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HELP SHEETS

Help Sheets giving more detailed information about particular tax rules for the Northern Ireland Legislative Assembly Pages are available from the Orderline:

- 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 Legislative Assembly Pages

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

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

Gather together the material you need, for example:

- your P60, a Finance Office form showing pay and tax details for the year
- your PAYE Notices of Coding for 2005-06 and 2006-07
- a form P11D or equivalent statement from the Finance 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 Legislative 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 2006

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

If you were a Member of the Legislative Assembly

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

If you changed Assembly office during the year

Fill in a **separate** copy of the Legislative Assembly Pages for **each** office from which you received any income in the year ended 5 April 2006.

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

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

Details of office

boxes 1.3, 1.4 and 1.6

Enter the dates you became or finished being a Member of the Legislative Assembly and/or Minister if these are between 6 April 2005 and 5 April 2006. 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 a Member of the Legislative Assembly or as a Minister.

Your P60 will show figures for pay and tax from the office you held at 5 April 2006. 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 Legislative Assembly Pages you complete (one for each office).

If you were unemployed during the year, your P60 figure will include any Jobseeker's Allowance or Incapacity Benefit you received. Do not include these in the Legislative Assembly Pages (or any copies of the Employment Pages that you fill in). Instead you should enter any Jobseeker's Allowance in box 11.5 and any taxable Incapacity benefit in boxes 11.8 and 11.9 of your Tax Return.

Some of the more common items to include are explained in the 'Money payments' section overleaf. If you received an item or payment in connection with your office and are not sure whether to include it, ask your HM Revenue & Customs office or your tax adviser for advice.

Notes on NORTHERN IRELAND LEGISLATIVE ASSEMBLY

General rule

Include in boxes 1.8 and 1.10 **all** the income you received as a Legislative Assembly Member and/or Minister in the year to 5 April 2006, even if you earned it in an earlier tax 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 a Legislative Assembly Member and/or Minister (box 1.8)
- Statutory Sick Pay, Statutory Maternity Pay, Statutory Paternity Pay and Statutory Adoption Pay except when paid by the SSA (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 a Legislative Assembly Member and/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 1.16 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 received from the Assembly Pension Scheme.

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

- Tax taken off

box 1.11 Enter in box 1.11 the amount of any tax taken off 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 Finance 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 Finance Office has a **dispensation**. You do not need to refer to these items. (A **dispensation** is an arrangement the Finance Office may have made with us. 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.)

- Excess mileage allowances - using your own transport for Legislative Assembly business

If you are paid an allowance for using your own transport, on Legislative Assembly business journeys, the rates paid by the Finance Office exceed the statutory exemption for approved mileage allowance rates. The excess sum is taxable and will be included on the form P60.

- Office Costs Allowance: non-capital items

box 1.16 Payments you receive from the Finance Office to reimburse you for expenses you incur, in the performance of your duties as a Legislative Assembly Member and/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 1.33 to 1.35.)

The Finance 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 these 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.

- Office Costs Allowance: capital items

box 1.17 Under the Office Costs Allowance rules, the Finance 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 Finance Office should provide you with details. Enter the total in box 1.17. (If you want to claim capital allowances fill in box 1.35.)

- Other cash reimbursements

box 1.19 Enter in box 1.19 any reimbursements made to you by the Finance 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 1.33 to 1.35.

- All other benefits

box 1.22 The Finance Office should have given you details of other benefits. Those mentioned in boxes 1.16 to 1.19 are the most common. Enter in box 1.22 the total cash equivalent of any other benefits you receive as a Legislative Assembly Member and/or Minister that you have not included elsewhere, for example, in boxes 1.16 to 1.19.

Notes on NORTHERN IRELAND LEGISLATIVE ASSEMBLY

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 us or your 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 a Legislative Assembly Member. Do not include benefits from any non-Assembly office or employment. Enter these on 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	£
Home telephone(s)	£
Subscriptions and professional fees	£
Goods or services provided	£
Nursery places provided (in some circumstances this benefit is not chargeable - see booklet 480)	£
Educational assistance provided (in some circumstances this benefit is not chargeable - see booklet 480)	£
All other benefits	£
Total	A £

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

- Balancing charges

box 1.23 When the Finance 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 us or your 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 2006, you received a lump sum or compensation payment from the Finance 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 taken off lump sums and compensation payments.

- **Expenses paid out by you**

boxes 1.33 to 1.35 This section explains the rules for claiming expenses necessarily incurred in performing your duties as a Legislative Assembly Member and/or Minister. Please note that the Finance 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 Finance Office, **and**
- the expenses are covered by a **dispensation**.

(If you are uncertain whether the Finance Office has a dispensation you should ask for details. Also see the section headed 'Benefits, expenses and balancing charges' on page MLAN2.)

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.

- 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 a Legislative Assembly Member and/or Minister. The claim will usually equal the amount of your Office Costs Allowance used for these staff expenses. The Finance Office will provide you with details.

Enter **separately** in the 'Additional information' box, box 1.40 on Page MLA2, 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 and those notified to you by the Finance Office.

The total expenses cannot exceed the income from your office including payments notified to you by the Finance Office.

Notes on NORTHERN IRELAND LEGISLATIVE ASSEMBLY

- 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 and stationery. The figure will often correspond to the amounts that have been paid to you or on your behalf by the Finance Office for those sort of items. They will give you details.

If, during the year, you have paid amounts other than through the Finance Office, put the total of these amounts in box 1.34.

- Other expenses and capital allowances

box 1.35 Enter **separately** in the 'Additional information' box, box 1.40 on Page MLA2, 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 us for help **before** filling in box 1.35.

Capital allowances

Capital allowances will usually be available on the capital cost to you of equipment you have to provide to carry out your duties as a Legislative Assembly Member and/or Minister. With effect from 6 April 2002 you cannot claim capital allowances for 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, for your duties as a Legislative Assembly Member and/or Minister, 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 Finance Office

box 1.39 Enter in box 1.39 the amount of Student Loan repayments deducted by the Finance 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 Legislative 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 Finance 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 Finance Office administers on behalf of Members an Additional Voluntary Contribution Scheme through Equitable Life. Relief for contributions made to these schemes is given by deducting amounts paid from the salary payment before tax is charged. Therefore, you do not need to claim for these contributions. If you need help, the Finance 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 £105,600 in some cases).

Retirement benefits schemes of employers

If you decide to make a lump sum contribution to the Finance Office scheme 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 £105,600 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.