

Working In Practice

Taxable and non Taxable Income

The items below are examples of income to be declared or not declared in Self Assessment Returns. Check to ensure that the description and the terms and payment amounts are correctly expressed and are currently in the categories listed below

TAXABLE from 20% band through to 40% band

Employed Income full time, part time and casual
Holiday Pay
Self-employed including home workers
Partnership Income
State Old Person's Pension
Widow's pension
Private pensions
Maternity Pay
Paternity Pay
Adoption Pay
Redundancy Pay – not golden handshakes
Statutory Sick Pay
Capital Gains
Bereavement Allowance
Carers Allowance
Jobseekers Allowance
Incapacity Benefit – after 28 weeks with conditions
Industrial death benefit
Invalidity Allowance – when paid with retirement pension
Redundancy payments over £30,000

TAXABLE at 10%
UK Company Dividends

TAXABLE at 20%
Interest from Building Societies
Interest from Banks

NON-TAXABLE

Individual Savings Schemes – ISA'S
Personal Equity Plans – PEP'S
Gambling, Prizes and Lottery winnings – check source of payment
Gifts within inheritance limits
Inheritance from a will or estate after probate
Inheritance from death of spouse
Attendance Allowance
Child Benefit
Christmas bonus and fuel payment to pensioners
Bereavement payment
Disability living allowance
Disablement benefit
Children's Trust Funds
Children's bonus bonds
First £70 interest on National Savings Bonds
Rent a Room up to £4,250 pa 2007/08 per one person
Golden Handshakes – check conditions applied and amounts paid
Redundancy – up to £30,000
Pension scheme lump sums – check conditions and amounts paid restrictions
Certain Insurance draw down policies – check with insurer
Certain share option schemes - check with administrator
Income support
Industrial Injury benefits
Housing benefits
Home improvement, insulation and certain repair grants
Certain payments from the Social Fund – e.g. funeral or maternity
Maintenance payments
War disablement pension
War widow's pension