



# Self Assessment survival guide

## Are you ready?

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# SPOTLIGHT ON:

## Self Assessment survival guide







# FILING YOUR TAX RETURN WITH CONFIDENCE

**S**elf Assessment rarely sits at the top of anyone's to-do list. Deadlines creep up, paperwork hides in inboxes and the rules change just enough to raise questions. This guide is here to make the job simpler. It sets out who needs to file, what to gather, how to complete the return and the steps to take to avoid penalties and interest.

You will find clear, practical checklists and straightforward explanations. We keep the focus on what you need to do, when you need to do it, and how to keep your bill accurate and on time. If anything in your situation has changed, such as new income, a property sale or pension contributions, this guide will help you work out what that means for your return and what to do next.

## WHO NEEDS TO FILE

You normally need to send a UK Self Assessment (SA) return if any of the following apply:

- you were self-employed or a partner in a partnership
- you received untaxed income, for example property income, significant savings interest, dividends above the allowance, foreign income or chargeable capital gains
- you, or your partner, received child benefit and either of you had adjusted net income over £60,000 in the year. The high-income child benefit charge (HICBC) applies on a taper and fully withdraws child benefit by £80,000.

**PAYE-only high earners:** For 2024/25 and later, HMRC has removed the income threshold that previously forced PAYE-only employees to file because of high income. If your affairs are simple and all income is taxed at source, you may not need to file, but other triggers (such as dividends, property income or gains) still apply. Always check HMRC's tool if unsure.



## WHAT TO GATHER BEFORE YOU START

Create a single folder (digital or paper) and collect the following:

- **Employment:** P60, P45 (if you left a job), P11D/P9D or employer statement of benefits.
- **Self-employment:** income and expense records, invoices, bank statements, mileage log and details of any capital items. From 2024/25, the cash basis is the default for unincorporated businesses unless you choose accruals.
- **Property:** rental statements, mortgage interest, repairs, agent fees and dates for any property purchases/sales.
- **Savings and investments:** bank and building society interest, dividend vouchers or statements.
- **Capital gains:** contract notes, costs, improvement records, pooling calculations and details for any 60-day UK property capital gains tax (CGT) reports already filed.
- **Pensions:** personal contributions (grossed-up amounts), annual statements and evidence of relief at source. Higher-rate or additional-rate relief needs to be claimed through SA.
- **Charitable giving:** Gift Aid totals — higher-rate or additional-rate relief is claimed on your SA return.
- **Student loans:** plan type and any postgraduate loan.
- **Child benefit:** amounts received, and each partner's income where relevant to HICBC.
- **Cryptoassets:** dates, amounts, wallet/exchange records for disposals and income (staking/mining/airdrops). HMRC expects accurate reporting and is implementing new information reporting from 1 January 2026.

Keep paperwork for at least five years after the 31 January submission deadline for the relevant tax year.







## STEP-BY-STEP: COMPLETING YOUR RETURN ONLINE

1. Check access – ensure you can sign in to your Government Gateway and your unique taxpayer reference (UTR) is to hand.
2. Start early – you can file any time after 5 April. Early filing helps with budgeting and avoids last-minute errors.
3. Complete the main SA100 and add schedules you need (self-employment SA103, property SA105, capital gains SA108, and so on).
4. Enter income and reliefs carefully.
  - **Savings interest:** include gross interest. HMRC will apply the personal savings allowance (PSA) where due (£1,000 for basic-rate, £500 for higher-rate, £0 for additional-rate taxpayers).
  - **Dividends:** the dividend allowance is £500. Above that, rates are 8.75%/33.75%/39.35%, depending on your band.
  - **Pension contributions:** claim any higher/additional-rate relief not given at source.
  - **Gift Aid:** enter the gross amount (what you paid plus 25%). The return adjusts your tax accordingly.
5. Review payments on account (see below).
6. Submit and pay by the deadline. If you can't pay in full, consider a Time to Pay arrangement online (usually available for SA debts up to £30,000 if you meet conditions).

## PENALTIES, INTEREST AND HOW TO AVOID THEM

- **Late filing:** £100 fixed penalty; after three months, £10 per day up to £900; at six and 12 months, further penalties (5% or £300, whichever is higher).
- **Late payment:** penalties of 5% of tax unpaid at 30 days, six months and 12 months, plus interest.
- **Current interest:** HMRC's late payment interest is 8.00% from 27 August 2025.

If you cannot pay in full, set up a Time to Pay plan online to limit penalties (interest still accrues).

## PAYMENTS ON ACCOUNT

Suppose you owe more than £1,000 and did not have 80% or more of your tax collected at source, i.e. collected through PAYE. In that case, HMRC will usually ask for two payments on account toward your next bill on 31 January and 31 July, each equal to half of last year's tax (Class 4 NIC is included if applicable).

- You can claim to reduce payments on account if you reasonably expect lower income or higher reliefs. Use the online service or SA303. Be realistic — under-estimating causes interest and potential penalties.
- New filers often pay the full 2024/25 bill plus the first 2025/26 instalment by 31 January, which can feel like two bills at once. Plan for this early.

## CURRENT-YEAR RATES AND ALLOWANCES

These apply to decisions you make this year and to payments on account:

### INCOME TAX (ENGLAND, WALES AND NORTHERN IRELAND)

- **Personal allowance:** £12,570 (tapered by £1 for every £2 of income over £100,000, lost entirely at £125,140). Bands: 20% basic, 40% higher, 45% additional.
- **Personal savings allowance:** £1,000 (basic rate), £500 (higher rate), £0 (additional rate). The starting rate for savings remains a 0% £5,000 band where non-savings income is low enough (decreases as you exceed the personal allowance).
- **Dividend allowance:** £500. Dividend tax rates stay at 8.75%/33.75%/39.35% by band. Shelter dividends in ISAs where possible; the ISA annual limit remains £20,000 (Junior ISA £9,000).

## CAPITAL GAINS

- **Annual exempt amount (individuals):** £3,000.
- **Rates (most assets):** 18% (basic-rate band) and 24% (higher/additional).
- **Residential property (not eligible for PRR):** 18% / 24%. The rates changed part-way through 2024/25; for 2025/26 the above rates apply for the whole year.

**Note on mid-year change (2024/25):** gains realised on or after 30 October 2024 attracted the higher CGT rates introduced then. If you had disposals across that date, ensure your SA figures reflect the split correctly.

## NATIONAL INSURANCE (FOR CONTEXT)

- Self Assessment calculates any Class 4 NIC due and will include it in your bill.
- For reference, HMRC confirms Class 2 is no longer payable by most self-employed people (you're treated as having paid to protect your record if profits exceed the small profits threshold).





## ALLOWANCES AND RELIEFS PEOPLE OFTEN MISS

### TRADING AND PROPERTY ALLOWANCES

You can use a £1,000 trading allowance and a separate £1,000 property allowance if your trading/property profits are less than this amount. You can't use them and claim expenses on the same income – choose whichever gives the better result.

### RENT-A-ROOM SCHEME

If you rent a furnished room in your main home, the first £7,500 of gross receipts can be tax-free under the rent-a-room scheme (lower if you share the income). However, if using the scheme, you can't also offset expenses.

### PENSION CONTRIBUTIONS

Relief at source gives 20% automatically; higher/additional-rate relief is claimed via SA or HMRC's online service. Pension contributions can also reduce adjusted net income to help with HICBC or personal allowance taper.

### GIFT AID

Gift Aid boosts donations by 25% for the charity. If you pay higher or additional-rate tax, claim the extra relief through SA. Ensure you've paid enough UK tax to cover the basic-rate uplift the charity claims.

### SAVINGS INTEREST

Check whether your PSA or starting rate for savings (0% band) reduces or eliminates any tax on interest, especially if your earned income is below or near the personal allowance.

## SELF-EMPLOYMENT: EXPENSES AND RECORDS

Claim only allowable business costs. Typical categories include office costs, travel (excluding ordinary commuting), staff costs, stock, premises costs and financial charges. Keep receipts or reliable digital records.

If you use your own vehicle for business, you may claim approved mileage allowance payments instead of actual costs (cars/vans 45p per mile for the first 10,000 business miles in the year, then 25p; motorcycles 24p; bicycles 20p). Keep a mileage log.

From 2024/25, the cash basis is the default for unincorporated businesses unless you elect for accruals. Consider which method better reflects your business and allows the most suitable reliefs.

## PROPERTY INCOME: WHAT TO WATCH

- Finance costs on residential lets are restricted to a 20% tax credit, not a full deduction, but you can still deduct other allowable running costs and repairs.
- Keep deposit scheme and agent statements.
- Consider the property allowance (see above) for small amounts of income if it gives a better result than actual expenses.

## CAPITAL GAINS, INCLUDING CRYPTOASSETS

For 2025/26, the annual exemption amount is £3,000. Report gains that exceed the exemption or where total proceeds exceed four times the exemption. If you sold crypto, shares or property, keep detailed records of dates, costs, fees and proceeds. HMRC has a dedicated cryptoassets guidance collection and will begin receiving third-party data under the Cryptoasset Reporting Framework from 1 January 2026.

**Tip:** If you sold assets in 2024/25, note the mid-year CGT rate change from 30 October 2024 for most assets. Check your return reflects the correct rates.

## CHILD BENEFIT AND ADJUSTED NET INCOME

If anyone in your household received child benefit and either partner had adjusted net income over £60,000 in the year, the HICBC applies on a taper until £80,000 when it fully withdraws the benefit. The charge is reported on SA. Pension contributions and Gift Aid can reduce adjusted net income.





## STUDENT LOANS AND POSTGRADUATE LOANS

Your SA calculation will include repayments if applicable. Check you've selected the right plan and entered the amounts correctly to prevent under- or over-payment. Current thresholds for 2025/26 are published on gov.uk.

## MAKING TAX DIGITAL FOR INCOME TAX (MTD IT)

MTD IT is not yet mandatory for most individuals filing SA. Under the current timetable, from April 2026 it will apply to self-employed people and landlords with business/property income over £50,000. You will need to keep digital records and send quarterly updates.

## COMMON PITFALLS WE SEE

- **Missing interest and small dividends.** Banks and platforms don't always issue year-end summaries, download them. The PSA and £500 dividend allowance still require you to declare the income where a return is needed.
- **Wrong student loan plan type.** Double-check your plan to avoid incorrect deductions.
- **Under-claiming pension or Gift Aid relief.** Make sure you claim higher/ additional-rate relief on contributions and Gift Aid.
- **Payments on account surprises.** New filers or those with rising income can be caught out in January. Review the figures and budget early; reduce them only when you have a sound basis.
- **CGT rate split for 2024/25.** If you sold assets around 30 October 2024, ensure you apply the correct rates now required.



## FINAL THOUGHTS

Filing early gives you time to check the numbers, claim reliefs correctly and plan for any payments on account. Use the checklist, keep your records in one place and review any items that often get missed, such as savings interest, small dividends, Gift Aid and pension top-ups. If you expect your income to fall, consider whether a payments-on-account reduction is sensible. If paying in full is difficult, look at Time to Pay before charges build up.

If you would like a review of your draft return, a second check on reliefs or help preparing and filing from start to finish, we can step in at any stage. Share what has changed for you this year and we will apply the rules in this guide to your situation so you can file with confidence.



**Get in touch for help  
with your self assessment.**



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