



What to do if you receive a Self-Assessment Late Filing Penalty

Self-assessment late filing penalties are issued when a tax return is filed after the official deadlines. For the 2017/18 tax year the deadlines are 31st October 2018 if you file on paper and 31st January 2019 if you file online. Filing after these dates will mean an immediate late filing penalty of £100 being issued.

And it doesn't stop there! For tax returns filed over:

- three months late there is an additional daily penalty of £10 per day up to a 90 day maximum of £900
- six months late there is a further penalty of £300 or 5% of the tax due if this is higher
- twelve months late there is another penalty of £300 or 5% of the tax due if this is higher. In serious cases, the penalty could be 100% of the tax due instead

So, these penalties soon mount up to £1,600! You need to act quickly to stop them. The first thing you need to do, if you haven't already, is to get your tax return completed and filed. If you now file a tax return by paper, it is already over 3 months late and will be incurring daily penalties. Therefore, if you are filing a tax return now, the recommended method to choose to minimise penalties is to complete it online.

If you need help to do this, either contact HMRC on 0300 200 3310, a tax adviser or a tax charity. HMRC should help you to complete your return and, in some circumstances, may even provide a face to face appointment.

Contact HMRC immediately if:

- You think you don't need to file a tax return and that these penalties have been sent in error. There are many reasons why HMRC may have requested that you complete a self-assessment - they are not just for the self-employed. It may be that your circumstances mean that you do meet the self-assessment criteria.
- or
- If you are a pensioner who usually completes tax returns but HMRC have advised you not to because of the new 'Simple Assessment' process that is being introduced. You shouldn't be facing penalties now. Instead, a bespoke letter and calculation form PA302 will be issued explaining how to pay.

Can you appeal?

You can appeal to HMRC for the penalties to be cancelled, if you have a reasonable excuse.

The following list is an example of what HMRC consider to be a 'reasonable excuse'; it is not exhaustive, and neither does it mean that your penalties are guaranteed to be cancelled:

- having problems with the online filing system
- a fire, flood or theft prevented you from completing your tax return
- you had an unexpected stay in hospital that prevented you from dealing with your tax affairs
- having a serious or life threatening illness which occurred around the time that the tax return was due
- the death or illness of a close relative/partner
- experiencing a combination of events or circumstances which, when taken in context, can prevent you from conducting your tax affairs and filing returns on time
- postal delays that you couldn't have predicted

If you received your penalty letter by post, use the appeal form that came with it or follow the instructions in the letter. If you received your penalty notice by email, you can either fill in form SA370 (downloadable from www.gov.uk) or write to HMRC at Self-Assessment, HM Revenue and Customs, BX9 1AS, giving your reasons for appealing.

More information can be found online by visiting: www.gov.uk/check-if-you-need-a-tax-return or by calling HMRC.

This article is by Tax Help for Older People registered charity no 1102276 (Scotland no SC045819), offering free tax advice to older people on incomes below £20,000 a year. The Helpline number is 01308 488066.