



BEWARE OF THE 'PENALTY' SHOOT-OUT!

By the time you read this the deadline for filing your 2013/14 Self-Assessment with HMRC will have passed. The last date to file online was 31st January 2015.

If you have filed your return and paid your tax you are fine. However those who are less organised, or are unable to submit their tax return on time, are likely to face late filing penalties and interest charges for late payment.

If you usually file your return on paper, which would have been due by October 31st 2014 and you have still not filed it during the three months to 31 January 2015, you will receive an automatic late filing penalty of £100 during February 2015. For each day your overdue return remains unfiled after 31st January 2015 there will be an additional charge of £10, up to a maximum of £900. The financial cost gets worse if the delay extends beyond 6 months (30th April 2015) when the penalty can in addition be 5% of the overall tax due (with a minimum charge of £300). Beyond that, the fines are based on an individual's behaviour, but with a minimum of £300 for every 3 months delay. Interest will also be charged if the tax due has not been paid by January 31st 2015, including surcharges if it remains unpaid long enough.

The same penalties apply to late online filing too. Beyond 31st January 2015 there will be an immediate £100 late filing penalty, if the return is still not filed by 30th April 2015 there will be an additional charge of £10 per day up to a maximum of £900. By 31st July 2015, 5% of the tax due will also be charged (or a minimum of £300). Don't forget that registering a new account to file online can take up to 10 days: so don't delay! Even if you have missed the filing deadline, time is still of the essence to avoid more financial costs.

Talk to HMRC if you believe you have a genuine reason for appealing against a late filing penalty. But before you do this you **must** file your outstanding Tax Return. If you need help doing this also contact HMRC on **0300 200 3310**. If HMRC cannot help you to easily understand what to do during the initial phone call, they should transfer you to a specialist team, possibly for a face to face appointment. HMRC should also offer you advice on how to appeal the penalty, but if this fails you can contact Tax Help for Older People who will guide you through the process. To stand any chance of getting a late filing penalty cancelled you will need to have at least one reasonable excuse as to why you were unable to file on time. These might include:

- Being a 'first time filer' and failing to understand the system.
- Problems with the online filing system.
- Problems with posting your return at the Post Office.
- Loss of your records.
- Having serious medical or physical conditions which impair your ability to deal with your tax affairs.
- Illnesses which occurred around the time that the tax return was due.
- Death or illness of a close relative/partner.
- Needing extra help from HMRC or a voluntary organisation like Tax Help for Older People.
- A combination of events or circumstances which when taken in context can prevent you from conducting your tax affairs and returns on time.

This article is by Tax Help for Older People (operated by registered charity Tax Volunteers no 1102276), offering free tax advice to older people on incomes below £20,000 a year. The Helpline number is 0845 601 3321 or geographical 01308 488066.