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HELP SHEETS AND LEAFLETS

Help Sheets and leaflets giving more detailed information about particular tax rules for the Assembly Pages are available from the Orderline:

- IR124: Using your own vehicle for work
- IR204: Lump sums and compensation payments
- IR206: Capital allowances for employees and office holders *
- Booklet 480: Expenses and benefits – A Tax Guide

* copy enclosed with these Notes

Filling in the National Assembly Pages

The word 'office' is used in these Notes to include the office held as an Assembly Member, or as an Assembly Member and Minister. Also 'P11D' means P11D, P9D or equivalent information.

The Assembly Pages cover only your Assembly income; make sure you also complete other Pages appropriate to your circumstances.

Gather together the material you need, for example:

- your P60, a Fees Office form showing pay and tax details for the year
- your Notices of Coding (P2) for 2002-03 and 2003-04
- a form P11D or equivalent statement from the Fees Office giving details of any benefits and expenses you have received in the year
- receipts for any allowable expenditure you have incurred
- any of the Help Sheets you think you need.

These Assembly Pages are based on the Employment Pages. However, fewer boxes are needed, so some box numbers are missing.

If you were in office on 5 April 2003

Your P60 should show the total pay and tax from your office (as well as from previous employments during the year). Your P45(Part 1A), if you had one, should also show pay from previous employments. Do not include in the Assembly Pages any amounts on your P60, or P45(Part 1A) relating to employment other than from your office of Assembly Member or Minister.

If you were a Member of the Assembly

Fill in **one** copy of the Assembly Pages.

If you held office as an Assembly Member or Minister and a non-Assembly office or employment at the same time

Fill in your Assembly Pages for your Assembly income. Fill in a separate set of Employment Pages for each non-Assembly employment from which you received any income.

Details of office

boxes 1.3, 1.4 and 1.6 Give the dates you became, or finished being, an Assembly Member or Minister if these are between 6 April 2002 and 5 April 2003. Tick box 1.6 if you held ministerial office during this period.

Income from office

■ Money

boxes 1.8 and 1.10 Enter in the boxes the money you received as an Assembly Member or as a Minister.

Your P60 will show figures for pay and tax from the office you held at 5 April 2003. If you had more than one office, the form may also include a second set of pay and tax details for your previous offices. The details will be added together in the figures on your P60. You may need to refer to other records (such as payslips, forms P45(Part 1A), or statements of taxable benefit) to work out the figures for pay from the earlier offices to go in each copy of the Assembly Pages you complete (one for each office). If you were unemployed during the year, your P60 figure will include any Jobseekers Allowance or Incapacity Benefit you received. Do not include these in the Assembly Pages (or any copies of the Employment Pages you fill in). Instead you should enter any Jobseekers Allowance in box 11.5 and any Incapacity Benefit in boxes 11.8 and 11.9 of your Tax Return.

Some of the more common items to be included are explained in the 'Money payments' section below. If you received an item or payment in connection with your office and are not sure whether to include it, contact your Inland Revenue office or your tax adviser for advice.

General rule

Include in boxes 1.8 and 1.10 all the income you received as an Assembly Member or Minister in the year to 5 April 2003, even if you earned it in an earlier year or you have been paid for work not yet done.

Treat this income as if you received it on the earlier of:

- the date when the payment, or payment on account, was made, or
- the date you became entitled to be paid.

This is so even if you were not paid until later, or received no actual payment because you arranged for the sum due to you to be applied in some other way instead.

• Money payments

For every item you must enter the amount **before** deducting any expenses you wish to claim.

Money payments you should include in boxes 1.8 and 1.10 are:

- your salary as an Assembly Member or Minister (box 1.8)
- statutory sick pay and statutory maternity pay except when paid by us (box 1.8)
- payments from third parties where the payment is made as a reward for services given or yet to be given in your capacity as Assembly Member or Minister (box 1.10).

Items you should not include in boxes 1.8 and 1.10 are:

- benefits and expenses payments received - these go in boxes 1.13 to 1.23
- lump sums paid in connection with termination of office, retirement or death. Enter these in boxes 1.24 to 1.29
- payments made to the Assembly Pension Scheme.

If you have received a lump sum payment, for example, a redundancy payment, that you have to enter in boxes 1.24 to 1.29, **and** the payment was taxed and included in the pay and tax figures on your P45, make sure you deduct it from the figure you enter in box 1.8.

• Tax deducted

box 1.11 Enter in box 1.11 the amount of any tax deducted from the amounts entered in boxes 1.8 and 1.10.

Use the P60 or P45(Part 1A) figure for box 1.11 even if you have made an adjustment in box 1.8 because you need to complete boxes 1.24 to 1.29.

■ *Benefits, expenses and balancing charges*

The Fees Office send us details of all benefits and taxable expenses you received by reason of your office. They will also give you this information.

The details you get will not include any items for which the Fees Office has a **dispensation**. You do not need to refer to these items. (A **dispensation** is an arrangement the Fees Office may have made with the Inland Revenue office. It saves you the trouble of including as income a benefit or expenses payment you receive as an Assembly Member or Minister and then making a matching claim for the allowable expenses you incur.)

• Family travel costs

box 1.13 Your Assembly income includes the costs of family travel met by the Fees Office. Where you have made use of the allowance for family travel the Fees Office will report details to us and you. All family travel costs are taxable income.

Enter in box 1.13 the figure advised to you by the Fees Office for family travel costs. If you believe this figure covers some allowable business travel costs (that is, your spouse undertook a journey in their capacity as your secretary or researcher), you can claim in box 1.32 the amount that relates to business travel. If you would like further explanation, please contact your Inland Revenue office or tax adviser for advice.

• Accommodation excluding Additional Cost of Living Allowance

box 1.14 Your Assembly income includes the value of any accommodation and ancillary services (for example, heating, lighting, cleaning) you (or your family or household) get by reason of your office as an Assembly Member. (Any accommodation you have by reason of another office or employment should be shown on separate Pages covering that office or employment.) The value of some accommodation is exempt from tax, for instance, if there is a special threat to your security and the accommodation is provided as part of special security arrangements. If you have agreed with us that your accommodation is exempt then do not enter anything in box 1.14 unless circumstances have changed. However, there is a charge to tax on the ancillary services. This is normally limited to 10% of the salary of the office concerned. Enter this value in box 1.14.

Excess mileage allowance - using your own transport for Assembly business

For the year ended 5 April 2003 and subsequent years the Fixed Profit Car Scheme, which applied to mileage allowances paid for travel on Assembly business in members' own vehicles, has been replaced by a statutory exemption for approved mileage allowance payments. The rates paid by the Fees Office exceed the approved mileage rates. The excess sum is taxable and will be included on the form P60.

Notes on **THE NATIONAL ASSEMBLY FOR WALES**

● Office Costs Allowance: non-capital items

box 1.16 Payments you receive from the Fees Office to reimburse you for expenses you incur, in the performance of your duties as an Assembly Member or Minister on running an office or on secretarial and research assistance, are all taxable. (Claim any expenses allowable for tax purposes by filling in boxes 1.32 to 1.35.)

The Fees Office should provide you with details. Enter in box 1.16 the amount reimbursed or paid to you, or on your behalf. Do not include in box 1.16 any amounts for the purchase of office equipment as this is capital - use box 1.17 for this instead.

Examples of sums to be included in box 1.16 are those you receive which cover:

- day to day office expenses - like heating, lighting, telephone, post, stationery
- secretarial and research assistance - salary, employer's National Insurance contributions, payments to casual assistants.

Do not include as income sums paid by the Fees Office as a contribution towards the pensions for secretaries and research assistants. Nor should you claim an allowance for these sums. The sums are taxable and allowable in identical amounts and the Inland Revenue have agreed that they do not need to be put on your Tax Return.

● Office Costs Allowance: capital items

box 1.17 Under the Office Costs Allowance rules, the Fees Office can reimburse to you the cost of office equipment such as a word-processor, a personal computer or mobile telephone. You are taxable on these reimbursed sums. The Fees Office should provide you with the details. Enter the total in box 1.17. (If you want to claim capital allowances fill in box 1.35.)

● Party Leaders' Allowance

box 1.18 If, as a Party Leader, you receive payment (now known as Group Support Allowance) from the Fees Office, it is taxable as your income (in the same way as the Office Costs Allowance).

Enter the amount you have received in box 1.18. (Any allowable expenses you incur on your Party Leaders' duties can be claimed on Page WAM2.) If, however, the allowance has been used to purchase equipment, relief for the amounts expended will have to be claimed in box 1.35.

● Other cash reimbursements

box 1.19 Enter in box 1.19 any reimbursements made to you by the Fees Office for vehicle hire costs, taxi fares or any taxable reimbursement not entered elsewhere in these Pages. Any claim for tax relief for these payments can be made in boxes 1.32 to 1.35.

● All other benefits

box 1.22 The Fees Office should have given you details of other benefits. (Those mentioned in boxes 1.13 to 1.19 are the most common.) Enter in box 1.22 the total cash equivalent of any other benefits you receive as an Assembly Member or Minister that you have not included elsewhere, for example, in boxes 1.13 to 1.19.

Cash equivalents of other benefits

Cash equivalents are arrived at in different ways, according to the type of benefit.

Assets (other than land and motor vehicles) provided for private use

Where the asset has been available throughout the year the cash equivalent will generally be based on:

- 20% of its market value when it was first used to provide a benefit, **plus**
- expenses (other than the cost of acquiring it) incurred in connection with it which would not have been incurred but for the provision of the benefit.

If that total represents benefits provided for more than one employee, the cash equivalent for each will be based on a proportion of the whole amount. It is reduced by any amount made good to the provider in return for the benefit. For more information, ask your Inland Revenue office or tax adviser.

All other benefits

The cash equivalent is generally what the benefit cost the person who provided it (*minus* any amount made good to the provider). If that amount represents benefits provided for more than one employee, the cash equivalent for each is a proportion of the whole amount. For more information see booklet 480: *Expenses and benefits – A Tax Guide* available from the Orderline.

Make sure you include in box 1.22 the benefit of a car, or car and fuel, made available to you by reason of your office as an Assembly Member. Do not include in box 1.22 the benefit of a car, or car and fuel, or other benefits made available to you by reason of a non-Assembly office or employment. Enter these in the Employment Pages of your Tax Return.

Some of the more common benefits are listed in the Working Sheet below to help you arrive at a total for box 1.22.

Working Sheet for box 1.22

| | |
|---|---------------------------------|
| Assets provided for private use | £ <input type="text"/> |
| Home telephone(s) | £ <input type="text"/> |
| Subscriptions and professional fees | £ <input type="text"/> |
| Goods or services provided | £ <input type="text"/> |
| Nursery places provided (in some circumstances this benefit is not chargeable - see booklet 480) | £ <input type="text"/> |
| Educational assistance provided (in some circumstances this benefit is not chargeable - see booklet 480) | £ <input type="text"/> |
| All other benefits | £ <input type="text"/> |
| Total | A £ <input type="text"/> |

Copy the figure in box A to box 1.22 in the Assembly Pages.

- Balancing charges

box 1.23 When the Fees Office reimburses you, or pays on your behalf, the cost of buying office equipment, the sums are taxable.

You can claim tax relief for the annual depreciation of equipment which you need to use in carrying out your duties. This relief is called 'capital allowances'. Sometimes, when you sell or give away an item of equipment, some of the capital allowances you have had will be recovered. This is called a 'balancing charge'.

A detailed explanation of how capital allowances are worked out is given in *Help Sheet IR206: Capital allowances for employees and office holders*, a copy of which is enclosed. If you need further guidance, ask your Inland Revenue office or tax adviser.

- Lump sums and compensation payments or benefits**

boxes 1.24 to 1.29 Different rules apply to different types of lump sum payments. If, during the year to 5 April 2003, you received a lump sum or compensation payment from the Fees Office such as, for example, a Resettlement Grant, please ask the Orderline for *Help Sheet IR204: Lump sums and compensation payments*. You will need this to fill in boxes 1.24 to 1.30.

box 1.30 Enter in box 1.30 the amount of any tax deducted from lump sums and compensation payments.

- Expenses paid out by you**

boxes 1.32 to 1.35 This section explains the rules for claiming expenses necessarily incurred in performing your duties as an Assembly Member or Minister. Please note that the Fees Office may make payments for you, which are not tax deductible.

'Dispensations'

Do not include in your claim any expenses which you have paid if:

- you can claim them back from the Fees Office, **and**
- the expenses are covered by a **dispensation**.

(If you are uncertain whether the Fees Office has a dispensation, you should ask for details. Also see the section headed 'Benefits, expenses and balancing charges' on page WAMN2.)

However, if you have incurred allowable expenditure over and above the amount covered by the dispensation you may be entitled to claim a deduction for the excess.

- Family travel costs

box 1.32 Costs of family travel paid by the Fees Office will be reported by the Fees Office to us and to you. If you think that any of the costs relate to allowable business journeys (that is, your spouse undertook a journey in their capacity as your secretary or researcher), you should enter in box 1.32 the amount that you believe relates to business journeys.

- Secretarial and clerical, and research assistance

box 1.33 You can claim the expense of employing secretarial, clerical and research assistants when necessarily incurred in performing your duties as an Assembly Member or Minister. The claim will usually equal the amount of your Office Costs Allowance used for these staff expenses. The Fees Office will provide you with details.

Enter **separately** in the 'Additional information' box, box 1.40 on Page WAM2, the amount of payments to:

- secretarial and clerical assistants; **and**
- research assistants.

Add these amounts together and enter the total in box 1.33.

The figure should include payments you made from your own funds, or out of the Party Leaders' Allowance, and those notified to you by the Fees Office.

The total expenses cannot exceed the income from your office including payments out of the Party Leaders' Allowance and payments notified to you by the Fees Office.

- Office expenses

box 1.34 Enter in box 1.34 the total spent during the year on the day to day running of your office, for example, on heating, lighting, telephone, post, stationery. The figure will often correspond to the amounts that have been paid to you or on your behalf by the Fees Office for those sorts of items. They will give you details.

If, during the year, you have paid amounts other than through the Fees Office, put the total of these amounts in box 1.34. However, do not include anything in box 1.34 which in any way relates to properties against which you have made a claim to the Fees Office for Additional Cost of Living Allowance.

- Other expenses and capital allowances

box 1.35 Enter **separately** in the 'Additional information' box, box 1.40 on Page WAM2, the amount of:

- other expenses; **and**
- capital allowances.

Add these amounts together and enter the total in box 1.35.

Other expenses

You can claim only those expenses which each and every person doing your job would have to meet. The expenses have to be incurred in actually carrying out the duties of the job. Expenses that might put you in a position to do your job, rather than actually doing it, are not allowable.

Most of the expenses which you can claim have been covered earlier. However, you may be able to claim for other expenses you incur in the performance of your duties, for example, payments you have entered in box 1.19 and which meet the qualifying conditions for tax relief. You may have agreed claims with us on other items in the past. If so, you should work out the amount of allowable expenses on the agreed basis. If you are uncertain about what you may be entitled to claim you should ask your Inland Revenue office for help **before** filling in box 1.35.

Capital allowances

Capital allowances will normally be available on the capital cost to you of equipment it is necessary for you to provide for use in carrying out your duties as an Assembly Member or Minister. No allowance is available for equipment that has been provided to you under the Assembly arrangements for the supply of IT equipment. In addition, with effect from 6 April 2002 you cannot claim capital allowances in respect of your motor vehicle. *Help Sheet IR206: Capital allowances for employees and office holders* tells you how they are calculated. A copy is enclosed.

If, during the year, you start or stop using an item, work out the capital allowances as if you had bought or sold it on that date using the market value at the time.

Student Loans■ **Student Loans repaid by deduction by the Fees Office**

box 1.39 Enter in box 1.39 the amount of Student Loan repayments deducted by the Fees Office and included on your P60 or payslips. The P60 does not include Student Loan repayments deducted by any previous employer. So, if you are filling in more than one set of Assembly Pages (or Employment Pages for any non-Assembly employment) you must use your payslips, in addition to the P60, to work out the figures to go in box 1.39 on each set of Pages you fill in.

■ **Pension provision**

Your salary as an Assembly Member or Minister falls within the formal pension scheme administered by the Fees Office. Therefore (unless you do not belong to the scheme) you are unable to claim relief for retirement annuity payments or personal pension contributions in relation to this income.

The Fees Office is exploring the setting up, on behalf of Members, of an Additional Voluntary Contribution Scheme. Relief for contributions made under such a scheme is given by deducting amounts paid from the salary payment before tax is charged. Therefore, you will not need to claim for these contributions. If you need help, the Fees Office and/or the employing Department will be able to advise you.

Limit on contributions

Your contributions to all schemes mentioned here must not, in aggregate, exceed a 15% limit of earnings (up to an earnings limit of £97,200 in some cases).

Retirement benefits schemes of employers

If you decide to make a lump sum contribution to the Fees Office then, provided the contribution does not exceed the limit, enter the lump sum figure in box 14.10 on page 5 of your Tax Return. (Only claim for payments which have not been deducted at source from your salary before tax has been charged.)

Free-Standing Additional Voluntary Contributions schemes

As and when the appropriate changes are made to the Pension Scheme to allow such payments you will be able to pay up to 15% of your salary as an Assembly Member or Minister (up to the earnings limit of £97,200 in some cases), *minus* what you paid to other schemes mentioned above, to a Free-Standing Additional Voluntary Contributions (FSAVC) scheme. You get relief automatically at the basic rate of tax on these payments when you pay them. If you are taxable at the higher rate, further relief is available. Enter the gross amount of the FSAVC payments in box 14.11 on page 5 of your Tax Return: this is the amount you actually paid to your FSAVC provider plus the tax relief which you deducted from the payment.

These notes are for guidance only, and reflect the position at the time of writing. They do not affect any rights of appeal.