

Each year we invite clergy who were eligible for our HLC scheme at 31 March to tell us how much they spent in the previous year and to provide an estimate of their costs for the coming year via MyView.

It is important that those eligible for the scheme complete the form each and every year to continue to access the full benefits of the scheme, which includes savings on tax and National Insurance. Those who aren't eligible for the scheme, or don't complete their form, can still claim some tax relief via their tax return.

### **HLC Annual Return 2021**

We contacted clergy who need to complete this form on 2 July. You must not complete this form unless you have received an email from us, if you haven't received a communication and think you need to complete this form please contact us first. Please check your email address is correct on MyView and look in your junk/spam email folders.

### Who needs to fill in an Annual Return?

Each year we contact everyone who needs to complete an Annual HLC Return, via email, giving them full instructions on how to submit their figures on MyView. This communication was sent on 2 July 2021.

You only need to complete an Annual HLC Return if:

- You were eligible for HLC at 31 March 2021
- You are still paid on our payroll and are still eligible for HLC

If you think you need to complete the form and haven't received an email or letter from us, please contact us. Our records may need to be updated or you may not need to complete the form. You can check if the contact details we hold are correct in your [MyView](#) account.

If you have left the payroll or are no longer eligible for the scheme then we can't make any adjustments via the payroll. You will receive a P11D to confirm the allowance you received through the payroll in the last tax year and can make any adjustments via your tax return. Please don't complete an Annual Return Form as we won't be able to process it.

If you joined the HLC scheme since 1 April 2021 and need to submit an initial estimate of your HLC costs, please complete the HLC estimate form within the New Payee Pack. **We cannot accept this information via the online HLC Annual Return Form on MyView.**

### When to complete your Annual Return

Please submit your figures as soon as possible, so your allowance is based on the latest information. This is particularly important if your claim is significantly different to the estimate you provided last year. The HLC allowance is not an additional payment but it affects the amount of tax and National Insurance that you pay and therefore impacts your net payment. It is important that you take care when entering these figures, if you aren't sure if you can claim for something please contact us before you complete the form. If you have a tax adviser we recommend you consult them before submitting your figures.

If we don't receive confirmation of these figures by **30 September** your allowance will be **suspended**, this will mean you will pay more tax, National Insurance & student loan (where applicable) as HLC is part of your stipend that is paid outside of tax and National Insurance.

Provided you are still on the payroll and eligible to receive the allowance, we can re-instate your allowance the following month and back date any adjustments due when you submit your figures.

### How to complete the Annual Return

Log into MyView and follow the link for 'HLC Annual Return Form 2021' to submit your figures. Please read 'HLC Annual Return Form 2021 Notes' carefully before you complete the form. Once you submit the form, you will receive an email to confirm your return has been successful, you will also be able to check the figures you have submitted via your MyView account. **Please check that your form has been successfully submitted, if you press print instead of submit, the figures will not reach us.**

**We will only process the claim once and it cannot be amended so please take care when entering the figures.** If you aren't sure if you should be completing this form or don't know if you can claim for a particular item please contact us before you complete the form.

Please e-mail [myviewenquiries@churchofengland.org](mailto:myviewenquiries@churchofengland.org) if you have any issues while using MyView. There is also some self help information on our MyView page. You need to use your 5 digit unique payroll reference number to access MyView, which is different to your number to access the people system.

### **The Annual Return used to ask for other information**

You no longer need to tell us about your working expenses or local income but you will still need to keep records for your tax return. If you received any local income (i.e. chaplaincy, retained fees.) during the last tax year you will need to inform your diocesan office about this directly so they can ensure that you are in receipt of the correct stipend.

### What can I claim for

Please ensure you read the Annual Return Notes carefully before completing your form as it details everything you can and can't claim for under the scheme. If you are in any doubt please contact us before you complete your form.

### How will the figures be used

You will need to declare your actual costs on heating and lighting, cleaning and garden upkeep in the year ending 31 March 2021. We will add up these figures and compare the total to the allowance you received during that period, which was paid to you based on an estimate. If you spent more than you expected the extra allowance will be paid in one go. If you spent less than expected the overpaid allowance will be recovered over the remaining months of the tax year.

We will backdate the new estimate you provide to April 2021 and compare this to the estimate you have been paid so far this year, which was based on the estimate you provided in the previous year. This adjustment will always be processed in one go, in the month your annual return is processed.

If you are able to provide an accurate estimate and complete your Annual Return Form earlier in the year, it will minimise any adjustments to your tax and National Insurance and ultimately your net payment.

Please note that if you did not complete an Annual Return for the year ending 31 March 2020, or were new to the scheme and did not provide an initial estimate, then you will not be entitled to any adjustment for that year. We will backdate your estimate to 1 April 2021, you will need to adjust your allowance for 2019-20 via your tax return. Under the rules laid down by HMRC you need to complete an Annual Return Form each year to continue to benefit from the scheme.

### Can't access MyView

Please submit your form via MyView where possible. It cuts down on administration, saves paper and it means you can access the figures that you have submitted when you need them.

Please visit the [MyView page](#) for help and support to get logged into MyView, or you can email [myviewenquiries@churchofengland.org](mailto:myviewenquiries@churchofengland.org).

While our staff are working from home we don't have access to post so we aren't able to provide or accept paper copies of forms. At present we don't know when it will be safe for us to return to the office. If there is a genuine reason why you cannot access MyView, for example if your sight is impaired and it isn't accessible to you, then please get in touch so we can help you. Please email [clergy.payments@churchofengland.org](mailto:clergy.payments@churchofengland.org).

### Where can I find more information about the HLC allowance?

You can find more information about the HLC scheme on our [HLC page](#) including:

- Who is eligible to receive the allowance
- How the scheme works
- What costs are covered by the scheme

If you have any queries or anything is not clear please [contact us](#).

### Suspension of HLC allowance in October

If you don't submit your Annual HLC Return by 30 September then your HLC allowance will be suspended. Any allowance you received in the months April to September was based on the estimate you provided in the previous tax year.

In order to reinstate your allowance we need you confirm how much you actually spent last year and provide a new estimate of your total expenditure for the current tax year. As long as you are still on the payroll and still eligible to receive the allowance then we can backdate your new estimate and make any adjustments due in the next available payment.

### Missed the deadline for previous Annual HLC Return

The agreement with HMRC is that you must submit your actual expenditure on heating, lighting, cleaning and garden upkeep (HLC) to the Commissioners each year to continue to benefit from the HLC allowance.

If you miss the final deadline we are unable, under the rules laid down by HMRC, to give you any tax-free adjustment for that year. You may, however, claim a discretionary "Study Allowance" for the amount of unreimbursed expenditure from the Revenue. The Study Allowance normally amounts to 25% of the total claim and you should enter this sum at box 25 on the Ministers of religion page of your tax return for that year.

We can only reinstate your HLC allowance once you submit your latest Annual Return, so we urge you to do this as soon as possible.

## Documents

- [2021 HLC Annual Return Notes](#)

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**Source URL:** <https://www.churchofengland.org/resources/clergy-resources/national-clergy-hr/clergy-payroll/annual-hlc-returns>