The Heating, Lighting, Cleaning and Garden Upkeep Scheme (HLC)

The Heating, Lighting, Cleaning and Garden upkeep (HLC) scheme is run in partnership with HM Revenue & Customs (HMRC). Where eligible, it allows part of your gross stipend to be paid free of tax and National Insurance at source and we report the value of this payment to HMRC. This means the figures you submit will affect the amount of tax and National Insurance you pay. It is usual for HMRC to treat this element as a benefit in kind, as you are able to claim the costs for the whole of your property, not just the work related proportion. The amount of the benefit that is subject to tax is calculated when you complete the Minister of Religion pages of your tax return.

Please only complete the Annual Return form if you are eligible for the HLC scheme, eligibility is dependent on the following:

- You have received an email/letter inviting you to submit your return. If you didn’t receive this please contact us before proceeding
- You must be a full-time office holder (either with the Freehold or under common tenure) receiving eligible funds paid through the Church Commissioners’ clergy payroll
- You must occupy, rent-free, an official house provided by the Church of England (or a charity)

What expenditure is covered by the scheme?

- It covers running costs of the whole of your official house which you have incurred
- Fuel (gas, electricity, oil, coal, wood, petrol etc.)
- Materials (polish, dusters, cleaning products etc.)
- Servicing (overhaul of central heating, vacuum cleaner, lawnmower etc.)
- Repairs (including replacement of life-expired equipment on a like-for-like basis)
- Wages (payments to a cleaner or gardener). If you pay someone else to do cleaning or gardening, you must advise them to declare details of the amounts you pay to their tax office
- It does not cover capital costs (machinery, new or improved equipment, furniture, sheds, garden plants etc.) or depreciation
- For all totals given you must not include amounts you have had reimbursed by your PCC or another body, you can only claim for the costs you have borne personally.
- You will need to factor in an amount for your personal costs (cooking, laundry etc) and deduct this from the totals. Some energy companies have online tools which will help you to estimate these costs. Please note that The Church Commissioners are unable to assist you with calculating the personal costs to deduct from your total for heating, lighting and cleaning allowance, and we are unable to advise a percentage of your total HLC to be deducted for personal costs.

How to complete the Annual Return form:

- The first section is for your actual expenditure during 2019-20 (boxes 1 to 3). All boxes are mandatory so please enter a ‘0’ in any box that does not apply or if you are unable to breakdown your costs
- You need to confirm your actual expenditure on HLC from 1 April 2019 to 31 March 2020, but if you joined the scheme part way through the year, or had a gap in appointments, it will be a shorter period
- Please refer to the email sent to you on 9 June for confirmation of this period. If you didn’t receive an email and believe you should have, please email clergy.payments@churchofengland.org
- The Second section (box 4) is for your estimated total annual expenditure on heating, lighting, cleaning and garden upkeep for April 2020 to March 2021
- Enter the figure in each box as whole pounds only, no pence
- Do not enter text, amounts must be entered using numerical values
- Finally please check one more time that the figures you are submitting are correct, then tick the declaration to confirm and press submit. You will receive an email confirming that you have successfully submitted your return. If you do not receive an email, please contact myviewenquiries@churchofengland.org
- You need to submit the form as soon as possible. If you have not submitted your form by 30 September 2020, your HLC allowance will be stopped. It will only be reinstated once you have submitted your return for the year

Please note: We may contact you to ask for further details, particularly if there has been a significant change. We do this because the HLC allowance is part of your stipend paid to you outside of tax and national insurance and as such the figures you submit have an impact on your tax and national insurance deductions, and ultimately your net pay. We are not inferring anything is wrong with your claim, but we may need further details and/or confirmation that the figure is correct for our records. You should also retain records relating to your HLC expenditure for at least 22 months after the end of the tax year. For full terms and conditions and further information please see the HLC pages on our website www.clergypay.org.