approach to these new rules, but they are expected to apply them more strictly from April 2022 onwards.

The IR35 test involves constructing a hypothetical contract to determine what the taxpayer's tax status would have been had they contracted directly with the engager i.e., taking the PSC out of the picture.   that IR35 only applies to those operating through an "intermediary" which includes members with their own companies. It is not something that applies to the majority of members as they will be operating as sole traders and not through limited companies.

The new arrangements mean that the liability for assessing whether IR35 should apply has shifted from the individual's PSC to the private sector engager where that engager is classed as a medium or large-sized company (a medium-sized company is defined as meeting two of the following three criteria – having an annual turnover of more than £10.2 million, a balance sheet total of more than £5.1 million and more than 50 employees).

Those members who operate through a PSC should note that where their company has contracted with a small production company (where two of the following criteria apply: annual turnover of less than £10.2 million, balance sheet total of less than £5.1 million or fewer than 50 employees) the liability for making the IR35 assessment will remain with their company. Consequently, any tax or NICs liability (including employers' secondary Class 1 NICs) resulting from a finding of within IR35 will also have to be met by the member's company and not by the production company.

IR35 is a complex area of tax law and members operating a PSC are advised to seek specialist accountancy help from an accountant familiar with the issues of the entertainment industry. See the Social Security and Tax Section of the Equity website for our Accountants list. If you are found to be within IR35 it is therefore extremely important to seek expert advice as soon as possible.

d) Tax guidance for the entertainment sector

The new tax guidance for the entertainment sector was published in September 2020. It contains detailed guidelines for the use of HMRC compliance staff, engagers and taxpayers to assist in making decisions on whether different groups e.g., actors, stage managers, choreographers, should be classed as employed or self-employed for tax purposes. It is important to note that this guidance helps with tax status – status for employment rights purposes may differ e.g., many members are self-employed for tax but 'workers' as defined under section 230 of the Employment Rights Act 1996 for employment rights purposes. With tax there are only two possible status positions – employed and self-employed whereas in employment law you could be self-employed, a worker or an employee. The guidance confirms HMRC's settled view that the vast majority of performers should be classed as self-employed for tax purposes – this is principally due to the level of control they have over their work and the itinerant nature of their work patterns.

Relevant links to guidance are as follows:

ESM4100 – Summary list of entertainment industry occupations and guidance
ESM4121 – Actors and Other Performers
ESM4124 – Stage Management
ESM4125 – Role Players
ESM4126 – Directors, Designers and Choreographers (in live performance)
ESM4140 – Musicians and Orchestral Players

Note that some roles are covered in what is known as **Appendix 1** e.g., stage management in TV, choreographers in TV/Film, puppeteers, Stand-Ins and audio describers. The Appendix 1 list is part of **ESM4118**.

The awareness of the standard guidance varies with engagers and particularly with non-standard contracts *they may not even be aware that it exists*. It is therefore always worth members bringing it to their attention and stressing that this is HMRC's main sectoral guidance endorsed by Equity and the industry in general. In addition, HMRC accept its use as an alternative to the CEST (see next section).

e) Check Employment Status against Tax (CEST) Questionnaire

HMRC have put together a questionnaire to assist engagers and taxpayers in arriving at tax status assessments. The questions look at the typical tax status factors and operates in a multiple choice format – the latest version updated in January 2020 can be found here: https://www.gov.uk/guidance/check-employment-status-for-tax

However, it is important for members to note that **the CEST has a number of shortcomings when it comes to assessing the status of performers.** This is because it attributes importance to factors like right of substitution and provision of equipment which are often indicative of self-employment but not so in the entertainment industry where they are better regarded as neutral factors in most cases. In addition, other factors which *are* important in determining status in our industry, like the importance of the pattern of work and not just the contract under consideration, are not given limited emphasis in the CEST.

To that extent it is crucially important for members and engagers to consider the specific guidance as set out in e) above when considering tax status in our sector as the CEST in isolation may give a misleading outcome. If you find that the tax status given to you under a contract differs from what you expect discuss with your accountant or contact us.

2. TAX

Most Equity members are taxed as self-employed earners. There are some exceptions to this but for the vast majority of our members, self-employed categorisation will be appropriate. Performers have historically been taxed as self-employed.

Most work in the entertainment industry is offered on a self-employment basis. Being self-employed for tax means you are able to claim business expenses against your income.

The UK tax year begins on 6th April and ends on the following 5th April.

a) Registering as self-employed

You can register for self-employment online or by phone.

1) To register ***online*** you first need to create a Government Gateway account which you can do at the following link:

   HMRC services: sign in or register: Sign in to HMRC online services - GOV.UK (www.gov.uk)

   You then need to follow these steps:

   a) Click the green Sign In button
   b) Click 'Create Sign In details'
   c) Enter your email address when asked
   d) You will then be emailed a confirmation code – use this to confirm your email address.
   e) You will then be issued with a gateway ID and pin number.
   f) Once your account is set up you can add 'Self-Assessment' to complete registration.
   g) You should then be sending a Unique Tax Reference (UTR) number within 10 days.

2) Alternatively, to register ***by phone*** contact the Her Majesty's Revenue & Customs (HMRC) Helpline on 0300 200 3500.

When you register for self-employment, you will be registering both to pay income tax via self-assessment and also to pay Class 2 and Class 4 national insurance (for more information see the National Insurance Contribution section below).

b) When to register

You should register as soon as you commence your self-employment activity. It is this which triggers the requirement to register, not whether you earn over the annual Personal Allowance (£12,570 in 2022/23) or make a profit or loss. You do not have to wait to register until you have paid self-employed work- it is sufficient if you are seeking work and incurring expenses e.g., attending auditions. The benefit of registering as soon as you commence self-employment activity is that you have your self-employment registration number (UTR) ready for when you start work as your employer may request this and it can take time for HMRC to send this to you.

IMPORTANT – when to register

The fact that you are earning below the tax-free personal allowance does not mean that you do not have to register. If your turnover before expenses exceeds £1,000 HMRC will advise that you need to register. However, if your turnover if less than £1,000 you may not need to register. See Trading Allowance section below.

The latest you should register is by 5th October following the tax year in which you commenced self-employed activity. For example, for tax year 2022/23, the latest you should register is 5th October 2023. If you register late you may have to pay a penalty. Our advice is to register as soon as you commence your self-employment so that you can claim the expenses you incur against your taxable income and avoid any penalties.

When your first tax returns are due:

- If filing online: by 31st January following the tax year in which you registered for self-employment. For example, if you commenced self-employment in tax year 2021/22, you would need to file your first tax return by 31st January 2023.
- If completing a paper return: by 31st October following the tax year in which you registered for self-employment. For example, if you commenced self-employment in tax year 2020/21 you would need to file your first tax return by 31st October 2022.

Once registered, you will be sent a letter by HMRC every April telling you to complete a tax return. If you complete the tax return online, HMRC's software calculates and notifies you how much tax you owe immediately online. If you complete a paper tax return and return it to HMRC by 31st October, HMRC will calculate the tax you owe and notify you of this by letter in advance of the deadline for payment.

When you register as self-employed, your self-employed tax status will apply to your performance work only. If you are also employed in PAYE employed earner work, for example in a bar or restaurant, you will remain employed in this work; tax and NIC's are usually deducted from your wages, depending on how much you earn. It is therefore possible to be both self-employed and employed at the same time, or have two separate self-employments i.e., actor and teacher. Employments and self-employments are listed separately on the self-assessment forms.

c) Keeping records

Once you have registered as self-employed you are obliged to:

1) Keep records of all your income and expenditure so you can complete your tax return
   And
2) Set money aside in order that you are able to pay tax and NICs when they are due (we recommend setting aside at least 20% of your earnings towards this).

It is a **legal requirement** that you keep records for at least five years after the normal filing deadline of 31st January so you must be organised and thorough. For example, for a 2021-2022 tax return filed on or before 31st January 2023, you must keep your records until 31st January 2028. If a tax return was sent to you or filed very late, you may need to keep records for longer.

In the event that you are investigated by HMRC, you will be asked to verify your income and expenditure. In order that you are able to do so it is essential that you keep wage slips, remittances, invoices, bank statements, etc. and **all receipts** relating to the expenses you claim against tax. You may find it helpful to file receipts every month into separate envelopes so that you are able to locate and produce receipts easily. A thorough filing system will also assist you in completing the self-assessment return. It is not enough to keep scans or records of the receipts – you will need the originals. If you have paid for things online e.g., via PayPal you should keep a copy of the receipts for payment.

You will need to keep up-to-date and accurate records of your income and expenditure. You may decide to use an electronic spreadsheet. If you work in different self-employments, e.g., actor and teacher, it is important to keep separate records for each self-employment and list them separately on the tax return.

You should be able to identify the sums paid into your bank account, including gifts. It is important to be able to differentiate earnings from other income if you are investigated by HMRC so **keeping a separate banking business account** is preferable. It is also advisable to keep a work diary to record information about your various jobs i.e., period under contract, how much was paid, etc.

Keeping accurate records is particularly important in the case of **"dual purpose"** expenses (see above) where you need to be able to differentiate very clearly between business (allowable) expenditure and personal (non-allowable).

We advise members to have a look at HMRC's booklet on record keeping - see http://www.hmrc.gov.uk/record-keeping/index.htm. It is important that you are fully aware of the records you are required to keep as failure to keep adequate records can result in a penalty.

The HMRC have produced a webinar on the subject of record-keeping at http://www.hmrc.gov.uk/webinars/self-employed.htm. At this page scroll down to the section on Record Keeping.

The UK tax year begins on 6th April and ends on the following 5th April.

d) Completing the tax return

For help completing your tax return and for general advice about self-assessment you may wish to contact HMRC's helpline on 0300 200 3500. However, if your enquiry relates to **an issue to do with working in entertainment or being a performer**, we would advise that you contact **Equity's Social Security and Tax helpline** in the first instance - see Contacts below.

If you have a question about **how HMRC's online self-assessment system works** or a technical issue when completing your online tax return, we recommend you contact **HMRC's Online Services Helpdesk** - see Contacts below.

As noted above, once registered you will be sent a tax return to complete each year or a letter telling you to complete a tax return. You complete a tax return so that HMRC can work out how much tax and national insurance you are liable to pay. You can complete a paper tax return or file your tax return online. Once registered, you must file a return no matter how much you earn otherwise you will face a penalty.

You do not need to engage an accountant to complete the tax return. Self-assessment has been designed to be as straightforward as possible so that individuals can do it themselves.

However, you may wish to engage the services of an accountant and, if you do, it is advisable to get one who has experience of the accountancy needs of people working in the entertainment industry. Equity provides a list of accountants that is available to members on request, or you can find this on our website in the members' area of the Equity website.

Paper tax return

The paper tax return is made up of different sets of **Pages** to reflect your individual circumstances. You will fill out a general set of Pages (SA 100) and a set of Self-Employment Pages (SA 103). You may also have to complete any other sets of supplementary pages that are relevant to you, such as the Employment Pages (SA 102) or Foreign Pages (SA 106).

It is on the self-employment pages that you declare your self-employed income and expenditure from the entertainment industry. There are two sets of self-employed pages:

- **SA103S –** Self-employment (short) which you can complete if your turnover is below £85,000 (2021/2022)

- **SA103F** – Self-employment (full) which you must use if your turnover is above £85,000 (2021/2022)

The short pages are much simpler to complete as they are designed for taxpayers who have straightforward tax affairs. Some Equity members who have more complex tax and national insurance affairs may have to complete the full self-employment pages even though their turnover is below £85,000.

If you also work as an employee (i.e., you have a separate employment) you will need to complete the Employment Pages (**SA102**), on which you will declare your employment income and tax paid based on the P45 or P60 as supplied by your employer.

<u>Online tax return</u>

The online tax return is made up of different sets of **Sections**. There is no short or full version of the self-employment pages. Instead, the online system feeds you the sections you need to complete, including the Employment and Foreign pages or the page on Capital Allowances as mentioned above.

e) Cash basis and Accruals basis

Most small unincorporated businesses i.e., sole traders, use the cash basis under which you record income and expenses in the accounting period in which payment is actually received or expenditure incurred. This is because it is simpler to use from an accounting perspective and does not involve having to make more complex adjustments. In order to use the cash basis, you need to elect to do so in the tax return, and your turnover for the year needs to be less than the VAT registration threshold (£85,000 for 2021/2022).

Under the accruals method you look at income arising when it is earned not when it is paid, and expenses are recorded when the expense arises. So, for example, you assign income to the period when the work is done as opposed to the date of payment or the expense to the period covered rather than the date of actual payment e.g., a payment of insurance is allocated in the accounts to the period the insurance covers or a payment of electricity may need to be estimated. If you are using the accruals method, we strongly advise that you use an accountant as depending on the transaction involved it can be complicated to make the necessary adjustments.

The following link gives a clear explanation of the cash basis:
https://www.gov.uk/simpler-income-tax-cash-basis/getting-started

Note: if your turnover is more than double the VAT threshold for the year (currently £170,000), you must revert to using the Accruals Basis if you are using the Cash Basis. We point out below the effect of using the cash basis in relation to expenses and capital allowances and losses and it is important to bear these in mind when completing your return.

f) Foreign taxation

Foreign tax may involve very complex accounting issues, such as tax residency. We would strongly advise that you seek specialist accountancy advice if you work abroad frequently.

Performers who work abroad are usually subject to a special regime of withholding tax which applies to entertainers and sports people. These operate at various rates which may be more or less than the standard UK basic income tax rate (currently 20%). This regime is contained in various Double Taxation Treaties with other countries around the world and these typically have a standard Article which allows the taxation of entertainers in the countries where they work for performance work carried out in that country (except where you are operating through an intermediary i.e., your own personal service company or have a permanent establishment in that country). This is as opposed to the usual rule that you are taxed in the country where you are actually tax resident i.e., in this case the UK.

For an example of the standard Article see Article 17 in this link to the UK/France Double Taxation Treaty:

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/496672/france_dtc_-_in_force.pdf

If you work abroad and pay foreign tax, you will need to complete the **Foreign Pages** (paper form SA106) or **Foreign Section** (online return). If you pay tax abroad and complete the Foreign Pages/Section, you may qualify for **Double Taxation Relief** against your UK tax liability to take into account the tax you have paid abroad. In brief, Double Taxation Relief is available when there is a Double Taxation Treaty in place between the UK and the country in question – the relief enables you to offset your foreign tax liability against your UK tax liability for the equivalent period and obtain a Foreign Tax Credit. If your payments straddle two different UK tax years, then you would need to allocate these to the relevant UK tax year when completing the returns. You may not be able to obtain full tax relief where the foreign tax payable exceeds the equivalent UK rate.

Example

Peter worked in Germany for three months in tax year 2021/2022 on an entertainment contract earning 5,000 euros. He was subject to German withholding tax at a rate of 30% and other deductions including German social security payments. He fills in the SA106 Supplementary Pages in the tax return entering the German income and tax paid converted into £ sterling. He also enters the gross income in the SA103 self-employment pages as part of his gross turnover again converted into £ sterling and records the expenses incurred there as well in £ sterling. This will mean that any German tax paid will be offset against his UK tax liability - in this case as he paid 30% in Germany, he will owe no tax on this income in the UK although it will mean *that 10% is not recoverable. This assumes he is a basic rate taxpayer – if he is a higher rate taxpayer, he may still owe tax on that income in this country.*

As per the example above you will need to convert the income, tax paid and expenses into £ sterling for the relevant periods when income was received, or expenses were incurred. We recommend using HMRC's exchange rate converter.

If you work abroad, you may also find yourself subject to the equivalent of national insurance deductions – for further information on this and how to avoid them see NICs when working outside of the UK below.

We would suggest that members operating through a Personal Service Company (PSC) seek professional advice if working abroad regularly to work out the most tax-efficient way of doing so.

Alternatives to claiming under the Double Taxation Treaty

There may be circumstances where you will not be able to make use of the foreign tax credit e.g., where your taxable earnings in the UK in that tax year are less than your tax-free personal allowance meaning that no tax is due on your UK income. In those circumstances where it would produce a tax saving you can deduct the foreign tax paid from the foreign income in working out how much of the income is taxable in the UK. But note that there are limited circumstances in which it would be worth doing this and we advise seeking specialist advice from an accountant before doing so.

For further information on this see the section headed Deduction Relief in the following link: https://www.gov.uk/government/publications/calculating-foreign-tax-credit-relief-on-income-hs263-self-assessment-helpsheet/relief-for-foreign-tax-paid-2020-hs263

Withholding tax paid on your foreign earnings cannot normally be treated as an allowable business expense except in exceptional circumstances. You may be able to get a refund of withholding tax paid abroad in some circumstances, but this will often involve filing a tax return in the country in question. We would recommend getting specialist accountancy advice if you are planning to do that.

For further technical information about Double Taxation Relief, see https://www.gov.uk/hmrc-internal-manuals/double-taxation-relief.

IMPORTANT - Impact of Brexit

The Double Taxation treaties between the UK and other countries are governed by OECD rules and so will remain in force after Brexit. This means that the rules on double taxation and getting foreign tax credits remain the same after Brexit but if members experience any difference in treatment, please do let us know via the Social Security and Tax Helpline.

If you have paid foreign tax in a tax year you will need to complete the full self-employment return (SA103 (F)) rather than the short version (SA103 (S)) if you are filing a paper (hard copy) return.

g) Expenses

Equity has consistently campaigned for your right to be categorised as self-employed for tax purposes. Being self-employed for tax enables you to claim allowable business expenses against your gross earnings thereby reducing your taxable self-employed income. In some cases, for example, where you have purchased essential equipment for the business, you may be able to considerably reduce your tax bill through being able to operate as self-employed. Many of our members incur substantial expenditure pursuing their self-employment and so this is an essential element to claim.

Turnover are profits before any deductions, **net profits** are your net profits after deduction of allowable expenses, **taxable profits** are your profits after any further adjustments, including losses brought forward.

So, what can you claim as expenses against income?

The law says that expenses incurred ***wholly and exclusively for the purposes of the trade*** are allowed against self-employment income. This means that reasonable expenditure incurred on items exclusively related to your self-employment should be allowed by HMRC e.g., ballet shoes, advertising, accountants' fees, etc.

The position is set out in Section 34, ITTOIA – Income Tax (Trading and Other Income) Act, 2005 which states:

> *34 Expenses not wholly and exclusively for trade and unconnected losses:*
>
> *(1) In calculating the profits of a trade, no deduction is allowed for— (a) expenses not incurred wholly and exclusively for the purposes of the trade, or (b) losses not connected with or arising out of the trade*

However, many items of expenditure may have a **dual purpose** - a business and private/personal element or benefit i.e. haircuts, make up, phone bills, etc. As a general rule, the *business proportion* of such items of dual purpose expenditure can be claimed against tax, provided that it is possible to apportion a business element and it is reasonable to do so. Again, the tax legislation makes clear that members can do this:

> *(2) If an expense is incurred for more than one purpose, this section does not prohibit a deduction for any identifiable part or identifiable proportion of the expense which is incurred wholly and exclusively for the purposes of the trade.*

There are some exceptions to this general rule as determined by the courts, but generally a fair business proportion can be claimed. You will need to be able to justify the business element if you are investigated by HMRC so you should claim a reasonable and accurate amount. We comment further on "dual purpose" expenses below.

IMPORTANT – Unsure about claiming the expense?

One practical suggestion for taxpayers who wish to claim expenses but are concerned as to whether they are allowable would be to include them on the self-assessment tax return and then make a disclosure in the "additional information" box explaining the basis for the claim. It would then be for HMRC to challenge if they felt the claim was inappropriate but having flagged it up in the box should help prevent any penalty charges being applied in those circumstances.

Commonly claimed expenses

The following list outlines items of expenditure claimed by many of our members. It has not been agreed by HMRC, but we have been advised that the following expenses could be allowed against tax depending on the circumstances of the claim. However, it all depends on the individual circumstances and facts and so this list is by no means definitive.

- Accountancy and other professional fees **including any VAT charged**
- Administrative costs including stationery, postage, photocopying and other office costs.
- Advertising e.g. Spotlight and agency books.
- Agents' and Managers' fees and commission on same.
- Awards and bursaries * see note below
- CD's, DVD's, downloads, books, scripts, sheet music, etc.
- Clothing * see note below
- Cosmetic surgery * see note below
- Costume and props (including repair, laundry and cleaning).
- Equity subscriptions.
- Gym membership * see note below
- Insurance * see note below.
- Maintenance of instruments and insurance.
- Make-up and hairdressing which is clearly specific to work * see note below
- Motoring expenses * see note below
- Photographic sittings and reproduction.
- Professional publications e.g. The Stage, Broadcast, PCR, Radio Times.
- Research Costs
- Start-up costs * see note below.
- Telephone including landline, mobile phone and internet costs.
- Theatre and cinema tickets relevant to your self-employment.

- Travelling expenses for attending interviews and auditions * see note below.
- Travelling and subsistence on tour if supporting a permanent home * see note below.
- Tuition and coaching for dancing, singing, speech, etc. *see note on Course Fees below.
- Use of home as office * see note below.
- Website costs.

Private Expenditure (non-business related expenditure) such as normal household expenditure is not allowable expenditure, and you cannot claim it to reduce your taxable income.

You may also be able to claim **Capital Allowances** on items which you are going to use in the business for a prolonged period such as computers, cars and other plant and machinery. Prolonged period in this context means for more than one year.

Note: If you are operating on the cash basis you can only claim capital allowances for cars and not other equipment items which would be treated as normal expenses.

Additional Notes

Clothing

Claims for costumes that are specific to work are allowable. As a general rule, a self-employed person cannot claim for a wardrobe of everyday clothing. This was established in the case of *Mallalieu v Drummond* [1983] and consequently HMRC is likely to disallow clothing costs which could be worn every day. However, in practice, performers incur expenditure on clothing which could be regarded as 'everyday' as opposed to 'costume', in order that they are able to attend auditions in character.

Many performers build up a professional wardrobe of clothing which forms part of the 'tools of the trade' for use in auditions and it may be possible to claim such costs provided this clothing is not intended for any personal use as well. Despite *Mallalieu v Drummond* it may be possible to persuade an HMRC Inspector to allow a claim for such costs where clothing is bought for business purposes and not intended to be worn as part of your everyday personal wardrobe. If such claims are made it would be your responsibility as a self-employed taxpayer to justify this expenditure as allowable if your tax return is checked. The guiding principle is that the clothes were purchased for performance purposes only.

Cosmetic surgery

This is an item frequently claimed by members. In order to claim for cosmetic surgery, you would need to establish firstly, a business need for the work done and secondly, that you would not have had the work done were it not for your profession. In other words, a deduction will not be allowed unless you can disprove the existence of a private motive. So, you may, for example, need teeth straightened out because of frequent close-ups in your TV work. You would need to show there is a professional reason to have your teeth straightened and that it does not amount to a private wish. HMRC's guidance states that if the performer is able to show that their cosmetic surgery has been incurred ***solely*** for professional purposes then it may be allowed – see: www.hmrc.gov.uk and enter **BIM50160** in the Search Box.

Course Fees

Course fees incurred to put you in a position to trade as a self-employed performer are not allowable as expenses e.g., drama school fees or the cost of an MA. However, ongoing 'on the job' training received after you have set up as self-employed may be allowable e.g., professional workshops, acting classes, voice coaching. The basic principle is that if you are building on skills already acquired that should be allowable; likewise, if you are acquiring skills in connection with a particular role.

Gym expenses

Many members seek to claim the cost of gym membership as an allowable expense, but HMRC are becoming increasingly strict about allowing this due to the fact that it is health-related and therefore not wholly and exclusively for business purposes (see www.hmrc.gov.uk and enter BIM 37940 in the Search Box). It may be possible to claim in circumstances where your performance work is highly physical and there is a strong business case to justify gym membership e.g., circus performers, physical theatre but in general it is best to exercise caution in this area.

Insurance

If this is taken out to cover yourself/the business then it will be allowable expenses, e.g., public liability insurance (PLI). Note that PLI is included as part of your Equity membership. Any other insurance that is wholly and exclusively for business purposes will be deductible.

Make-up and hairdressing

Claims for 'grooming' costs are also frequently claimed (hair, make-up and so on) where there is a clear link to business purposes. Again, the onus will be on the taxpayer to justify the business purpose of such expenses. HMRC will normally allow for a proportion of these costs although they are becoming more restrictive in what they will allow under this heading and have amended their guidance to exclude claims for 'grooming' in relation to personal appearances e.g., at film premieres. To be confident such costs will be allowable they would need to relate to specific performance work or auditions.

Medical expenses

Medical expenditure is not generally allowable – HMRC's view is that there will always be a personal purpose in wishing to enjoy good health (see www.hmrc.gov.uk and enter BIM37940 in the Search Box). There may be arguments you can advance to get certain medical expenses allowed but there has to be very strong link to work and any benefit to you as a human being would need to be simply an unavoidable effect.

However, there are limited circumstances in which such expenses may be allowable where it is the particular demands of the job which necessitate the treatment e.g., where you may need regular physiotherapy due to the physical nature of the role. In those cases, you can argue that the expense is laid out wholly and exclusively for the purposes of the trade or profession and any benefit to you as a human being is only an unavoidable effect.

However, each individual case is different and further advice should be sought where you are seeking to include medical expenses.

Motoring expenses

There are two methods of deducting your business motoring expenses which you can choose between:

1) Claiming an amount for each business mile using HMRC fixed mileage rates (Approved Mileage Payment Allowances), provided certain conditions are met – these are you must be a sole trader, must not have claimed capital allowances before for that vehicle and only claim business mileage for that vehicle. See https://www.gov.uk/simpler-income-tax-simplified-expenses/vehicles

HMRC's fixed amounts to use are as follows (for 2022/23):

• Car or van	45 pence per mile for the first 10,000 miles
	25 pence per mile thereafter
• Motorcycle	24 pence per mile

Note: if you are using this flat-rate method for calculating your motoring expenses, you cannot then claim capital allowances for cars.

2) Claiming your actual business motoring expenses, calculated using detailed records of business and private mileage to apportion your recorded expenditure. Motoring expenses commonly include an amount for road tax, MOT, insurance, repairs, fuel and roadside assistance membership.

Note: once you have started using method 1) or 2) for that vehicle you cannot then switch it but should keep using it. If you acquire a new vehicle, you can then switch the method.

Bikes

Many members use bicycles to get to and from work engagements. HMRC were allowing a 20 pence per mile fixed mileage rate for these until 2013 but this has now ceased for the self-employed (although employees can still claim).

Instead, you can claim for the repairs and maintenance of the bicycle disallowing the appropriate percentage for personal use. The cost of purchasing the bike can be treated as an expense again with the appropriate disallowance for personal usage.

Start-up costs

Those performers who have recently registered as self-employed may claim a reasonable and limited amount for start-up costs for the period prior to registration. This period in theory can be up to seven years but a period of approximately a year is more advisable.

Start-up costs for a member could include items such as subscriptions and publicity stills and also the equipment you are intending to use in the business with a disallowance for personal use i.e., only claim the business use percentage. This could for example be PC or laptop you are planning to use in the business or other equipment.

For more information, see: https://www.gov.uk/hmrc-internal-manuals/business-income-manual/bim46351

Travelling and subsistence expenses

You can claim expenses for travel which are incurred wholly and exclusively for business purposes. This can include the cost of using your car, van, motorcycle or cycle for business purposes.

The sort of travel which would normally be deductible includes travel that does not become a regular place of work e.g., to auditions, rehearsals, performances, research trips, visiting clients.

If you work from home, but also have other places of regular work, HMRC may not accept that travel from your office at home to another place of business is business travel. If this applies to you, it would be best to take advice.

You can also claim the costs of travelling abroad to work or for auditions together with reasonable accommodation costs.

With food and drink, HMRC guidance makes it clear that reasonable costs may be allowed for subsistence and accommodation where the trade is by its nature 'itinerant" such as performance work. Allowable expenses will include the costs of 'overnight subsistence' e.g., digs when staying away from home whilst on tour.

Example

Pedro is on tour on an Equity subsidised repertory contract. He is paid a travel and subsistence allowance under the agreement. He pays £300 per week for his digs and spends about £100 per week on meals. He declares these amounts as part of his self-employment income and claims the corresponding expenses on the tax return.

IMPORTANT – how to declare travel and subsistence on the tax return

If you receive a travel and subsistence allowance under an Equity contract or similar, please note that this should be declared as income on the tax return and the corresponding expenses claimed as well. Members are sometimes told these amounts are non-taxable which is incorrect – if in any doubt contact our Social Security and Tax Helpline (see Contacts)

Use of a home as an office

Many members use their home for various business purposes such as learning lines and other performance activities, contacting agents, researching roles, browsing for castings, bookkeeping, etc.

In general, it is possible to claim a realistic and reasonable amount of the rent for using a room or rooms in your rented home for business purposes. Costs might include a corresponding claim for council tax, lighting, heating (gas and electricity), buildings and contents insurance, cleaning and redecoration/repairs to the room used for business purposes.

You can calculate the amount to be claimed one of two ways:

1) Calculate the total amount of costs spent on running the home under the headings given above. Count up the number of rooms in the house (not counting the kitchen and bathroom) and then divide the costs by that number. Then multiply that figure by the number of rooms used in the business. If you do not use the room exclusively for business purposes e.g., it is used part of the time as a bedroom, then you will need to apportion between business and personal use e.g., if you only use it for business half the time, divide the figure by two.

   Example

   Bernard lives in a three-bedroomed flat – he uses one of the bedrooms as an office and an area for practising his performances skills. Without counting the kitchen and bathroom he has a total of six rooms. The room has a desk and a PC in it. He calculates his total monthly costs to be £1200 including rent. This total divided by six (the number of rooms) is £200 which is then multiplied by 1 (total number of rooms used for business). He therefore claims £200 per month for use of home as business. If he only used the room half the time for *business, he would claim £100.*

2) Secondly, you could use the **HMRC standard rates** which are quite modest. These are based on the number of hours per month you spend in the business room so you would therefore need to calculate this based on a log. The monthly amounts are currently:

Less than 25 hours per month	£2
25-50 hours per month	£10
51-100 hours per month	£18
101 + hours per month	£26

Note: Once you have chosen one of these methods you need to stay with it as it cannot be changed.

If you are using accommodation where there is **no identifiable separate room** used for business purposes, e.g., you live in a studio flat or have a room in shared accommodation which is also your bedroom, we recommend making use of the HMRC flat rates above.

It is possible to claim a proportion of mortgage interest for use of home as office but there may be Capital Gains Tax consequences. Any part of a property used exclusively for business purposes will not qualify for Capital Gains Tax Private Residence Relief when the property is sold. However, if the room as office claim relates to a room that is **not** used exclusively for work, Private Residence Relief should still be available for the whole property.

For further guidance on this, see BIM47800 - Specific deductions: use of home: contents - HMRC internal manual - GOV.UK (www.gov.uk).

Capital expenditure

Capital items are items of equipment or machinery which you are intending to use in the business for a prolonged period e.g., cars or computers. In that sense, a prolonged period generally means more than a year.

If you are operating on an accruals basis, you can claim **Capital Allowances** for these items; if you are operating on a Cash Basis, you would treat such items the same way as ordinary expenses **with the exception of cars** for which you can claim Capital Allowances subject to one condition (see below).

The way Capital Allowances operate is that you can allow a proportion of the purchase cost against tax either by way of the Annual Investment Allowance (AIA), which is a first year allowance, or Writing down Allowance (WDA) in subsequent years. You can only claim the business proportion of Capital Allowances where you use the equipment for business and private purposes, so you will need to reduce your claim by the amount of your private use.

The AIA provides 100% tax relief on items such as phones and computers for use in the business. In practice, for most sole traders, AIAs cover most of the assets you would use in your business with the exception of cars. This means that the total cost can be set against tax in the year of purchase subject to any apportionment needed to reflect business versus personal use.

AIAs are subject to financial limits – for the period from 1st January 2022 to 31st March 2023 the AIA has been increased from £200,000 to £1,000,000. You add up the cost of all your capital expenditure (excluding cars) and if the total amount is at the financial limit or less you can claim 100% of it as your AIA which will reduce your taxable income.

Note: the above rules on Capital Allowances do not apply if you are using the cash basis except in relation to cars (see below). If you are using the cash basis therefore expenditure on equipment can generally be included as normal expenses.

Cars

The type of Capital Allowance that applies to cars is called a Writing Down Allowance (WDA). Cars do not qualify for an Annual Investment Allowance (AIA). With the WDA you will write down a percentage of the car's purchase value each year and in the following tax year start with a new written down value. Remember to reduce your WDA to reflect only the business use (you cannot claim a WDA for the private use of your car).

How much your write down depends on the age of the vehicle and its CO_2 emissions – see [Claim capital allowances: Business cars - GOV.UK (www.gov.uk)]

To check the CO_2 emission level of your vehicle go to: http://carfueldata.direct.gov.uk/search-new-or-used-cars.aspx

Example

Emma purchases a second-hand Ford Focus in September 2022. It has CO_2 emissions of more than 50g/km. Given the level of CO_2 emissions, Emma can only write down at the special rate allowance of 6%.

The purchase price is £2,500 and she can claim 6% tax relief on this in the first year (2022/23) i.e., £150. This leaves £2,350 of the cost still to be written off so in tax year 2023/24, she can claim tax relief on 6% x £2,350 (£141).

The **Small Capital Allowance Pool** enables you to write off in full any items with a written down value of less than £1,000 rather than at the normal written down allowance rate of 18%. This can be done with cars whose value has reduced to below that level.

Note: if you are using flat rate mileage allowances you cannot use Capital Allowances to get tax relief on cars.

For more information on the Capital Allowance rules for cars, see [Claim capital allowances: Business cars - GOV.UK (www.gov.uk)]

Further information on capital allowances in general can be found at http://www.hmrc.gov.uk/manuals/camanual/ca23500.htm

HMRCs manual on Capital Allowances can be found at www.hmrc.gov.uk/manuals/camanual/Index.htm

They have also produced a webinar on Capital Allowances at: http://www.hmrc.gov.uk/webinars/self-employed.htm and scroll down to the sub-heading Capital Allowances.

h) Trading Allowance

The government announced a new **trading allowance** of £1,000 effective from tax year 2017/18. There are two main reasons you may wish to utilise the trading allowance:

1) Gross profits below £1,000

Where your trading income from all self-employments for the year (gross) amounts to £1,000 or less you will no longer have to declare or pay tax on this income. Consequently, if you are not yet registered with HMRC you may decide not to register. However, you may still wish to register and submit a return e.g., if you want to pay Class 2 NICs on a voluntary basis to maintain qualifying years for state retirement pension or to pay qualifying contributions for other social security such as maternity allowance. You may also want to file a return where you have incurred a loss in order to carry that loss forward to set against future profits. If you do file a return, there will be a box on which you can claim the trading allowance.

Note: if you are already registered with HMRC and your gross self-employed income is less than £1,000 in the tax year, you should check with HMRC if you are planning not to submit a return – you can do so by phoning the HMRC Helpline on 0300 200 3310.

2) Use as alternative to actual expenses incurred

If your gross trading income is **above** £1,000 you can also use the trading allowance to work out your taxable profits ***as an alternative to using your actual allowable expenses***.

Example

Mia has gross profits from self-employment of £5,400 in tax year 2022/23 and has used up her tax-free personal allowance through her PAYE job. She has allowable business expenses of £850 and chooses to use her £1,000 trading allowance instead which she deducts from her gross profits giving her taxable profits for the year of £4,400.

Note: it will clearly only be advantageous to use this where your actual expenses are less than the trading allowance.

For more information on the trading allowance see: https://www.gov.uk/guidance/tax-free-allowances-on-property-and-trading-income

The allowance will also apply for the purposes of computing Class 4 national insurance payable.

IMPORTANT – use of trading allowance/several self-employments

If you have more than one self-employment note that by electing to use the trading allowance, you are claiming the £1,000 figure as expenses as an alternative to all the expenses from these self-employments. You cannot select which one it will apply to. This could mean you may lose the use of all your expenses – if in doubt, get professional advice.

i) Tax allowances and taxable bands

Basic tax allowance: the 'Personal Allowance'

Everyone who is tax resident in the UK is entitled to an amount of tax free income each year. This is called the **Personal Allowance**. You are taxed on income that exceeds the personal allowance amount, which changes each year. For tax year 2022/23, the basic personal allowance is set at £12,570 and will be fixed at this rate until 2027/28.

Other tax allowances

If you were born before 5 April 1948, are blind or are married or have a civil partner, you may have the right to additional tax-free amounts other than the standard personal allowance. For more information see http://taxaid.org.uk/guides/information/an-introduction-to-income-tax-national-insurance-and-tax-credits/income-tax/your-personal-allowance

Reduction/Loss of personal allowance

Your personal allowance reduces once your income in the tax year exceeds £100,000. The reduction is £1.00 for every £2.00 above £100,000 which means it will cease altogether once it reaches £125,000. For these purposes your income is your 'adjusted net income' which is income after trading losses, Gift Aid (reduce by the 'grossed-up' amount), pension contributions paid gross, pension contributions where tax relief was given at source (reduce by the 'grossed-up' amount). To gross up, multiply the sum by 100/80 - for example: Gift Aid donation: £50, Reduce income by 50 x 100/80 = £62.50.

Taxable bands

England, Wales and Northern Ireland

The amount of tax you pay is determined according to taxable bands. In England, Wales and Northern Ireland in 2022/23 tax is charged at the following rates:

England, Wales and Northern Ireland

Name of Band	Band	Rate of income tax
Personal Allowance	Up to £12,570	0%
Basic rate	Over £12,570 to £50,270	20%
Higher rate	Over £50,271 to £150,000	40%
Additional rate	Over £150,000	45%

Example

You are a single person aged under 65yrs old. You have a gross profit of £20,000 and business expenses of £5,000, making your net profit £15,000. After deducting your personal allowance of £12,570 you will have to pay tax on £2,430 at 20%. This gives you a tax bill of £486.

Scotland

Scottish income tax has applied since 6 April 2017. For 2022/23, the rates and bands of Scottish income tax are as set out in the table below:

Name of Band	Band	Rate of income tax
Starter	Over £12,571 to £14,732	19%
Basic	Over £14,733 to £25,688	20%
Intermediate	Over £25,689 to £43,662	21%
Higher	Over £43,663 to £150,000	41%
Top	Over £150,000	46%

Wales

From April 2019 the Welsh government has been able to vary the rates of income tax paid by Welsh taxpayers. For 2022/23 the rates are the same as for England above.

j) Payment of tax

For those who are self-employed, tax is due to be paid by 31st January in the year immediately after the year of assessment. So, the payment deadline for tax due for the tax year 6th April 2021 to 5th April 2022 will be 31st January 2023. Tax becomes payable if your total self-employed income minus allowable expenses and your personal allowance leaves you with a taxable profit figure.

k) Payments on Account

Depending on your taxable profit figure, you may have to make a **Payment on Account**. Payments on account are effectively payments made in expectation of tax that will be due, based on taxable income in the preceding year.

Until you have paid your first self-assessment tax bill you will not be asked to make payments on account. If you pay £1,000 or more in tax in your first tax year, you will be asked to make payments on account (unless you've already paid more than 80% of all the tax you owe e.g., from PAYE earnings).

If required to make payments on account, you would make one payment on 31st January of the year in question, followed by a second payment on 31st July. The payments due on 31st January and 31st July will each usually be 50% of your previous tax bill.

> ***Example***
>
> *Stephen began trading in 2022/23 and has a tax bill of £2,000 for that year. The tax bill is due for payment on 31st January 2024.*
>
> *As his first tax bill exceeds £1,000, he also has to make his first payment on account for 2023/24 by 31st January 2024. This is charged at half of the prior year's tax bill i.e. £1,000. He will also have to pay the tax for 2022/23 (£2000). Therefore the total payment due by 31st January 2024 is £3000 (£2,000 for 22/23 and £1,000 towards 23/24).*
>
> *A second payment on account of £1,000 for 2023/24 will be due on 31st July 2024.*
>
> *In January 2025, Stephen will need to pay any tax still owing for 24/25 based on his self-assessment, and make a payment on account for 2025/26 if necessary.*

Note: This is a very simplified example for illustrative purposes – the amounts owing will of course vary from year to year. Note that you will also have to make payments on account of Class 4 NICs – see Class 4 Section below.

Right to reduce or cancel your payments on account.

If you are making payments on account but expect your income tax liability to be less than last year, you can make a claim to reduce or cancel payments on account where you believe that payments based on the tax liability for the previous year will lead to an overpayment of tax in the current tax year. However, if you cancel payments on account and then earn in excess of your expectation you will be subject to interest on the tax reduction.

If your earnings are more than expected, you will have to pay any additional tax due by way of a balancing charge the following January.

Note: because of the payments on account system, you need to plan ahead in the light of future tax bills. It is advisable to set aside at least 20% of your income against future tax and national insurance liabilities.

You can apply to cancel or reduce payments on account through your HMRC personal tax account or contact the HMRC helpline on 0300 200 3500. Alternatively, you can apply online – go to Self Assessment: claim to reduce payments on account (SA303) - GOV.UK (www.gov.uk).

l) Time to Pay arrangements

If you are having difficulty paying your tax bill you may be able to reach a Time to Pay arrangement with HMRC. This enables you to set up a repayment plan with the tax payable in instalments normally over a period of not more than twelve months

You can set this up through your Government Gateway account providing you meet the following basic conditions:

- have filed your latest tax return
- owe less than £30,000
- are within 60 days of the payment deadline
- plan to pay your debt off within the next 12 months or less

For more information on time to pay arrangements see: If you cannot pay your tax bill on time: Pay what you owe in instalments (Time to Pay) - GOV.UK (www.gov.uk)

m) Losses

Members may incur a loss if they have a year in which their expenditure exceeds their income – this may occur at any time but especially when you are trying to build up your performance work in the early years.

What you can do with your losses depends on whether you are using the **cash basis** or the **accruals basis** in your accounts.

If you are operating on the cash basis, **you can only carry losses forward** and set them against future profits **of the same business – so if you have two self-**

employments you cannot set off the losses of one against the profits of the other. The maximum period that you can carry *forward* your loss is 4 years e.g., if you incur a loss in tax year 2022/23 you will need to make a claim by 5th April 2027.

If you use the accruals basis, then losses can be carried back or set against other income arising in the same tax year e.g. PAYE income. You can carry back to the previous tax year to set against other income or up to three years if you are in the first four years of a new business (but see note below). You can also carry losses forward for a maximum of four years as above.

When looking at how to use your losses you also need to bear in mind that you get a tax-free personal allowance every year. If you claim loss relief in a given year you may end up wasting your personal allowance as this allowance cannot be carried forward and must be used in that tax year. Depending on that, it may be better to carry the loss further forward. If you have insufficient profit to cover the whole of your loss, you can carry the balance remaining forward.

> ***Example***
>
> *Maria records a loss of £2,000 in tax year 2021/22. She elected to carry that loss forward and to use it in tax year 2022/23. In tax year 2022/23 she has a much better year and records a net profit, after allowable business expenses, of £18,000. After applying her personal allowance for 2022/23 (£12,570)this leaves a taxable profit of £5,430 but she is able to set the loss carried forward against this so reducing her taxable profit figure to only £3,430.*

For further information on losses, we recommend:

- https://www.gov.uk/government/publications/losses-hs227-self-assessment-helpsheet/hs227-losses-2016
- https://www.litrg.org.uk/tax-guides/self-employment/working-out-profits-losses-and-capital-allowance/what-if-i-make-loss

n) Tax investigations and disputes

Overview

The number of people and businesses being investigated by HMRC has risen significantly in the last few years and those operating in the entertainment sector are not immune to the attentions of the taxman.

In part the increase in enquiries is due to a huge investment by HMRC in technology, including its 'Connect' system, which draws together information from many sources and compares it against tax returns filed. Any discrepancies are likely to result in an enquiry, although nothing in fact may be wrong.

Although HMRC has significant powers of enquiry and information gathering, there are at the same time various taxpayer rights and safeguards which members should be aware of, particularly when a dispute with HMRC arises.

Receiving a letter from HMRC

The first point to make is don't panic if you receive an enquiry notice or similar from HMRC. In many cases, HMRC may simply be checking one or more entries on your tax return, and you may even have been picked at random. Once the relevant information has been provided and HMRC is satisfied, their investigation will be closed.

If you have an accountant acting for you, contact them if you receive an enquiry letter. You may also have fee protection in respect of any HMRC investigation, which should cover the professional costs you may incur. If the investigation is still at an early stage, you can contact Equity's Social Security and Tax Helpline for advice (see Contacts below).

HMRC may use a wide range of terminology for an investigation, including 'Compliance Check', 'Enquiry' or 'Intervention'. However, whatever the term used, enquiries are almost invariably undertaken under specific tax legislation, for example for individuals this is Section 9A Taxes Management Act 1970.

HMRC normally has 12 months from when you file your tax return to undertake enquiries. It is important therefore to check that this time limit has been observed. Outside of this 'window', HMRC can only assess additional tax under its 'discovery powers', normally only going back 4 tax years. Where the loss of tax is due to carelessness, the time limit extends to 6 years and where the behaviour is deliberate, up to 20 years.

HMRC may open an investigation under Codes of Practice 8 (Tax Avoidance) or Code of Practice 9 (Suspected Tax Fraud). Specialist advice should be sought if you receive such a notice – we have a list of specialist accountants which we can send to you.

HMRC Information Powers

HMRC has wide ranging powers to obtain information from you or indeed third parties, where it can demonstrate that the information is 'reasonably required' to check your tax position. If you run a business, then HMRC will be entitled to review your business records. In certain circumstances, it may be appropriate for HMRC to review your personal bank statements or credit card statements.

HMRC also has powers to inspect business premises and records, although that does not extend to private residences, other than parts of a private residence which is used *wholly* for business purposes. You will normally be notified by HMRC of a visit, although some are conducted without notice. You should always check the ID of any person claiming to be an HMRC officer.

HMRC will normally set a deadline for the provision of any information requested; however, extensions to these deadlines can often be agreed.

Disputes with HMRC

The vast majority of HMRC investigations are settled by agreement. Inevitably, there will be occasions where disagreements between taxpayers and HMRC arise – for example as to whether a particular expense of your business is tax deductible.

In most cases, such disputes can be resolved directly with HMRC, either by correspondence or in face to face meetings. You have a right to have your case reviewed by an HMRC officer who is independent of your case.

Where resolution cannot be achieved, HMRC has a mediation process called 'ADR' (Alternative Dispute Resolution) which normally involves an HMRC mediator (again, not connected to your case) who will work with you and the HMRC case officer to try and resolve the dispute. The ADR process has been successful in resolving a large number of tax disputes.

If a dispute cannot be resolved by negotiation or mediation, in nearly all cases you will have the right to have your case heard by a Tax Tribunal. In smaller value cases, the Tax Tribunal will consider your appeal without a hearing – for example where you are appealing against a penalty imposed for filing your tax return late. More complicated cases are heard by Tribunal Judges, who are independent of HMRC.

Penalties

If you have additional tax to pay as a result of an enquiry, HMRC may look to charge a penalty, if they believe you have been careless or deliberately underpaid tax. Penalties can range from 0-100%, depending on the nature of the error and the underlying behaviour. However, innocent errors will not attract a penalty. Where a penalty is chargeable due to carelessness, HMRC might agree to suspend the penalty, which will not be payable if you meet certain conditions relating to your future tax compliance.

Settling Amounts Due after an Investigation

If your investigation results in an amendment to your tax return, you may have to pay additional tax, late payment interest and potentially a penalty.

If you are employed, it might be possible for HMRC to amend you tax code to collect the tax due through your salary. Otherwise, HMRC should be able to agree a 'time to pay' arrangement depending on your circumstances, although additional interest will be chargeable.

o) Equity Pension Scheme (EPS) and how to list in the tax return

Equity Pension Scheme

Many members make payments into the Equity Pension Scheme. This scheme has run since 1997 and is designed and administered by First Act. Members are usually engaged by many different engagers over their career, but the EPS enables you to have one pension pot containing all your contributions.

How contributions are made

By you – individual contributions

If you are engaged on an Equity Agreement, whether in theatre, television, film or radio, you will usually have agreed to make a contribution to EPS from your engagement wage. The amount will be a percentage of your engagement wage.

See the EPS members pack for more detail on the percentages and other information.

Your engager will deduct this individual contribution out of your engagement fee before you receive payment of your fee. Your payslip should show this deduction. As well as contributions deducted from your pay, you can also make extra individual contributions which you need to arrange with EPS yourself and disclose to HMRC in the pension box of your tax return.

By engagers – engager contributions

If you are engaged on an Equity Agreement and you have agreed to make an individual contribution to EPS, the engager must make an extra contribution to the EPS on your behalf at agreed rates. This contribution is in addition to your engagement wage.

The engager makes this contribution directly to EPS and they should show it on your payslip. However, some engagers mistakenly do not include it on the payslip, so you should check your contributions each year by asking First Act for a statement of contributions.

Tax relief – what does it mean

The government gives tax relief to people who save into a pension. This means that the government tops up your pension pot as an incentive to you to save for your future. For EPS, the government does this once your contributions are received into the pension pot. This is called ‘grossing up’. Therefore, the total amount in your pension pot is greater than the amount shown on your payslips. This is why it is important to get a statement of contributions from First Act, because that will show the ‘grossed up’ total in your pension pot. ‘Grossed up’ means the total amount after the government’s top up of tax relief has been added.

How to check your contributions

Contact First Act and request a **statement of contributions**. Call 0208 686 5050 or email mail@firstact.co.uk

You should do this to check that your engager is making the correct contributions and also, so you know the correct figures for your tax return. The statement of contributions shows the grossed up figures, that is the figures after the government has topped up the contributions with tax relief.

Step-by-step process when dealing with EPS contributions on tax return

There are two points to note for your tax return:

As well as the individual contributions, you must include the engager's contribution in your **turnover** because HMRC have decided this is a taxable payment. It is your responsibility to find out this amount and make sure it is included, even if the engager has mistakenly left it off a payslip. For this reason, it is better to use payslips than agent statements because agents might not include the engager contributions in the gross pay figure.

You must complete the pension box on the tax return, that is the section headed: '**Paying into registered pension schemes and overseas pension schemes**'. Within that section, there is a box headed '**Payments to registered pension schemes where basic rate tax relief will be claimed by your pension provider (called 'relief at source'). Enter the payments and basic rate tax**'.

We therefore advise you take the following steps when completing your tax return:

1. Obtain a statement of contributions from First Act.

2. Gather your payslips.

Turnover

3. Include the annual engager and personal contributions in your turnover. Use the non-grossed up figure. You can achieve this either via payslips or via the statement of contributions. You usually only need to use the statement of contributions for this if an engager has not listed the engager contribution on the payslip. In that case, the statement of contributions will be the only source of this information.

4. If you are using a payslip, that will show the non-grossed up figure.

5. If you are using your statement of contributions, you will need to multiply the engager contribution figure on the statement by 0.8 to show the non-grossed up contribution.

Pension box

6. Include the annual engager and individual contributions, both grossed up. The easiest way to get this figure is from your First Act statement of contributions. This shows the grossed up figure.

7. The non-grossed up figure is shown on your payslips. If you are using the payslip figures, multiply the contribution by 1.25 to get the grossed up figure.

8. If you are using payslips for this figure, don't forget to add any extra individual contributions you made outside of deductions from engagement wage. This is why we recommend using the statement of contributions.

9. Even if you are a higher rate or additional rate taxpayer, you use the basic rate tax relief in this box. HMRC will then work out any extra tax relief due to you.

p) Student Loans

Note that if you are repaying a student loan you should not normally have deductions made for this from any performance work that you do. This is because these should normally be self-employments and any deductions due would therefore be made via self-assessment. This would not apply though if you are in a permanent post (PAYE) when deductions would be made at source on your payslip. Any repayments you have already made via PAYE are taken into account when you complete the tax return.

The rates of deduction are determined by whether you are on Plan 1, Plan 2, Plan 4 or a postgraduate loan. For more information on which plan applies that see: Repaying your student loan: Which repayment plan you're on - GOV.UK (www.gov.uk)

Repayments are triggered when you are above the earnings thresholds which for 2022/23 are as follows:

- Plan 1 – above £20,195 – pay at 9%
- Plan 2 – above £27,295 – pay at 9%
- Plan 4 – applicable to Scottish students - £27,295 – pay at 9%
- Postgraduate loans – £21,000 – pay at 9%

If the loans are collected via self-assessment, it is your **taxable profit figure** that determines whether you are over the threshold. With PAYE income it is the **gross figure** before deduction of tax or NICs.

Example

Emily is a self-employed performer – in tax year 2022/23 she has a taxable profit figure of £28,500. She has a Plan 1 student loan and will need to make a student loan repayment via the tax return if she exceeds the threshold at a rate of 9%. The excess over the threshold of £20,195 is £8,305 x 9% = ***£747.45*** *collected via self-assessment.*

For more information and examples of deductions depending on earnings see [Student loans: a guide to terms and conditions 2022 to 2023 - GOV.UK (www.gov.uk)](https://www.gov.uk)

q) Awards and Bursaries

Members often ask about the tax treatment of awards and bursaries. Whether an award is taxable or not depends on each individual case but as a general rule it will count as part of an individual's trading income if that individual is registered with HMRC, and the award was solicited. In this context, solicited means something you have applied for, or someone has applied for on your behalf. The general guidance on this can be found at: https://www.gov.uk/hmrc-internal-manuals/business-income-manual/bim40451

Specific guidance on Arts Council grants and bursaries can be found at: https://www.gov.uk/hmrc-internal-manuals/employment-income-manual/eim50200

This is a complex area, and you should seek further advice where there is doubt about how your award should be taxed.

3. NATIONAL INSURANCE CONTRIBUTIONS (NICs)

Self-employed members are liable to pay Class 2 and Class 4 NICs on their profits. Except in cases of permanent employment, members will usually be paying Class 2 and Class 4 NICs.

a) Class 2 National Insurance Contributions (self-employment)

For 2022/23 if your net profit from self-employment is between the Small Profit Threshold (SPT) of £6,725 and the Lower Profits Limit (LPL)of £11,908, you do not have to pay Class 2 NICs. You will be treated as having paid them.

If your net profit from self-employment is above the LPL in tax year 2022/23 (or above the LPL in subsequent tax years) you will need to pay Class 2 NIC. In 2022/23 class 2 NIC is charged at a flat rate of £3.15 per week, £163.80 for the year.

If your net profit from self-employment is below the SPT, you will not have to pay Class 2 NIC, but you may wish to in order to help maintain entitlement to national insurance based social security if you are not already paying class 1 NIC through regular employment (PAYE) work.

The weekly rate of class 2 NIC and SPT is adjusted each tax year. For information on previous years rates, go to Table-a4.pdf (publishing.service.gov.uk).

What social security does Class 2 NIC build entitlement to?

Keeping up yearly payments of Class 2 NICs is important as they are a low-cost method of ensuring that you get a qualifying year for state retirement pension contributory Employment Support Allowance (if you are unable to work through sickness or injury), Maternity Allowance (for members expecting a child and unable to access Statutory Maternity Pay) and Bereavement-related Payments (paid if you have lost a partner). These are all non-means tested benefits, meaning that you can be entitled to payments even if you have sayings and/or are cohabiting with a partner who has income/savings.

IMPORTANT - for those who registered for self-employment prior to tax year 2014/15

It has come to our attention that there may have been some errors in registration and payment for class 2 NICs. Members who registered for self-employment prior to tax year 2014/15 may have been affected. Because of this, we advise members who have any doubt whether they are registered for Class 2 NICs to make sure that they are registered for class 2 NICs and subject to the class 2 NIC calculation via self-assessment since 2014/15. You can do this by contacting HMRC either by messaging via your government gateway account or by calling HMRC NIC helpline on 0300 200 3500. If you are not registered for Class 2 NICs, it is advisable to ask HMRC to ensure you are registered straight away, but also to obtain a detailed NIC statement (see below), and then contact Equity's Social Security and Tax helpline for advice on whether it is in your interests to register for an earlier period.

How Class 2 NICs are paid

For those who are **newly self-employed**, when you register for self-assessment with HMRC, you will also be registering for Class 2 NICs. Class 2 NICs will then automatically be calculated as part of your self-assessment and paid once a year when you file your tax return.

If you **earn above the LPL** you should see that a class 2 NIC charge is automatically added to your self-assessment tax calculation.

If **you earn below the SPT** and want to make a **voluntary payment of Class 2** NICs you need to ensure that you have indicated this in your tax return by answering the relevant question. For tax year 2022/23 this will state: *'If your total profits for 2021-*

22 are less than £6,725 and you choose to pay Class 2 NICs voluntarily, put 'X' in the box.' In the paper tax return, the relevant box it can be found at box 36 of the short self-employment pages (SA103(s)) or box 100 if you are completing the full self-employment pages (SA103(f)).

Following this, when completing the **online** tax return, you then need to tick the '**recalculate button'** in order to get the voluntary Class 2 NICs amount added to your final tax calculation. You should then be provided with instructions on how to pay on the final pages of the tax return.

If this does not work, or you are completing a paper tax return, you would then need to call HMRC's NIC department on 0300 200 3500 as soon as possible after completing the tax return in order to make the voluntary class 2 NIC payment over the phone. HMRC advise to do this no later than the tax return deadline (31st January).

IMPORTANT – paid enough class 1 NIC?

It may be that you have already be paid sufficient Class 1 NICs through your PAYE work to obtain a qualifying year for State Retirement Pension and other social security purposes. In those circumstances it may not be necessary to pay any Class 2 NICs or it may be possible to get a refund of Class 2 NICs including those paid voluntarily. In this case we strongly recommend that you contact Equity's Social Security and Tax Helpline for further advice (see Contacts below).

Retrospective liability to Class 2 NICs

Some members have been contacted by HMRC with a bill to pay Class 2 NICs for prior years. Due to the various changes in national insurance legislation for entertainers over the years, you may or may not in fact be liable for Class 2 NICs depending on the circumstances of your case. Therefore, we advise you to contact the Equity Social Security and Tax helpline for further advice if you find yourself in this position. Before doing so, we recommend that you obtain a full NIC statement to see what NI contributions and credits have been paid (see below).

Obtaining a full NIC record

You may need to obtain a detailed copy of your entire NIC record e.g. because you need to check your record for national insurance contribution based social security purposes or because you have been billed retrospectively for Class 2 NICs. You can obtain this by contacting HMRC by structured email at the following link https://www.tax.service.gov.uk/shortforms/form/NIStatement or by calling HMRC on 0300 200 3500. NIC information is provided in your online personal tax account; however, in our experience this may not be detailed enough.

You will be asked what tax year date you want the NIC record to start from. We recommend that you put the beginning of the tax year in which you reached your 16th birthday, for example, if you were born in October 1984, you would request that the statement starts from 06/04/2000. This is because people become liable to pay national insurance contributions and/or receive credits post-aged 16, and you will want to ensure you have a complete picture of your National Insurance history.

Missing years

Your NICs record statement may recommend that you plug any gaps in your NICs record by making payments of Class 3 NICs. This may not be appropriate if you are self-employed, as you are in fact able to make voluntary payments of Class 2 NICs instead which are paid at a much lower rate

We recommend that members with gaps in their National Insurance Record should contact Equity's Social Security and Tax Helpline for further advice on their individual cases. It is helpful if you email your enquiry to us, with a copy of your full NIC record if possible (helpline@equity.org.uk).

Time limits for paying Class 2 NICs

Class 2 NICs are due to be paid by the 31st January following the tax year in which they are due.

Both voluntary and unpaid Class 2 NICs can be paid for up to six tax years following the tax year in which they in due. However, in that case they will be payable at the current year (higher) rate in which they are paid – for example, if you haven't made a payment for tax year 2018/19 and wish to pay now in 2022/23, you will be charged at the 2022/23 rate (£3.15 per week, £163.80 per year) as opposed to the 2018/19 rate (£2.95 per week, £153.40 per year).

However, please note that if you pay Class 2 NICs after the 'due date' (January following the tax year in question) then these contributions will normally only count for the year in which they are paid for the purposes Contributory Employment and Support Allowance (ESA).

> ***Example***
>
> *Peter wishes to claim contributory ESA in calendar year 2022. He has a full Class 2 NIC record for 2020/21 but not for 2019/20. If he pays the Class 2 NICs for tax year 2019/20 now these contributions will count for state pension purposes, but not for ESA as the payment is made after the due date for payment which was January 2021.*

Time limits to pay class 2 NICs have been extended for tax years 2006/7 to 2015/16. The extended time limits apply if a) you will be reaching State Pension age on or after 6 April 2016, and b) you make the payment by 31/07/2023. In this case, you can pay Class 2 NICs for tax years 2006/7 to 2015/16 but you will be charged at the current NIC rate. For more information see https://www.equity.org.uk/news/2023/social-security-and-tax-team-advise-members-of-nic-changes.

b) Class 4 National Insurance Contributions (self-employment)

Class 4 NICs are paid by self-employed people on self-employed earnings. They are paid in addition to Class 2 NICs by those with profit from self-employment that is above the Class 4 Lower Profits Limit (LPL).

If you are liable to pay Class 2 NICs you may also be liable to pay Class 4 NICs. If you are not liable to pay Class 2 NICs, you will not be liable to pay Class 4 NICs.

For 2022/23, class 4 NIC is charged as follows:

- 9.73% on profits between £11,908 (Lower Profits Limit – LPL) and £50,270 (Upper Profits Limit (UPL)
- 2.73% on profits over £50,271

Your Class 4 NIC liability is calculated by reference to the net profit you declare on the Self-Employment Pages of your tax return. If you declare profit in excess of the LPL, Class 4 NICs will be calculated and charged - itemised separately but included as part of the final tax amount due.

If you pay Class 4 NICs through self-assessment and have paid income tax in excess of £1,000 for the tax year, then you will need to make a Payment on Account of Class 4 NICs in the tax year following in the same way as for tax.

Example

Sarah's first year of self-employment is 2022/23. Her total taxable self-employed profit is £13,000. Class 4 NICs are payable at 9.73% above the LPL of £11,908 (2022/23). The difference between the LPL and her profit is £1092. 9.73% of £1092 = £106.25 class 4 NIC to pay when she files her return for 2022/23 by 31/01/24.

In addition, payments on account would be required for Class 4 NICs at the rate of 50% in January 2024 and 50% in July 2024 i.e. £53.13 each time.

c) Class 1 National Insurance Contributions (employment)

Class 1 NIC is the national insurance paid by employees and employers. Along with tax, it is deducted at source – Pay As You Earn (PAYE). Class 1 NICs are paid as a percentage of gross earnings (i.e. without deduction for business expenses). Class 1 NI contributions and credits go towards entitlement to all NIC based social security and state retirement pension.

Primary Threshold

As explained above, in 2022/23 the rate and the primary threshold at which you start to pay class 1 NIC as an employee is different for the period 6 April 2022 to 5 July 2022 and 6 July 2022 to 5 April 2023, as follows:

6 April 2022 to 5 July 2022: 13.75%

£190 per week
£823 per month
£9,880 per year

6 July 2022 to 5 April 2023: 12%

£242 per week
£1,048 per month
£12,570 per year

Note: in 2022/23, if your earnings are below the Lower Earnings Limit of £123, no employer or employee class 1 NIC is paid. Between £123 and the primary threshold (rate either £190 or £242 depending on the period above), you do not pay class 1 NIC but are treated as though you had paid class 1 NIC on those earnings for social security and state retirement pension purposes.

Examples

1) Jane earns £500 per week PAYE **6 April 2022 to 5 July 2022**

   Her weekly class 1 NIC liability is calculated as follows:

Weekly Earnings		Earnings Threshold	%		Amount Due
500	-	190	x 13.75 %	=	**£42.63**

2) Jane earns £500 per week PAYE from **6 July 2022 to 5 April 2023**

   Her weekly class 1 NIC liability is calculated as follows:

Weekly Earnings		Earnings Threshold	%		Amount Due
500	-	242	x 12 %	=	**£35.48**

Upper Earnings Threshold

The Upper Earnings Limit (UEL) is £967 per week for the entire 2022/23 tax year. On earnings above the UEL, the employee pays a 3.25% Class 1 NIC charge.

Example

1) Kimi earns £1200 per week PAYE from **6 April 2022 to 5 July 2022**

UEL	Primary threshold	%	
£967 – 190		13.75	= £106.84

Weekly earnings	UEL	%	
£1200 -	967	3.25	= £7.57

TOTAL Class 1 NIC due per week = **£114.41**

2) Kimi earns £500 per week PAYE from **6 July 2022 to 5 April 2023**

UEL	Primary threshold	%	
£967 – 242		12	= £87.00

Weekly earnings	UEL	%	
£1200 -	967	3.25	= £7.57

TOTAL Class 1 NIC due per week = **£94.57**

At the same time as you pay Class 1 NICs primary contributions from your salary, your employer should pay Class 1 secondary NICs at a rate of 15.05% of your salary above £175 (for 2022/23).

d) Class 3 National Insurance Contributions

These are payable voluntarily. They only give entitlement to state retirement pension and Bereavement Support Payment. They are charged at flat rate of £15.85 per week (2022/23).

IMPORTANT – do you need to pay class 3 NIC?

Whilst you can meet shortfalls in your NIC record by paying Class 3 NICs it is much cheaper to do so where possible by payment of Class 2 NICs if you are self-employed. Unhelpfully, this option is not made clear by HMRC. For further advice, please contact Equity's Social Security and Tax helpline.

e) Maximum NICs liability

For those who have a mixture of employed and self-employed work it is possible to exceed the amount of NICs payable in a tax year through having paid a combination of Class 1, Class 2 and Class 4 NICs. Generally, this will only affect those earning quite large amounts from employment and/or self-employment. HMRC guidance on this can be found here: https://www.gov.uk/hmrc-internal-manuals/national-insurance-manual/nim24170

The calculation can be relatively complicated so if you require assistance in working out whether you have paid the maximum please contact our Social Security and Tax Helpline for further advice.

f) National Insurance Credits

There are many circumstances where you can qualify for National Insurance Credits, for example, if you are unable to work due to sickness, caring for a disabled person or looking after a child under 12 years old. National Insurance Credits go towards your National Insurance record and help you to qualify for state pension and certain social security. For further information see https://www.gov.uk/national-insurance-credits/overview

g) National Insurance Contributions when working outside of the UK

Members who work abroad may find themselves subject to deductions for the foreign equivalents of national insurance. The amounts involved may be far higher than they are in the UK under the Class 2 regime, therefore it is highly advisable to get a Certificate of Continuing Liability to UK national insurance, otherwise known as the 'A1 Certificate'. This will prevent any equivalent national insurance charge being applied to your foreign pay while you work abroad in the following places:

- Barbados
- Bermuda
- Canada
- Chile
- European Union (Austria, Belgium, Bulgaria, Croatia, Republic of Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain and Sweden)
- Isle of Man
- Israel
- Jamaica
- Japan
- Jersey and Guernsey
- Mauritius
- New Zealand
- Philippines
- Republics of former Yugoslavia (the Republics of Bosnia-Herzegovina, North Macedonia, Serbia, Montenegro and Kosovo)
- South Korea (also known as The Republic of Korea)

- Switzerland
- Turkey
- USA

Specific rules apply if you are going to work in Norway, Lichtenstein or Iceland – see [National Insurance for workers from the UK working in the EU, Iceland, Liechtenstein, Norway, or Switzerland - GOV.UK (www.gov.uk)]

To apply for a certificate go to Apply for a certificate of continuing liability for National Insurance - GOV.UK (www.gov.uk). Make sure to apply as soon as you can as it can take time for HMRC to process the request.

Please note: *Whilst the material contained in this Guide is believed to be accurate, no responsibility for loss occasioned to any person acting, or refraining from acting, as a result the material contained herein can be accepted by Equity. The material contained in this Guide is believed to be accurate at the date of publication, April 2023, but will be subject to change.*

4. CONTACTS

Equity's Social Security and Tax helpline

[Equity: Social security, tax and financial support | Equity]

Provides confidential advice for Equity members on tax, national insurance and social security law. The helpline is open on Mondays and Thursdays between 10am-1pm and 2pm-5pm. Call 0207 670 0223 or email helpline@equity.org.uk.

TaxAid

www.taxaid.org.uk

TaxAid is a UK charity that offers free, independent and confidential advice to UK taxpayers on a low income (under £20,000 per annum) who are aged under 60yrs old (except if you are self-employed where they will assist those over 60). The service is independent confidential and provided by qualified tax professionals.

TaxAid does not provide advice on Corporation Tax (Limited Companies), Tax Planning, Tax Credits, Social Security, Council Tax or non-UK tax issues.

For advice or an appointment, call TaxAid's Helpline 0345 120 3779 between 10.00 a.m. -17.00 p.m., Monday to Friday.

Tax Help for Older People

www.taxvol.org.uk

Tax Help for Older people is a UK charity that provides tax advice for people aged over 60 years old with an annual income of £20,000 or less, and who cannot afford to pay for professional tax advice. But please note that they do not assist the self-employed so please contact Tax Aid above in that instance.

For advice or an appointment, call 0845 601 3321 or 01308 488 066 between 9am-5 pm, Monday to Friday.

HMRC Helpline

Telephone: 0300 200 3310 or for those who are deaf or speech or hearing impaired: 0300 200 3319 (Textphone). Outside UK: +44 161 931 9070.

Provides general information and advice to customers completing self-assessment Tax Returns and associated pages.

HMRC online help desk

Telephone: 0300 200 3600 or for those who are deaf or hearing or speech impaired:

0300 200 3603 (Textphone). Outside UK: +44 161 930 8445

Provides advice for technical problems and questions for online self-assessment only.

VAT Helpline

Telephone: 0300 200 3700 or 0300 200 3719 (Textphone). Outside UK: +44 2920 501 261. For customers wishing to discuss VAT matters.

HMRC Foreign Entertainers' Helpline

Telephone: 0300 322 7877. Outside UK: +44 300 054 7395

A specialist unit which deals with UK tax liabilities for non-(UK) resident entertainers who appear in the UK. Also manages the UK withholding tax system for those who make payments to / for non-resident entertainers.

HMRC National Insurance Helpline

Telephone: 0300 200 3500 or for those who are deaf or hearing or speech impaired: 0300 200 3319 (Textphone). Outside UK: + 44 191 203 7010.

For all classes of national insurance contribution and credit enquiries, including voluntary payments.