



Self Assessment Whilst Living Abroad - Quick Guide

This is our quick guide to self assessment for those living abroad.

I live abroad, do I still need to pay tax?

Even if you are not a UK resident, you will still need to pay tax on any UK income you receive. You will need to submit a self-assessment tax return to do this.

What income do I need to pay tax on?

Your UK income tax will affect all income you receive from the UK, such as:

- Rental income
- Wages
- Savings interest
- Pensions

You will not usually have to pay tax on our state pension or interest from any gilts. Nor is tax automatically deducted from savings interest or investments.

What about my personal allowance?

You will have a personal allowance on your UK income if either:

- You are living in the European Economic Area
- You have worked for the UK government during the tax year

You must claim this personal allowance at the end of each tax year by sending form R43 to the HMRC.

When is it due?

Non-UK residents cannot use the online tax return service. You will need to return it by post, use specialist software or contact an accountant.

Date notice-to-file is issued	Deadline for postal/paper return	Deadline for postal/paper return when HMRC will calculate tax
On or before July 31st	31st October	31st October
August 1st-31st	3 months from date of notice	31st October
September 1st - October 31st	3 months from date of notice	2 months from date of notice
After October 31st	3 months from date of notice	2 months from date of notice

Penalties

There are a variety of different penalties that are chargeable by HMRC if you fail to comply with regulations:

- Late submission of tax return or other paperwork
- Late payment of tax
- Failure to update HMRC about changes that affect your tax liability
- Erroneous tax return, paperwork or payments that underestimates or misrepresents your tax liability.

If you fail to submit your tax return by the appropriate date you will receive an immediate fine, even if you do not owe any tax.

If you miss the deadline for your tax return but manage to submit it less than three months late you will receive a £100 fine.

If you are over three months late submitting your tax return then you will be charged an additional £10 per day for up to 90 days adding up to a possible £900.

If you submit your tax return more than six months late you will be charged an additional 5% of your tax bill or £300 (whichever is highest)

You will be charged another 5% or £300 at twelve months.

So to put it simply, if your tax liability is £10,000 and you are more than twelve months late filing your tax return you will be charged a massive £1,600 without including interest.

Now, if you are over twelve months late filing your tax return, then you are also going to be late paying your tax bill and of course there are penalty fees for that too:

If you are 30 days late paying your tax bill then you will be charged a penalty fee of 5% of your due tax.

At six months late you will be charged another 5% of your outstanding tax bill and another 5% at twelve months.

So if we go back to our £10,000 tax bill example and for arguments sake say you are over twelve months late filing your tax return and paying your tax bill. After this period you will have been charged over £3,000 in penalty charges. Ouch.

How should I prepare for my tax return?

In order to pay your correct amount of tax, you will need a record of your income and expenses. We have prepared this neat little Personal Tax Organiser to help you.

[Download the FREE Tax Organiser for 2017-18 \[pdf\]](#)

You can also find a PDF of our Personal Tax Organiser on our website, on the Tax Center page.

What if I am taxed twice?

As well as being taxed by the UK on your income, you may also be taxed by your country of residence.

Some countries have a 'double taxation agreement' with the UK, meaning you will not have to be taxed twice on your earnings. You can either apply for relief prior to paying your tax bill, or apply for a refund afterwards.

If the 'double taxation agreement' participants have differing rates of tax, you will be required to pay the higher tax rate.

You can find a list of the countries with a double taxation treaty here on the [Gov UK website](#).

Confused? Then please feel welcome to contact us about your tax return, we can keep you compliant.