

Self Assessment for dentists – what you need to know

Debbie Banks, Head of Business Delivery for Self Assessment at HM Revenue and Customs (HMRC), spoke to *BDJ In Practice* to answer some of the most common queries and concerns raised by dentists regarding the Self Assessment process.

There have been changes to HMRC's guidelines on dentists' work status. What do members need to know about these as they stand today?

DB We removed the specific guidance relating to associate dentists this year (6 April 2023). We want to provide better guidance by ensuring associate dentists make a proper assessment of their status looking at both the contract and how they work in practice.

The change means dental practice owners and associate dentists must now join all other occupations and sectors and use the generic employment status guidance to decide if the associate dentist engaged should be classed as employed or self-employed.

There are many factors to consider in making this decision. HMRC provides a tool called Check Employment Status for Tax (CEST) on GOV.UK which takes them all into account and can help you. To use the tool, you will need details of the contract, the worker's responsibilities, who decides what work needs to be done, who decides when, where and how the work is done, how the worker will be paid and if the engagement includes any corporate benefits or reimbursement for expenses.

When it comes to Self Assessment for dentists, what do they need to pay most attention to?

DB Dentists are busy people, so it's worth thinking about how to make the Self Assessment process as straightforward as possible.

More than 90% of customers have completed their tax return online in recent years. It's the fastest and easiest way to complete your Self Assessment, and you don't



need to do it all at once. You can save your progress and complete the various sections at a time that suits you ahead of the deadline.

Keeping your records up to date, documenting your business income and expenditure to ensure you can complete an accurate tax return is so important. It's worthwhile exploring your options for this to find a method that works for you, as there are now many digital and software options which may prove far easier than storing reams and reams of paper.

If you feel that you're still getting to grips with the process, you'll find lots of resources and guidance to help you with your tax return on GOV.UK. You can also find a series of video tutorials on *YouTube*, channel name HMRCgovuk.

Finally, HMRC urges dentists to stay alert to scammers. Busy people can be particularly vulnerable to scammers as they often don't have much time to follow

the advice of 'stop and think'. Scammers are clever, and they know the annual Self Assessment schedule as well as anyone. They rely on their targets expecting contact at certain times and they get in touch with plausible messages that make sense according to the Self Assessment calendar.

HMRC will never pressure you to make decisions quickly under threat of legal action. We will not ask you to share your private details with us or transfer money immediately. If you're ever unsure about a contact, end the exchange and look into it further. Our HMRC scams page on GOV.UK carries lots more helpful advice.

To help protect yourself, never share your HMRC login details with anyone, including your accountant or tax agent if you use one. There's a lot of personal information within your account, so treat your login with as much care as you treat your bank account details.

What are the common misconceptions you feel dentists need to know about?

DB Probably one of the most common misunderstandings we see among busy professionals is that completing your tax return is a task for January, to take place just ahead of the 31 January deadline.

This may be because people also believe that once they submit their Self Assessment, they are immediately due to pay their bill, so they want to put it off as long as possible.

We are working to encourage people to change this mindset and treat Self Assessment as something they can get done much earlier, even right at the start of the new tax year from 6 April, rather than leaving it until the deadline is looming, the pressure to get everything in place is intensifying and our phone lines are at their busiest.

Early filing does not mean early payment. The 31 January payment deadline does not change whether you file on 6 April or 26 January. If you file early, you can choose to pay early for your own convenience, but you don't have to. By filing early, you will receive an early notification of what your bill will be, so you can plan how best to pay it to suit your finances.

Knowing what you owe puts you in control. You can make regular payments towards your bill quickly and at your convenience using the HMRC app or set up a budget payment plan with regular direct debits at GOV.UK.

When many are feeling the pinch due to the cost of living crisis, early filing also means that you can fully explore available payment options if you are concerned that you may not be able to pay the bill in full by the deadline. Time to Pay arrangements are one such solution that many people can set up for themselves online.

Under what circumstances do you need to/not need to submit a Self Assessment, and how can you find out which applies to you?

DB The Self Assessment population is around 12 million people – and they all need to do a tax return for many different reasons. It's understandable that you may be confused over whether this applies to you.

HMRC is here to help and has lots of support and guidance for customers on GOV.UK. There is a free online tool on GOV.UK which is a quick and easy way for you to

check if you need to complete a tax return for the 2022 to 2023 tax year.

Most people complete a Self Assessment because they are classed as self-employed and they earn more than £1,000 per year. This is the reason a majority of dentists complete Self Assessment, being classed as self-employed or self-employed contractors. Other common reasons why you may need to complete Self Assessment include receiving income from a property that you own or rent out, claiming Child Benefit when you, or your partner, earn more than £50,000 a year, if you earn more than £100,000 a year and if you receive interest from banks and building societies (more than £10,000).

HMRC's online page 'Who must send a tax return' details all the reasons for completing Self Assessment.

You may no longer need to submit a Self Assessment when you've done so in the past if you have given up work or retired, are no longer self-employed or earn below the minimum income thresholds (dependent on the relevant tax).

If any of these apply to you, you must advise HMRC as soon as possible. If you don't think you need to send a tax return but we've asked you to complete one, then don't ignore it, if you do you could face a penalty for not completing one.

What advice would you give to someone filling out a Self Assessment for the first time?

DB I'd firstly advise first time filers not to be daunted by the task, and to set out to tackle it in plenty of time. Putting it off will make it all far more stressful, especially if it's your first experience of the process.

It's an individual choice whether to file your tax return yourself or use an accountant, but if you decide on the latter, make sure you select your accountant and have the initial meetings well before the relevant deadlines.

An accountant is definitely not a requirement, plenty of people complete their own.

Before starting a tax return you will need your Unique Taxpayer Reference and National Insurance number, as well as details of your income, earnings and other financial records. If you are unsure what records you need to keep in order to complete your Self Assessment, you can check on GOV.UK.

We've mentioned earlier that there's lots of help and advice online to make understanding Self Assessment easier, but it's

Good to know

HMRC's top tips are:

- **Plan ahead** – make sure you've got all your documents together beforehand
- **Take your time** – rushing risks mistakes. Take time to double check your entries
- **Don't forget to press submit** – once you're all done with your online return, don't forget the simple final act of clicking the submit button. It's such an easy mistake to make but one that catches many people out every year.

Remember these dates for your diary:

- **30 December** – deadline to complete your Self Assessment if you pay tax through PAYE and want to pay your bill through your tax code
- **31 January** – online tax return and payment deadline

Further information and useful links

More information on Self Assessment: www.gov.uk/self-assessment-tax-returns

Check if you need to do a tax return: www.gov.uk/check-if-you-need-tax-return

HMRC's step-by-step guide for first time filers: www.tax.service.gov.uk/guidance/check-what-you-need-to-do-to-file-your-first-self-assessment-tax-return/start/

There is lots of help and support available when completing your tax return: www.gov.uk/guidance/help-and-support-for-self-assessment

Self Assessment videos on HMRC's YouTube channel: www.youtube.com/@HMRCgovuk/playlists?view=50&sort=dd&shelf_id=1

particularly worth noting our step-by-step guide for first time filers.

What are the key dates and deadlines dentists need to know about?

DB I've already mentioned the key date for most filers, the Self Assessment deadline for filing tax returns online, which is 31 January.

You must file your tax return and pay any tax owed by the deadline. If you miss it, you may incur penalties.

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