

Tax Catch Up Plan

Your guide to making a disclosure

What is this guide about?

This guide tells you about the Tax Catch Up Plan. It will be of interest to you if you deliver tuition and coaching or you use those skills in another way to supplement your income, and

- you have not told HMRC about all your past income, gains and undisclosed liabilities
- you now want to bring your tax affairs up to date

You may work in academia, sport, leisure, or music, but that list is not exhaustive.

Key Dates

- **10 October 2011**
 - Start of the Tax Catch Up Plan
- **6 January 2012**
 - Last date you can notify HM Revenue & Customs of your intention to make a disclosure
- **31 March 2012**
 - Last date your disclosure and payment must reach HM Revenue & Customs

Full details of what you need to do and when you need to do it can be found in the guide so please read on.

Help and advice

If you have any questions not covered by this guide please go to hmrc.gov.uk or phone the Tax Catch Up Plan Helpline on Tel **0845 601 8817** or +44 120 258 5415 if you are outside the UK. Lines are open Monday to Friday 8.00 am to 7.30pm.

Customers with particular needs

If you need extra help to deal with the Tax Catch Up Plan please let HMRC know. HMRC can help if for example:

- English is not your first language;
- you want a copy of this guidance in Welsh;
- you would like HMRC to use a certain format to communicate with you. For example Braille or Text Relay; or
- you would like a copy of this guidance in audio or large print.

You can let HMRC know by phoning the Tax Catch Up Plan Helpline on Tel 0845 601 8817 (opening hours are shown above). If you use text relay by text-phone, dial 18001 + number. By telephone, dial 18002 + number.

If you prefer, you can visit your nearest HMRC Enquiry Centre to ask for help.

To find an enquiry centre go to hmrc.gov.uk/enq/index.htm

Your rights and obligations

Your Charter explains what you can expect from HMRC and what HMRC expects from you. For more information go to Your Charter at hmrc.gov.uk/charter/

What if you are unhappy with HMRC's service?

If you are unhappy with HMRC's service please phone the Tax Catch Up Helpline on Tel **0845 601 8817** or write to HMRC at the address below:

HM Revenue & Customs
Tax Catch Up Plan Team
Holland House
20 Oxford Road
Bournemouth
Dorset BH8 8DZ

If you are still unhappy, HMRC will tell you how to complain.

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1. About the Tax Catch Up Plan

An opportunity for those delivering tuition and coaching, who have undisclosed tax liabilities, to come forward and settle with HM Revenue & Customs.

Introduction

HMRC believes that its customers want to pay the right amount of tax and HMRC wants to help them. Many customers will have paid the right amount but some will not.

HMRC wants to help those not paying the correct amount to put that right. This guidance describes what you need to do.

If you have nothing to disclose and pay to HMRC you do not need to use the Tax Catch Up Plan.

Using HMRC's legal powers they obtain information about payments made to tutors and coaches from various sources, this includes the academic, sport, leisure and other sectors. HMRC also uses advanced technological tools such as 'web robot' software which helps identify people who have failed to pay the right tax.

If you have undisclosed income and you have not paid the right amount of tax you now have the opportunity to disclose and pay what you owe through the Tax Catch Up Plan.

Most people will only have to pay HMRC for up to six tax years.

The scope of the Tax Catch Up Plan

The Tax Catch Up Plan is an opportunity open to those delivering tuition and coaching with undisclosed taxes and duties.

If you wish to make a disclosure and you do not deliver tuition and coaching please refer to 'Disclosures outside of the Tax Catch Up Plan' on page 7.

How does the Tax Catch Up Plan work?

If you deliver tuition and coaching, you can benefit from the terms offered. By notifying your intention to disclose by 6 January 2012 and making your disclosure and payment by 31 March 2012 you will have the following certainties of treatment:

- You can tell HMRC how much penalty you should pay. The penalty you pay depends on why you have failed to disclose your income. If you have deliberately kept information from HMRC you should pay a higher penalty than if you have simply made a mistake. You may not have to pay any penalty at all but if you do it will be a much lower one than it would be if HMRC finds out you have not paid enough tax. The penalty 'saving' could be as much as 100%.
- If you cannot afford to pay what you owe in one lump sum, don't worry. If your circumstances warrant it, you will be able to spread payments - please see page 14.

- Most people will only have to pay HMRC for up to six tax years. See page 10 for more detail on this. If you have simply made a careless mistake you only pay for a maximum of six years - no matter how many years you're behind with your tax affairs. If you do not come forward and HMRC finds later that you are behind with your tax, it may be harder to convince HMRC that it was simply a mistake. The law allows HMRC to go back up to 20 years in serious cases or HMRC may carry out a Criminal Investigation.

Under the Tax Catch Up Plan you can make a personal disclosure or disclose on behalf of a company, trust or as a personal representative of a deceased person. Agents can notify and disclose on behalf of their clients.

There are two stages to the Tax Catch Up Plan:

Stage 1	Stage 2
<p>Notify HMRC of your intention to make a disclosure by 6 January 2012.</p> <p>By doing so, you will qualify for the terms of Tax Catch Up Plan. If you do not notify HMRC by that date Tax Catch Up Plan terms will not be available to you.</p> <p>If you have a disclosure to make but missed the notification deadline of 6 January 2012 you can still make a disclosure but this could affect the amount of penalty payable. Coming forward voluntarily will still help to reduce any penalty you are charged so please send your disclosure to the address shown under 'Disclosures outside of Tax Catch Up Plan' (see page 7).</p> <p>If after you have notified HMRC you reflect and conclude that you do not owe anything and do not need to make a disclosure please advise the Tax Catch Up Plan Helpline on Tel 0845 601 8817.</p>	<p>Disclose and pay all taxes, duties, interest and penalties.</p> <p>Make your disclosure by completing the forms available online on the Tax Catch Up Plan forms available at http://www.hmrc.gov.uk/ris/tcup/disclose-form.pdf</p> <p>print off and send them to:</p> <p>HM Revenue & Customs Tax Catch Up Plan Team Holland House 20 Oxford Road Bournemouth Dorset BH8 8DZ</p> <p>The disclosure forms and payment must reach HMRC by 31 March 2012.</p>

What's in it for me?

If you decide to take advantage of the Tax Catch Up Plan, you will be able to stop worrying about what might happen if HMRC finds out that you've not been telling them about all of your income or gains. It's a chance to start getting things right from now on, whilst knowing exactly how much it's going to cost to sort out things for the past.

It's basically a 'fresh start'.

To take part in the Tax Catch Up Plan:

- tell HMRC that you want to take part in the Tax Catch Up Plan (Notify)
- tell HMRC about all income, gains, tax and duties you've not previously told them about (Disclose)
- make a formal offer
- pay what you owe
- help HMRC as much as you can if they ask you for more information. If you do not, HMRC may not accept your disclosure.

These terms will **not** be available to people who choose not to sign up for the Tax Catch Up Plan if later HMRC finds that they are behind with their tax affairs.

Disclosures that are unlikely to be settled through the Tax Catch Up Plan

Certain disclosures are unlikely to be settled under Tax Catch Up Plan:

- Disclosures that are found to be materially incorrect or incomplete when checked by HMRC for accuracy and completeness.
- Disclosures from customers where HMRC has begun an investigation, enquiry or compliance check into their tax affairs before the Tax Catch Up Plan. Those who want to disclose liabilities should tell the person conducting the enquiry. A full and early disclosure will influence the amount of penalty HMRC seeks in the ongoing enquiry or investigation.
- Disclosures where HMRC believes the money that is the subject of the disclosure is the proceeds of serious organised crime. This includes VAT MTIC fraud, VAT bogus registration fraud, organised tax credit fraud and instances where there is wider criminality (such as an ongoing police investigation).
- An important factor in deciding whether to undertake civil or criminal investigations into cases of fiscal fraud is whether the taxpayer(s) has made a complete and unprompted disclosure of any amounts evaded or improperly reclaimed. Whilst HMRC would consider each case on its merits a complete and unprompted disclosure would generally suggest that a civil (rather than criminal) investigation was appropriate.

In addition, if you were eligible for any previous HMRC disclosure opportunity and you did not disclose then, HMRC may find it hard to accept that anything you disclose through the Tax Catch Up Plan was not a result of something you did deliberately. HMRC would expect you to calculate your penalty and the number of years you should pay to reflect deliberate action. If you do not, HMRC may not accept your disclosure. You will be in this category if you have not yet come forward and any of the following apply:

- HMRC have written to you in connection with an earlier disclosure opportunity
- you had an offshore account, asset or investment at any time before 4 January 2010
- you were a doctor or a dentist at any time before 31 March 2010
- you were a plumber at any time before 31 August 2011
- you should have registered for VAT before 30 September 2011

Disclosures outside of the Tax Catch Up Plan

You can still make a disclosure and put your tax affairs in order even if you are not within the scope of the Tax Catch Up Plan. The disclosure will not be part of Tax Catch Up Plan and therefore the penalty under the Tax Catch Up Plan will not be available. But customers who make a full and voluntary disclosure of all unpaid liabilities in these circumstances can expect a lower penalty than HMRC would otherwise seek if they raised an enquiry or compliance check without the disclosure. You should telephone the Campaigns Voluntary Disclosure Helpline on Tel 0845 601 5041. This is a helpline specifically designed to deal with people who do not fall within the scope of the campaign and wish to make a voluntary disclosure.

If you disclose very serious tax problems

HMRC cannot offer immunity from prosecution but an important factor when they are deciding whether to carry out criminal investigations into cases of tax fraud is whether a person has made a complete and unprompted disclosure of any amounts evaded or improperly reclaimed. While HMRC considers each case on its merits, where a person has made a complete and unprompted disclosure, HMRC would generally **not** carry out a criminal investigation.

If you leave something important out of your disclosure

If, after they have accepted your disclosure, HMRC receives information that indicates that your disclosure was materially incorrect, they have the right to look at your tax affairs again.

HMRC may write to you about the information they have received and if necessary, will send you assessments so they can collect any extra tax due. Interest and penalties will also be charged. Any penalties will be much higher than those offered by the Tax Catch Up Plan and HMRC may charge them on all the tax - including the tax previously dealt with under the Tax Catch Up Plan.

In extreme cases HMRC may consider criminal prosecution. In such cases your disclosure could be used in evidence.

If you have undisclosed liabilities and choose not to disclose

Once the notification period ends HMRC will review the tax affairs of those customers who have not notified that they intend to make a disclosure. HMRC will identify those who they believe should have come forward by:

- comparing the information already in their possession with customers' UK tax histories; and
- continuing to use their powers to obtain further detailed information about other payments made

Where there is a mismatch, HMRC may contact customers and undertake compliance checks or enquiries to resolve matters. Where additional taxes are due HMRC will seek higher penalties than those available under the Tax Catch Up Plan. The penalties HMRC seeks could be up to 100% of the unpaid liabilities and are unlikely to be less than 30%.

If a disclosure made within the terms of this disclosure opportunity is incomplete - or there is a failure to disclose amounts liable to tax or duty - HMRC will consider the instigation of a criminal investigation, in line with their criminal investigation policy. For details of the HMRC Criminal Investigation Policy go to:

hmrc.gov.uk/prosecutions/crim-inv-policy.htm

2. How to make a notification and disclosure to HMRC

What do I need to do?

There are two stages to the Tax Catch Up Plan. Each stage has its own time limit.

Stage 1 Notification:

You must tell HMRC of your intention to make a disclosure. You need to do this between **10 October 2011 and 6 January 2012**.

At this stage, you only need to tell HMRC that you will be making a disclosure.

You do not need to provide any details of the undisclosed income or the tax you believe you owe.

You can tell HMRC about a disclosure:

- you will be making about your own tax affairs
- your client will be making (if you are a tax adviser)
- you will be making on behalf of your company (if you are a director)
- you will be making on behalf of someone else (if you are a trustee or the personal representative of a deceased person).

If you have more than one disclosure to make, you will need to complete a separate notification in respect of each disclosure.

You can notify:

- online by completing a notification form at hmrc.gov.uk/ris/tcup/notify-form.pdf
- by phone on Tel 0845 601 8817.

HMRC will note your details if you telephone or if you notify online they will send a simple electronic acknowledgment. Later HMRC will write to you to confirm your unique Disclosure Reference Number (DRN) to use whenever you contact HMRC about the Tax Catch Up Plan. You will also be given a Payment Reference Number (PRN) for you to use when paying what you owe. If you would like HMRC to send you a payslip, please phone the helpline on Tel 0845 601 8817.

If you haven't notified by 6 January 2012, you will not be able to make a disclosure under the Tax Catch Up Plan. This means that you will not receive the terms available.

Stage 2. Disclosure

You can do this as soon as you have your Disclosure Reference Number or at any time before **31 March 2012**.

You can make a disclosure:

- about your own tax affairs
- on behalf of your company (if you are a director)
- on behalf of someone else (if you are a trustee or personal representative of a deceased person)

You can make your disclosure :

- by completing the forms available online [at hmrc.gov.uk/ris/tcup/disclose-form.pdf](http://hmrc.gov.uk/ris/tcup/disclose-form.pdf) . You should print and post the completed disclosure form to:

HM Revenue & Customs
Tax Catch Up Plan Team
Holland House
20 Oxford Road
Bournemouth
Dorset
BH8 8DZ

Please quote your Disclosure Reference Number (DRN).

When you send your disclosure you must pay what you owe. You can find information about paying HMRC on pages 13 and 14 of this guide.

If you need help making your disclosure, please ask your tax adviser, if you have one. Or you can phone the Tax Catch Up Plan Helpline on Tel 0845 601 8817. Lines are open Monday to Friday 8.00am to 7.30pm.

Please make sure that HMRC receives your disclosure and payment by 31 March 2012. If you cannot pay what you owe by 31 March 2012 you must have made payment arrangements with HMRC by that date.

If you do not do this you will not be able to make a disclosure under the Tax Catch Up Plan. This means you will not receive the certainty of treatment offered by the Tax Catch Up Plan.

3. Preparing your disclosure

How to calculate what you owe

Depending on your circumstances this could be simple or complicated and you may want to seek independent professional advice. Although you have until 31 March 2012 to make your disclosure HMRC recommends that you start gathering together your information and records as early as possible. HMRC cannot provide individual advice on calculating how much you should pay, but you can find out about tax rates, rate bands and thresholds at: hmrc.gov.uk/rates/menu.htm. From there you can navigate to access the Rates and Allowances Archive for information on earlier years. All calculations must be in pounds sterling and exchange rates can be found at hmrc.gov.uk/exrate/index.htm

Anyone taking part in the Tax Catch Up Plan will know why they haven't previously told HMRC about their income or paid the right amount of tax. HMRC asks **you** to decide whether you made an error despite taking reasonable care, whether you were careless, or whether it was something you did deliberately. How much you pay will depend on the answers to those questions. HMRC only asks that you tell them the truth.

Years covered by the Tax Catch Up Plan

The Tax Catch Up Plan is the opportunity to put your tax affairs in order up to 5 April 2010.

If you have liabilities that have not been disclosed for periods after 5 April 2010 you should complete your income tax, company tax, employers or VAT returns or if already completed make necessary amendments or advise your own Tax Office (see contact details on latest PAYE coding notice).

If you need to notify a source of income arising after 5 April 2010 or register for VAT please phone 0845 601 8817.

What years do you have to pay?

This depends on why things went wrong.

If you have taken care to make sure your tax affairs were correct but you have still paid too little, you will only have to pay HMRC what you owe for a maximum of four years. This means:

- You have to complete the disclosure form and pay HMRC what you owe for the previous two years –
 - 2008 - 2009 (6 April 2008 to 5 April 2009)
 - 2009 - 2010 (6 April 2009 to 5 April 2010)
- You have to make sure that your tax affairs for the year 2010-11 are up to date
- You have to make sure that your tax affairs for the year 2011-12 are correctly reflected on your 2011-12 Tax Return when you receive it

If you have paid too little because you were careless, you will only have to pay HMRC what you owe for a maximum of six years. This means:

- You have to complete the disclosure form and pay HMRC what you owe for the previous four years –
 - 2006 - 2007 (6 April 2006 to 5 April 2007)
 - 2007 - 2008 (6 April 2007 to 5 April 2008)
 - 2008 - 2009 (6 April 2008 to 5 April 2009)
 - 2009 - 2010 (6 April 2009 to 5 April 2010)
- You have to make sure that your tax affairs for the year 2010-11 are up to date
- You have to make sure that your tax affairs for the year 2011-12 are correctly reflected on your 2011-12 Tax Return when you receive it

If you have deliberately paid too little tax, for any year before 2006–07, you may need to pay up to 20 years.

HMRC expects most people to have to pay a maximum of six years but there will be some who need to pay more. **These are people who have been in business since before 6 April 2006 and have either:**

- Deliberately told HMRC they have earned less than they have
- or
- Have deliberately not told HMRC anything at all about their income.

If you do not have all the business records you need

If this is you please phone the Tax Catch Up Plan Helpline on Tel 0845 601 8817 to advise HMRC.

If your records are incomplete you should make your best estimate of the undisclosed income and gains and use this to make your disclosure. HMRC may ask you to explain how you have worked out any estimates you have used, so you need to keep your calculations.

If you have your bank statements for the period of your disclosure they will probably help. If you don't have them, HMRC recommends that you contact your bank as soon as possible to ask for copies. Although banks

charge for providing copies of statements, most banks have a limit on how much they charge. This means it may not cost you too much to get copies.

If you cannot get copy statements at all, you should work out your income by using more recent statements as a guide to your income and expenditure. HMRC may ask you to explain why you couldn't get copy statements.

If you have not kept proper business records you should begin to do so **immediately**. This opportunity is your chance to put things right from now on. If HMRC finds in the future that you have failed to keep appropriate records, they can charge you up to £3,000.

Advice on keeping records can be found on the tax help page at [hmrc.gov.uk/factsheet/record-keeping.pdf](https://www.hmrc.gov.uk/factsheet/record-keeping.pdf) You can also ask your tax adviser if you need help or phone the Tax Catch Up Plan Helpline on Tel **0845 601 8817**.

If you use estimated figures in your disclosure and it is found to be materially incorrect or incomplete

If HMRC decides that your disclosure was incorrect or incomplete, they will work out what you owe and you will have to pay the extra tax and interest. HMRC may also charge you a higher penalty than the one you included in your disclosure.

If HMRC decides that you have acted dishonestly in making your disclosure, they will consider carrying out a criminal investigation.

Tax and Class 4 National Insurance Contributions (NIC) relating to your income

You need to include separately in your disclosure the tax and Class 4 NIC due on your income. There is a calculator [at hmrc.gov.uk/ris/tcup/calculator.pdf](https://www.hmrc.gov.uk/ris/tcup/calculator.pdf) which may help you to work out these figures. This calculator should only be used for helping you to complete your disclosure under the Tax Catch Up Plan. It must not be used for any other purpose.

The amount of NIC that customers pay to HMRC is routinely notified to the Department for Work and Pensions. However if you are concerned that the earnings you are now declaring could impact on any means tested benefits such as housing benefit or council tax benefit you receive, you should contact your local authority direct to discuss this.

Other liabilities

You need to include any other untaxed income in your disclosure that is not connected to your tuition and coaching. This may include:

- earned income not taxed before you receive it, for example, profits from another business
- investment income not taxed before you receive it, for example, interest
- income from property or land rental etc (less the expenses relating to that income)
- capital gains made on the disposal of investments, such as land, property, shares, stocks, bonds, goodwill etc.

If you're not sure whether you should have paid tax or NIC on some money or an activity, there are several ways you can get more information or help. You can:

- visit the website at [hmrc.gov.uk](https://www.hmrc.gov.uk)
- phone the Tax Catch Up Plan Helpline on Tel 0845 601 8817
- visit one of HMRC's Enquiry Centres (you may need to make an appointment first by phoning the Taxes Helpline on Tel 0845 300 0627) or visit [hmrc.gov.uk/enq/main.htm](https://www.hmrc.gov.uk/enq/main.htm) to find your nearest

Enquiry Centre.

Again the tax calculator at hmrc.gov.uk/ris/tcup/calculator.pdf may help you.

Employer Tax and NIC on wages for employees

If you employed anyone, and you have not deducted and/or paid the tax and national insurance contributions in respect of their earnings this needs to be disclosed on the form available online through the Tax Catch Up Plan at hmrc.gov.uk/ris/tcup/disclose-form.pdf

VAT (Value Added Tax)

You will need to consider whether you should have registered for VAT and charged VAT on goods or services that you have provided.

For further information on VAT registration go to –

How and when to Register for VAT at hmrc.gov.uk/vat/start/register/index.htm

The 2011-12 threshold for VAT registration if you make taxable supplies is £73,000. If your turnover of taxable goods and services supplied within the UK for the previous 12 months is more than the current registration threshold or you expect it to go over that figure in the next 30 days alone, you must register for VAT.

If your turnover for any of the following years took you over the VAT registration threshold for that year, it's possible that you should have been VAT registered before now. **The requirement to register is based on a 12 month rolling period and needs to be reviewed monthly to see if you should have been registered or need to register now.**

Tax year	VAT registration turnover threshold
2010-2011	£70,000
2009-2010	£68,000
2008-2009	£67,000
2007-2008	£64,000
2006-2007	£61,000

Do not include the VAT you owe in your disclosure through the Tax Catch Up Plan. If you think you should have been registered or you are registered and owe VAT, you should complete your disclosure to cover the other taxes and duties you owe and tick the appropriate VAT box on the disclosure form.

HMRC will contact you to explain what you need to do to put your VAT affairs right. HMRC charges penalties for certain VAT and Excise offences (known as 'wrongdoings'). If you need more information about this, go to "Penalties for mistakes and delays with your VAT" at hmrc.gov.uk/vat/managing/problems/penalties.htm

Class 2 NIC

If you are self-employed but have not yet registered to pay Class 2 NIC you need to do so immediately so you do not lose out on future benefits.

You will find information about how to do this on the HMRC website at hmrc.gov.uk/working/intro/class2.htm

Do not include Class 2 NIC in your disclosure through the Tax Catch Up Plan.

Interest

HMRC charges interest when any tax or NICs are paid later than when due. HMRC charges interest from the date tax/NICs are due until the date they are actually paid. Interest is calculated on a daily basis. The table at the end of this guidance will help work out the amount of interest you will have to pay. Or you can use the interest calculator on the HMRC website hmrc.gov.uk/rates/interest-late.htm

Penalties

HMRC charges penalties on any additional tax or NIC due as a result of someone having:

- sent HMRC an incorrect tax return, or
- not told HMRC they have started to be liable to tax.

HMRC does not charge interest on penalties you have to pay.

The penalty is a percentage of the additional amount due. Normally, penalties can be up to 100 per cent but for the Tax Catch Up Plan the rates are 0 per cent, 10 per cent and 20 per cent depending on the circumstances.

There is a penalty chart at **Appendix B** at the end of this guide that will help you find which penalty percentage relates to your circumstances. Once you have found the percentage that relates to you, you should work out the amount of penalty you owe by multiplying the amount of total tax and NIC due by the penalty percentage. For example, if the total tax and NIC due is £3,000 and your circumstances mean that you have to pay a 10 per cent penalty, your penalty will be £300. The calculator on the website at hmrc.gov.uk/ris/tcup/calculator.pdf can be used to calculate your penalty.

When HMRC checks your disclosure they will consider whether the penalty you have applied is reasonable. There is a space on the disclosure form where you can provide an explanation for this if you wish. HMRC expects to be able to accept most disclosures but if they think the penalty applied is inadequate they may need to carry out a further check of your tax affairs. For example, HMRC may find it difficult to accept without further enquiry, that someone who has been in business for many years earning significant amounts and has not told HMRC has not done this deliberately.

Total of all amounts due for the year

You need to add the interest and penalties to the total unpaid liabilities for the year to calculate this figure.

Total of what you need to pay for all years

To find out the total of what you need to pay, you will need to add together the total amounts due for each year included in your disclosure.

Declaration

This is a very important part of your disclosure. You should only complete the declaration once you are certain that your disclosure is correct and complete and that you understand why you have been asked to include penalties in your disclosure.

Offer

It is a condition of using the Tax Catch Up Plan that you make an offer for the full amount of everything you owe. Your offer, together with HMRC's acceptance letter to you will create a legally binding contract between you and HMRC. There are letters of offer included in the disclosure forms which you should complete.

4. Paying HMRC

When will you have to pay?

Unless you have contacted HMRC to agree additional time to pay, you should send your payment at the same time as you send your disclosure, but no later than 31 March 2012.

Payment Methods

HMRC accepts payment by a range of methods but recommend that you make your payment electronically. Electronic payments are more efficient, secure and safe than payment by post. Whichever way you pay, please make sure that you quote your Payment Reference Number.

The different payment methods available are:	Guidance
Direct Debit	To set up a Direct Debit phone 0845 601 8817 . Lines are open Monday to Friday 8:00am to 7:30pm. If you are registered to use one of HMRC's online filing services such as Self Assessment you can set up a Direct Debit online by going to Online services- login hmrc.gov.uk/online/index.htm and select Paying by Direct Debit online. If you are a new user, you have to first register and enrol for the appropriate service, for example Self Assessment, before you can set up your Direct Debit.
Debit or Credit Card	To pay by debit or credit card phone 0845 601 8817 to make a payment or alternatively you can make a debit or credit payment online at Online Payment Service via the link page: BillPay: pay online now by debit or credit card at hmrc.gov.uk/payinghmrc/ A non-refundable transaction fee of 1.4% is payable on credit card payments. HMRC does not accept American Express or Diners Club cards.
Through your own bank or building society by Internet or telephone banking or CHAPS	If you are paying by Internet or telephone banking you can select 'HM Revenue and Customs' from your bank or building society's beneficiary list (sometimes called a 'payee list'), or you can set up a manual instruction using the bank details below: Sort Code: 08 32 10 Account Number: 12001020 Account Name: HMRC Shipley HMRC doesn't accept Faster Payments so it normally takes three bank working days for a payment to reach HMRC, except for a payment made by CHAPS which is a same day transaction. Bank working days are Monday to Friday excluding bank holidays. Some banks or building societies may take longer. So you will need to check with your bank or building society to see how long they will take to transfer the money. You may need to make your request earlier.
At your bank	Take your payment and payslip to your own bank or building society branch. Cheques should be made payable to 'HM Revenue & Customs only' followed by your Payment Reference Number.
At the Post Office	Use your payslip to make a payment over the Post Office counter. Payment can be made by cash, cheque or debit card. Cheques should be made payable to 'Post Office Ltd'.
By post	Make your cheque payable to 'HM Revenue & Customs only' followed by your Payment Reference Number. Post it, with your payslip, to: HM Revenue & Customs, Bradford BD98 1YY

What if you cannot pay the full amount?

HMRC expects you to pay what you owe when you make your disclosure.

If for some reason you cannot pay the full amount, you will need to let HMRC know as soon as possible and **before** you send HMRC your disclosure. To do this, you should phone HMRC on Tel **0845 601 8817**. Lines are open Monday to Friday 9:00am to 5:00pm.

When you phone, HMRC will want to talk to you about your current financial position so they can tell you what they think you should pay and when. To help HMRC decide, you will need to tell them:

- your Disclosure Reference Number (DRN)
- how and when you intend to pay HMRC what you owe
- what your current weekly/monthly income and outgoings are
- what you own, including your home, other property/land, vehicles, investments, money in the bank etc, and
- what you owe, including mortgages, loans, credit cards.

If you cannot pay the full amount do not submit your disclosure or payment until you have spoken to HMRC.

5. After HMRC receives your disclosure

Accepting your disclosure

HMRC anticipates that the vast majority of disclosures will be accepted. If after checks HMRC is satisfied that you have made a full disclosure, they will accept it as quickly as possible provided it **does not** fall into one of the categories listed below.

Acknowledging your disclosure

When they receive your disclosure, HMRC will send you an acknowledgment as soon as possible. HMRC will then consider the disclosure under the terms of the Tax Catch Up Plan. If you haven't received an acknowledgement within two weeks of sending your disclosure, please telephone the Tax Catch Up Plan Helpline on Tel **0845 601 8817**.

HMRC expects most disclosures to be self explanatory but they may need to contact you or your tax adviser to clarify any points. You may also be asked to provide evidence of your circumstances to satisfy HMRC that your disclosure is complete. Your full co-operation is one of the conditions of using this opportunity and failure to co-operate may jeopardise acceptance of your offer.

Considering your disclosure

HMRC will review all disclosures after 31 March 2012. HMRC expects the vast majority of disclosures to be accepted and where this is the case they will send you a letter accepting your offer. If HMRC cannot accept the disclosure they will contact you. If following their enquiries HMRC finds that a disclosure is materially incorrect they will seek significantly higher penalties. It is also possible that in exceptional circumstances an incomplete disclosure may be considered under HMRC Criminal Investigation Policy. In such cases the material in the disclosure could be used as evidence.

Information received after disclosure accepted

HMRC will continue to seek new information. They will use it to identify customers where a disclosure should have been made or where the disclosure made is not what was expected based on the information HMRC holds. See paragraph 'If you have undisclosed liabilities and choose not to disclose' on page 8.

6. Getting things right for the future

Please be sure to declare all income, profits or gains on the relevant tax returns from 2010–11 onwards or advise your own Tax Office (see contact details on latest PAYE coding notice).

7. Specialist questions and answers

Tax credits

What if you or your partner are receiving or have recently made a claim for tax credits?

You should still make a disclosure but also tick the appropriate box on the form available online through the Tax Catch Up Plan at hmrc.gov.uk/ris/tcup/disclose-form.pdf. The information will be passed to the Tax Credit Office to consider. You will be notified separately of any changes that may be required to the amount of tax credits you receive or have received for the relevant year(s). If you have made a joint claim for tax credits you may need to tell your partner that the award may be adjusted as a result of your disclosure.

Inheritance Tax

If you need to disclose unpaid Inheritance tax please tick the appropriate box on the disclosure form

You should still make a disclosure but also tick the appropriate box on the disclosure form available online through the Tax Catch Up Plan hmrc.gov.uk/ris/tcup/disclose-form.pdf.

Other issues

HMRC recognises that some people have more complex affairs and may be affected by other issues. Additional guidance can be found at hmrc.gov.uk If you are still in doubt please ask your tax adviser or telephone **0845 601 8817**.

8. General information

HM Revenue & Customs' commitment

For more information about HMRC's service commitment go to hmrc.gov.uk/charter/

Privacy and confidentiality policy

The full protection of the Human Rights Act will continue to apply to you and HMRC has a strict policy regarding the privacy and confidentiality of customers' personal information. To see HMRC's policy go to hmrc.gov.uk/about/privacy.htm.

Data Protection Act

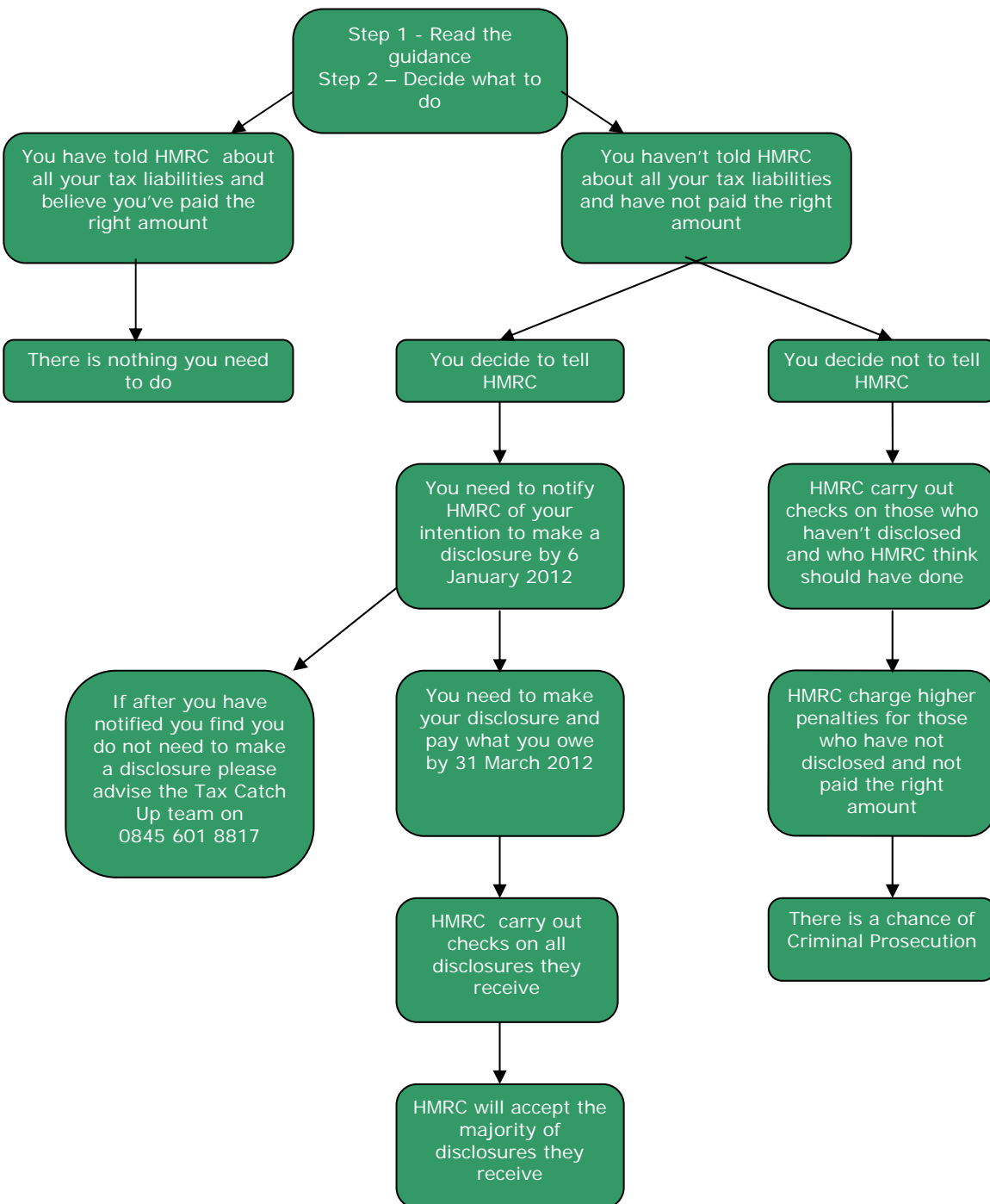
HM Revenue & Customs is a Data Controller under the Data Protection Act 1998. HMRC holds information for the purposes specified in their notification to the Information Commissioner, including the assessment and collection of tax and duties, the payment of benefits and the prevention and detection of crime, and may use this information for any of them.

HMRC may get information about you from others, or they may give information to them. If HMRC does, it will only be as the law permits to:

- check the accuracy of information
- prevent or detect crime
- protect public funds

HMRC may check information they receive about you with what is already in their records. This can include information provided by you, as well as by others such as other government departments or agencies and overseas tax and customs authorities. HMRC will not give information to anyone outside HM Revenue & Customs unless the law permits them to do so. For more information go to [hmrc.gov.uk/leaflets/data-protection.htm](https://www.hmrc.gov.uk/leaflets/data-protection.htm)

Appendix A: A summary of how the Tax Catch Up Plan works



Appendix B: About the penalties that HMRC may charge in the Tax Catch Up Plan

The table below shows the rate of penalty that HMRC might charge in a range of circumstances. You should find an example that you think best applies to your circumstances to see how much HMRC might charge you. The table shows the penalty that HMRC will charge if you **do** take part in the Tax Catch Up Plan and the penalty they will charge if you don't take part and they later find that you have not told them about all your income and paid enough tax.

Although the rate of the penalties will vary depending upon your circumstances, they will always be lower if you take part in Tax Catch Up Plan than they would be if you do not.

HMRC does not expect many people's circumstances to fall within the first category. If you think that your circumstances mean that you have no penalty to pay, please phone the helpline before making your disclosure.

If HMRC thinks that you have not included the right penalty in your disclosure, they may reject your disclosure.

The Tax Catch Up Plan Helpline number is **0845 601 8817**.

Circumstances	Penalty if you come forward in this Tax Catch Up Plan	Penalty if HMRC finds out you have not paid enough tax
If you have not paid enough tax despite taking reasonable care with your affairs, you will not pay any penalties at all.		
You sent HMRC a return showing less tax payable than the correct amount because you had been careless.	10% of the tax due No penalty at all for 2008/9 & 2009/10	Up to 100% of the tax due Between 15% and 30% of the tax due
You started trading, haven't told HMRC about it or sent HMRC a tax return, but you weren't deliberately trying to keep the information from them.	10% of the tax due.	Up to 100% of the tax due
You deliberately failed to tell HMRC you had started trading.	20% of the tax due.	For years up to 2008/9, up to 100% of the tax due. Between 35% and 70% of the tax due
You deliberately sent HMRC a return showing less tax payable than the correct amount in order to understate your tax bill.		For years up to 2007/8, up to 100% of the tax due. Between 35% and 70% of the tax due
You may have to pay penalties of up to 100% of the tax due if you tried to conceal the extent of the undeclared tax.		

Appendix C: Interest due - Payments made in the Disclosure phase of the Tax Catch Up Plan

To help you work out the interest you should include in your disclosure, you can use the calculator at hmrc.gov.uk/ris/tcup/calculator.pdf

If you are unable to access the calculator, the interest factors in the table below will help you calculate the interest due on late paid Income Tax, Class 4 National Insurance contributions and Capital Gains Tax. These factors are for use in the Tax Catch Up Plan only.

If you choose not to use these prepared interest factors, you can find details of interest rates on late payments for the various taxes and duties at hmrc.gov.uk/rates/interest-late-pay.htm

The sooner the Income Tax, Class 4 National Insurance contributions or Capital Gains tax that you are disclosing is paid the lower the interest payable on the tax or contribution will be. You should use the factor for the month that HMRC will receive your disclosure and payment.

Example:

If payment is to be sent electronically on 31 March 2012 - use the factor in the March 2012 column for the relevant tax year.

Tax Year	Income Tax, Class 4 National Insurance Contributions, Capital Gains owed	Interest Factor	Interest due
2008-09	3000	0.0649	194
2009-10	5000	0.0349	174

However, if payment is to be sent by first class post on 28 January 2012 - use the factor in the January 2012 column for the relevant tax year

Tax Year	Income Tax, Class 4 National Insurance Contributions, Capital Gains owed	Interest Factor	Interest due
2008-09	3000	0.0599	179
2009-10	5000	0.0299	149

Interest factors for Income Tax, Class 4 National Insurance contributions and Capital Gains Tax only (for use in the Tax Catch Up Plan only)

Tax Year	Payment received by					
	Oct -11	Nov-11	Dec-11	Jan-12	Feb-12	Mar-12
2006-07	0.1508	0.1533	0.1558	0.1583	0.1608	0.1633
2007-08	0.0805	0.0830	0.0855	0.0880	0.0905	0.0930
2008-09	0.0524	0.0549	0.0574	0.0599	0.0624	0.0649
2009-10	0.0224	0.0249	0.0274	0.0299	0.0324	0.0349

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