

We offer these notes in good faith to help you to prepare the Minister of Religion pages of your tax return for 2018/19. You should use these notes in addition to the more detailed notes available from HM Revenue & Customs at:

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/787720/SA102M_notes_2019.pdf

Income as a Minister of Religion (Boxes 1 to 12)	
1 Nature of your post or appointment Enter your title (e.g. Vicar) and core place name (e.g. Leeds).	7 Excess mileage allowance and passenger payments See further instruction at box 21
2 Salary or stipend - before tax was taken off Enter any figure shown on your P60 in the box headed "Pay" for 'this employment'	8 Round sum expenses and rent allowances Enter any lump sum payments (e.g. £100 per month) towards expenses.
3 Tax taken off box 2 Enter any figure shown on your P60 in the box headed "Tax deducted" for 'this employment'	9 Tax taken off box 8 <i>This box does not normally apply to those paid through the Clergy Payroll.</i>
4 Fees and offerings Enter the total of wedding, funeral, surrogate etc. fees and Easter/Whitsun offerings you have received.	10 Other income from your post If you have a chaplaincy which is linked to your main appointment enter the gross income from it. Also enter any work-related gifts.
5 Vicarage expenses paid for you <i>This box does not normally apply to those paid through the Clergy Payroll.</i>	11 Tax taken off box 10 If you included chaplaincy income at box 10 , enter here any tax deducted at source.
6 Personal expenses paid for you, living accommodation etc. <i>This box does not normally apply to those paid through the Clergy Payroll.</i>	12 Total income as a minister of religion Sum of boxes 2 + 4 + 5 + 6 + 7 + 8 + 10.

Benefits and expenses payments you receive as a Minister of Religion (Boxes 13 to 19)	
13 Vicarage services benefits received (See also box 25) If you received part of your stipend as HLC contributions from the Church Commissioners enter the figure from section M of your P11D. Also enter any local HLC contributions you receive direct (e.g. from PCC or Cathedral Chapter). If you are a bishop, do not include any direct credits from the Church Commissioners.	16 Interest-free and low interest loans Enter the cash equivalent notified to you on a P11D by the body providing the loan. For 2018/2019 there is no cash equivalent for the Church Commissioners clergy car loan scheme.
14 Car provided for you If you are provided with a car which is available for private use, the person/body providing the car will advise you of the cash equivalent on form P11D.	17 Expenses payments made to you Include here all amounts received for expenses. Don't include: <ul style="list-style-type: none"> • lump sum payments (e.g. £100 per month) towards expenses (see box 8) or • any amount covered by the exemption for paid or reimbursed expenses. See exempted items information
15 Fuel for car provided for you If you are provided with fuel for your provided car and this is available for private use, the person providing the fuel will advise you of the cash equivalent on form P11D.	18 Other benefits If in connection with your work, you receive something which benefits you personally (e.g. a new television from the PCC), ask the person providing it for the "cash equivalent" and enter that here.
	19 Total benefits and expenses Add up boxes 13 to 18 inclusive.

Taxable income etc. before expenses paid	
20 Taxable income, benefits and expenses received Add up boxes 12 and 19 and enter figure if more than £8,500. If less than £8,500 work out box 12 minus box 5 and enter this figure.	

Expenses paid by you as a Minister of Religion (Boxes 21 to 26)											
<p>21 Travelling expenses and capital allowances Calculate your work-related motoring costs according to the table at Note 1 below. Compare the result with the amount you actually received:</p> <ul style="list-style-type: none"> If you received more than the amount payable under this table, enter the excess at box 7. If you received the same as the amount payable under this table, do not make any entry. If you received less than the amount payable under this table, enter the shortfall here. 	<p>24 Secretarial assistance Enter costs you incur for secretarial assistance unless they are exactly reimbursed and are therefore covered under exempted items.</p>										
<p>Note 1:</p> <table border="0"> <tr> <td colspan="2">Cars and vans</td> </tr> <tr> <td>First 10,000 work-related miles</td> <td>45p per mile</td> </tr> <tr> <td>Each mile over 10,000 work-related miles</td> <td>25p per mile</td> </tr> <tr> <td>Motor cycles</td> <td>24p per mile</td> </tr> <tr> <td>Bicycles</td> <td>20p per mile</td> </tr> </table> <p>Note 2: If you have bought a capital item you may be able to claim capital allowances for the cost of essential items, such as office equipment or theology book, but not cars. For more information please go to www.gov.uk/business-tax/capital-allowances</p>	Cars and vans		First 10,000 work-related miles	45p per mile	Each mile over 10,000 work-related miles	25p per mile	Motor cycles	24p per mile	Bicycles	20p per mile	<p>25 Other expenses</p> <p>Include here:</p> <ul style="list-style-type: none"> all other work-related costs; and the work-related proportion of your heating, lighting, cleaning and garden upkeep allowance (HLC). <i>At box 13 you should have entered the full amount of HLC received in the period as per the P11D. You may include here a work-related proportion (up to 25%) of this total HLC amount.</i> if you do not receive a tax-free heating, lighting, cleaning and garden upkeep allowance (HLC) enter the work-related proportion of costs actually incurred during the year. <p>Do not include:</p> <ul style="list-style-type: none"> items listed under exempted items where they are exactly reimbursed;
Cars and vans											
First 10,000 work-related miles	45p per mile										
Each mile over 10,000 work-related miles	25p per mile										
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<p>22 Maintenance, repairs and insurance of vicarage or manse etc. <i>This box does not normally apply to those paid through the Clergy Payroll.</i></p>	<p>26 Total expenses paid This is the sum of boxes 21 to 25.</p>										
<p>23 Rent <i>This box does not normally apply to those paid through the Clergy Payroll.</i></p>											

Service benefit cap calculation (Boxes 27 to 35. Note that boxes 28,29 and 33 do not normally apply)

What is a service benefit? If, in connection with your work, you receive any payments, services or goods on which tax has not been charged, these are often described as **benefits in kind**. Where such benefits relate specifically to services at job-related accommodation, they are known as **service benefits**. For those paid through the Church Commissioners the service benefit is usually the tax-free payment in reimbursement of heating, lighting, cleaning and gardening costs, commonly referred to as *HLC*. Other examples of a service benefit would be any repairs, maintenance, decoration, furnishings or domestic appliances which were legally your responsibility but which the Church paid for or provided.

Do service benefits have to be taxed? They have to be taxed in most cases. However, if the income from the post where a service benefit arises is at a rate of less than £8,500 per annum no tax will be charged. **NB:** the figure of £8,500 is an annual rate, not the actual income. If you have been in post for only a few months, your actual income may well be less than £8,500 but if it is being paid at an annual rate in excess of £8,500, tax on service benefit will apply.

How is the tax calculated? It is a restricted tax, and will be charged on the lesser of:

- the total value of the service benefit; or
- 10% of your net earnings from the post.

It is your responsibility to do this calculation when completing your tax return. If you have entered a figure in **box 5** or in **box 13** you must complete the service benefit cap calculation.

Use the steps set out below to complete the calculation for the service benefit cap.

Enter your taxable income from box 20	a	
Enter your value of services from box 13	b	Enter this figure at box 34
Subtract b from a	c	Enter this figure at box 27
Enter gross payments to other registered pension schemes not paid via us (main tax return, boxes 1 to 4)	d	
Subtract d from c	e	
Enter your total expenses from box 26	f	
Subtract f from e	g	Enter this figure at box 31
Divide g by 10 (to give 10% of your net income)	h	Enter this figure at box 32

Now compare the figure at box **b** with the figure at box **h**:

- If your figure at box **b** is *more than* the figure at box **h**, enter the difference at box 35.
- If your figure at box **b** is *less than* the figure at box **h**, enter 0 in box 35.

HM Revenue & Customs will use this information when it reviews your tax code. Any revised Notice of Coding should include a value for **service benefit**. Where you have entered a value at box 35 your service benefit should be equal to your 10% of net income (ie box 32). Where no value was entered at box 35 your service benefit should be equal to the amount you entered at box 13.

Other income as a Minister of Religion (Boxes 36 to 37)	
36 Chaplaincy and other income If you have a chaplaincy which is not directly linked to your main appointment, enter the gross income from it. Do not include anything from box 10.	37 Tax taken off box If you included chaplaincy income at box 36, enter here any tax deducted at source.

Taxable income etc (Boxes 38 to 39)	
38 Taxable income minus expenses Add up boxes 20 and 36; subtract box 26, then subtract box 35.	39 Total tax taken off Add up boxes 3, 9, 11 and 37.

Help from HM Revenue & Customs

Further self-assessment help can be found at <https://www.gov.uk/personal-tax/self-assessment>

More detailed notes from HMRC should have been included with your tax return. Clergy Office Holders paid through the Clergy Payroll under the PAYE reference **940/LA73776** have their tax records administered at HMRC Cardiff (PDI). The telephone number is 03000 534720.

Information about online filing

The Ministers of Religion page of your tax return cannot be submitted through the HMRC Online service. If you wish to file online you will need to purchase commercial software. For information about commercial software please go to <https://www.gov.uk/software-tax-returns>

About these notes

These notes are provided to help you with your tax return. We offer these notes in good faith and welcome any comments.