# Dental Associates –Tax Payment, Tax Returns and Savings for Tax

Associate dentists are classed as self-employed for tax purposes. This brings responsibilities. As a self-employed person you will be responsible for submitting Self Assessment Tax Returns and paying your own tax and National Insurance Contributions.

All self-employed people are required to pay what are effectively three different sorts of taxes. These are Income Tax, Class 2 National Insurance and Class 4 National Insurance.

All of these taxes are collected by or paid to H M Revenue & Customs. The amount of Class 2 National Insurance that self-employed people are required to pay is a fixed amount. The amount of Income Tax and Class 4 National Insurance payable depends on the level of profits in your accounts that are reported to H M Revenue & Customs via your Tax Return each year.

>>

Taxessentials

## Registering as Self Employed

A form CWF1 is used to tell H M Revenue & Customs and the Contributions Agency that you have commenced self-employment. Normally we will complete this for our clients.

Anyone starting up as self-employed must register with H M Revenue & Customs as soon as possible after self-employment began. Penalties may be charged for late registration in certain circumstances.

We would prefer to complete this form for our clients so as to ensure that there are no entries that could indicate that you are employed rather than self-employed. If HM Revenue & Customs were successful in arguing that you in fact employed you will end up paying more tax and National Insurance and your principal would not be too pleased because he will have to deduct PAYE and National Insurance from what would then become your salary rather than you fees. Additionally, your principal would have to pay employers National Insurance on your salary as well.

## Paying Class 2 National Insurance

Class 2 National Insurance Contributions are paid to the Contributions Agency annually in the January following the end of the tax year. For the 2020/21 tax year the rate is £3.05 per week.

Class 2 National Insurance Contributions are collected via self-assessment i.e. payment with Income Tax and Class 4 National Insurance contributions each 31 January following the end of tax year. Your first year of self-employment will be 2020/21, therefore the Class 2 NIC contributions will be collected on 31 January 2022.

The main benefits to which payment entitle you are state pension, incapacity benefit and for women, basic maternity allowance.

Payment will not entitle you to jobseekers allowance, earnings related sickness or maternity benefits or earnings related pension. You should therefore seriously consider other forms of insurance.

## Tax Returns

Everybody who is self-employed is required to complete a Tax Return each year which covers the 12 months to 5 April.

Income tax, Class 4 National Insurance Contributions and Student Loan repayments (where this is applicable) are based on your total income less allowable deductions for each tax year, i.e. the year to 5 April. This is declared on a Self Assessment Tax Return which must be submitted to HM Revenue & Customs before the following 31 January e.g. for the tax year ended 5 April 2021 (sometimes denoted 2020/21) it must be submitted before 31 January 2022. Late submission of the Tax Return will result in an automatic £100 penalty.

Where HM Revenue & Customs are aware that a tax payer is self-employed, a higher rate tax payer, a director of a company or has complex financial affairs, they will issue a Notice to Complete a Tax Return each year.

Despite the name "**self assessment**" your accountant will complete your accounts and Tax Return and calculate your tax liability.

We will write to you in early April each year to request information required to prepare your accounts and Tax Return.

## Information required for completion of your Tax Return

Income from self-employment subject to income tax etc. is effectively calculated via a set of accounts, a summary of which is included in the Self Assessment Tax Return.

In addition to your accounts, we list below a very brief summary of the information we normally require each year to complete your tax return. We will not necessarily complete your tax return at the same time as preparing your accounts and so it is usually of assistance if you can let us have this information separately from the information which we require to complete your accounts each year.

The list is not exhaustive by any means and many people will have items other than those listed below which needs to be recorded on their tax returns. You should therefore ensure that once we have completed your tax return you read through it carefully to ensure that you are happy that it is complete and that you do not have any of the other income than that mentioned in it.

The information that we normally require is as follows:-

**1** Details of any private pension contributions that you may be making including the form PPCC (Personal Pension Contribution Certificate), which you will have been given by your pension company. If you have made contributions into a Freestanding Additional Voluntary Pension we will also need full details. It is not always beneficial for Dental Associates who are members of the NHS Superannuation Scheme to have private pensions since they may not obtain tax relief on the premiums paid and so very few will be making such contributions.

**2** Details of any interest bearing bank or building society accounts including the name of the bank/building society, the account number, the gross interest, the tax deducted at source, and the net interest. Do be aware that even if the net interest that you have received on an account is as low as 1p we still need to enter the details on your tax return. It does not necessarily mean that you will have to pay any additional tax but if H M Inspector of Taxes discovers that you have not disclosed the details of interest received, however small, it gives him the opportunity to write to you and say that he has reason to believe that you have withheld details of some of your income. He will not say what income he is aware of that you have not put on your tax return. As you can imagine this leads to admissions of all sorts of other income from part time jobs etc. etc.

By far the easiest way to let us have this information is to ask your bank of building society to let you have a "Certificate of Interest" for each account that you have with them. Most current accounts or cheque accounts are interest bearing these days and so you should also ask for certificates for these accounts. Some banks and building societies issue these certificates automatically but for others you will have to ask.

**3** Details of any earned income from salaried posts which you may have received through the PAYE system during the year. This might include work as a DFT up until you become an Associate, work in hospitals, in community, or if you are employed part time in another practice as opposed to being an Associate.

If you have PAYE income you should let us have your P60 which you will have received from your employer shortly after the end of the tax year, or the form P45 if you left an employment during the year.

If you don't have a P45, we will need the last payslip that you receive in the tax year for any employments that you have.

**4** Dividend Counterfoils for the dividends from any shares that you hold that you received during the year, together with contract notes relating to any share acquisitions or disposals during the year.

**5** Details of any windfall payments received during the tax year perhaps from banks and building societies or interest on insurance claim payments.

**6** Details of income and expenses that you have from letting any property. We will require a "Loan Interest Certificate" in respect of any loan relating to the property, not the monthly amount paid to the bank or building society. You will need to obtain this certificate from the lender. We have a special cashbook for clients to use to record income and expenses relating to property letting. If you have income from property please contact us and ask us for a copy of this cashbook.

**7** Details of any capital gains that you may have made as a result of buying and selling shares or property.

**8** The income to be declared on your Tax Return is your worldwide income, not just income arising in the UK.

## Tax Payment Timetable

The tax liability calculated from the income declared on the Tax Return that is not covered by tax paid on account through the PAYE system on income from employment, and tax deducted at source on certain investment income e.g. interest and dividends, is, in the first instance payable by 31 January. If the additional tax due is less than £1,000 then there is only the one payment each year.

However, where the additional tax due is more than £1,000, and this will be the case for most self-employed associate dentists, three tax payments are made each year (although two payments are actually combined). The tax payment timetable for an Associate starting on 1 September 2020 would be:

| Date | Action |
|---|---|
| **1.** 31 January 2022 | **A.** Pay tax, Class 2 NIC and Class 4 NIC due (and Student Loan repayment if applicable) for 2020/21 tax year.<br><br>**B.** Pay first instalment on account of tax and Class 4 NIC due for 2021/22. This will be half of 2020/21 tax and Class 4 NIC. |
| **2.** 31 July 2022 | Pay second instalment on account of tax, and Class 4 NIC due for 2021/22. This will be half of 2020/21 tax and Class 4 NIC liability. |
| **3.** 31 January 2023 | **A.** Pay the balance of tax, Class 2 NIC and Class 4 NIC due (and Student Loan repayment if applicable) for 2021/22 tax year. This will be the actual tax liability less payments on account already made on 31 January and 31 July 2022.<br><br>**B.** Pay first instalment on account of tax and Class 4 NIC due for 2022/23. This will be half of 2021/22 tax and Class 4 NIC liability. |

The pattern then repeats year after year until cessation of trade.

**Example for Associates commencing Self Employment in September 2020.**

In the tables below we have set out examples of annual earnings, the tax liability arising and the timetable of tax payments for an Associate commencing to trade on 1 September 2020.

The vast majority of Associates who have done a DFT year now begin as Associates at the beginning of September. The timing of some DFT Schemes, however, is such that some people begin as Associates in January. The appendix on page 13 and 14 of these notes show what the figures would be assuming that an Associate began self employment in the January of a year.

The earnings of an "Average Associate" used to calculate the likely tax liabilities have been derived from our own statistics. Assuming a 1 September 2020 start the earnings figures cover the first 7 months and their second, third and fourth years. We have also assumed an accounts period to 31 March. In respect of student loan repayments we have assumed Plan 2 loan repayments. Just for reference, the Plan 1 annual repayments will be £646 higher than Plan 2 repayments.

***Please note that the figures below are for illustration only and should not be treated as an indication of your own personal profits, tax liabilities and payments.***

### Earnings record and tax liability

| Accounting period | | Net profit per accounts as adjusted for tax | Total tax, class 2 NIC and class 4 NIC liability for the year | Total tax, class 2 NIC and class 4 NIC liability and Student Loan repayment for the year |
|---|---|---|---|---|
| From | To | | | |
| 1 September 2020 | 31 March 2021 | £26,888 | £5,001 | £5,697 |
| 1 April 2021 | 31 March 2022 | £52,464 | £9,753 | £11,538 |
| 1 April 2022 | 31 March 2023 | £58,841 | £12,426 | £14,782 |
| 1 April 2023 | 31 March 2024 | £64,137 | £14,689 | £17,531 |

### Tax payment schedule

| Due date | Balancing instalment of tax due | | Payment on account due | | Student Loan repayment | Total tax, Class 2 NIC, Class 4 NIC and Student Loan payable |
|---|---|---|---|---|---|---|
| | Amount | Tax year | Amount | Tax year | | |
| 31 Jan 2022 | £5,001 | 2020/21 | £2,453 | 2021/22 | £696 | £8,150 |
| 31 Jul 2022 | | | £2,453 | 2021/22 | | £2,453 |
| 31 Jan 2023 | £4,847 | 2021/22 | £4,797 | 2022/23 | £1,784 | £11,429 |
| 31 Jul 2023 | | | £4,797 | 2022/23 | | £4,797 |
| 31 Jan 2024 | £2,831 | 2022/23 | £6,134 | 2023/24 | £2,357 | £11,321 |
| 31 Jul 2024 | | | £6,134 | 2023/24 | | £6,134 |
| 31 Jan 2025 | £2,422 | 2023/24 | £7,265 | 2024/25 | £2,842 | £12,530 |
| 31 Jul 2025 | | | £7,265 | 2024/25 | | £7,265 |

## Payment of your Tax and Class 4 National Insurance Liability

For the tax payment due in July, you will usually receive a demand from the Revenue with a payslip attached. For the January payment, if your Tax Return has been processed in good time, you will also receive a demand with a payslip. You should pay H M Revenue & Customs the amount requested. The various payment methods are printed on the reverse of the demand. You can pay by cheque, over the phone with your card details and even via internet banking.

If HM Revenue & Customs has not received your Tax Return by 1 December, they will send you a form during December which reminds you to send in your Tax Return. On the bottom of this form will be a blank payslip. You should use this blank payslip to make a payment of the amount which we have told you to pay, using the envelope which H M Revenue & Customs will have sent you or one of the methods mentioned above.

## Other documentation that H M revenue & Customs may send you

At various stages during the year H M Revenue & Customs will send you a "Statement of Account".

This form details the payments due and payments made and is similar to a credit card statement. A payslip is attached at the bottom to be used when making payments to the Collector of Taxes and the payslip will explain how to make the payment.

## Late payment of tax

If you have a liability to tax and do not make the payment by the due date you will be charged interest by H M Revenue & Customs at a rate fairly similar to the bank overdraft interest rate. Since 7 April 2020 this rate is 2.6%.

In addition to this, if any amount of the "balancing payment" due 31 January remains unpaid after 28 days you will be charged a penalty of 5% of the amount of tax outstanding. Therefore if you are having difficulties it is not the end of the world if you pay the tax up to 28 days late. You should do your utmost to pay the tax that is due within 28 days of the 31 January due date.

In addition to this a further 5% surcharge penalty will be levied if the "balancing payment" due at 31 January remains unpaid after 31 July.

Additionally, there is a daily £10 penalty levied for non-submission of your tax return after 1 May after the 31 January deadline. The maximum penalty is for 90 days i.e. £900.

## Reduced earnings in the current year

As explained above, the instalments of tax for the current year are based on the prior year's tax liability. If your earnings decrease e.g. in the event of maternity leave, travel abroad etc., then the instalments of tax paid may well exceed your final tax liability.

If you overpay tax on the instalments, H M Revenue & Customs will refund the overpayment within a couple of weeks of submission of your Tax Return.

If you know well in advance that your earnings, and hence your tax liability has decreased, it is possible for us to request a reduction in the instalments payable.

This is done on a form SA303. If you think this situation may apply to you, please let us know.

## Debt

Student Loans, overdrafts and credit cards and other forms of debt carry different rates of interest. Typical rates are set out below in order of interest cost:

| Loan | Typical rate per annum |
|---|---|
| Student Loans Company loan – Plan 1 | 1.1% |
| Student Loans Company loan – Plan 2 | 3.0% - 5.4% (income dependent) |
| Mortgage | 3.5% |
| Bank Professional Trainee Loan Scheme | 6-8% |
| Car loan | 12% |
| Overdraft (non student) | 12% |
| Credit card | 18% |
| Store card | 29% |

Debt management means repaying those debts with the highest rates of interest first. It is highly unlikely that new Associates will ever in the future be able to borrow as cheaply as they did from the Student Loans Company and Professional Trainee Loans marketed by the high street banks. We would not recommend the early repayment of the Student Loan except in exceptional circumstances,

### Student Loan Repayments

For students who commenced their studies after September 1998, the amount of the repayment of your loan is dependent on the level of your earnings. The annual repayment is calculated as 9% of your income in excess of the repayment threshold. For Plan 1 loans the threshold is £19,390 and Plan 2 £26,575 for 2020/21 tax year. There is no upper limit on the repayments collected.

Repayment commences in the April following graduation. For FDs who commenced employment in September 2019 repayments should start in April 2020.

For those dentists in employment, the repayments are collected by H M Revenue & Customs via the PAYE system i.e. by deduction from your monthly salaries. On the current level of FD salary in England (from 1 April 2019) this equates to £100 per month for Plan 1 loans and £46 for Plan 2 loans.

For those dentists who are self-employed, the loan repayment is paid at the same time as you pay your tax and Class 4 National Insurance i.e. 31 January following the end of the tax year. For the majority of you, once you leave employment as a DF1 in 2020, you will make no further Student Loan repayments until 31 January 2022. Based on the average level of earnings for a first year Associate this would equate to a repayment of £1,087 for

Plan 1 loans and £696 for Plan 2 loans. This is in addition to repayments which will have been collected by deduction from your salary as a DF1. In the table below, we set out the annual repayments to the Student Loan Company based on the average earnings of Associates over the first 4 years.

There are two loan types, Plan 1 and for students commencing their studies from September 2012 onwards, Plan 2.

**Table Showing Student Loan Repayments**

| Accounting period | | Net profit per accounts as adjusted for tax | Student Loan repayable | | Date payable |
|---|---|---|---|---|---|
| From | To | | Plan 1 | Plan 2 | |
| 1 September 2020 | 31 March 2021 | £26,888 | £1,087 | £696 | 31 January 2022 |
| 1 April 2021 | 31 March 2022 | £52,464 | £2,430 | £1,784 | 31 January 2023 |
| 1 April 2022 | 31 March 2023 | £58,841 | £3,003 | £2,357 | 31 January 2024 |
| 1 April 2023 | 31 March 2024 | £64,137 | £3,489 | £2,842 | 31 January 2025 |

The amount of Student Loan taken out will depend on each individual's personal circumstances. However, you will need to make provision for the repayment of the loan when it becomes due. In the following sections of this hand out we discuss monthly savings to meet Income Tax, Class 4 National Insurance and Student Loan liabilities.

New Student Loan arrangements apply to students commencing their studies in September 2012. The main difference between the Plan 1 and Plan 2 loans is the way in which the interest rate is determined, and the level of earnings before repayments commences. For Plan 1 loans the interest rate is set at 1% above bank base rate i.e. 1.1%, whereas the Plan 2 loan interest rate is linked to RPI (Retail Price Index) and varies between 3.0% and 5.4%.

# Saving for Tax Liabilities

Having read this far, it will be obvious that significant tax liabilities have to be met in the future. The obvious way to save for these is to put aside a monthly sum (based on the monies received from the practice) into a savings account. To demonstrate that this will deliver the tax payments when due, the figure below shows the monthly balance on a savings account based on the earnings and tax liabilities used earlier.

**ANYTOWN BUILDING SOCIETY**

**Name** Dr A S Sociate

**Passbook**

**Account Number** DXL 16779593 T

| Date | Deposit (Monthly Saving) | Withdrawal (Tax Paid) | Balance | Date | Deposit (Monthly Saving) | Withdrawal (Tax Paid) | Balance |
|---|---|---|---|---|---|---|---|
| Sep-20 | 987 | | 987 | Mar-23 | 1,267 | | 13,389 |
| Oct-20 | 987 | | 1,973 | Apr-23 | 1,412 | | 14,800 |
| Nov-20 | 987 | | 2,960 | May-23 | 1,412 | | 16,212 |
| Dec-20 | 987 | | 3,946 | Jun-23 | 1,412 | | 17,623 |
| Jan-21 | 987 | | 4,933 | Jul-23 | 1,412 | 4,797 | 14,238 |
| Feb-21 | 987 | | 5,919 | Aug-23 | 1,412 | | 15,649 |
| Mar-21 | 987 | | 6,906 | Sep-23 | 1,412 | | 17,061 |
| Apr-21 | 1,110 | | 8,015 | Oct-23 | 1,412 | | 18,472 |
| May-21 | 1,110 | | 9,125 | Nov-23 | 1,412 | | 19,884 |
| Jun-21 | 1,110 | | 10,235 | Dec-23 | 1,412 | | 21,295 |
| Jul-21 | 1,110 | | 11,344 | Jan-24 | 1,412 | 11,321 | 11,386 |
| Aug-21 | 1,110 | | 12,454 | Feb-24 | 1,412 | | 12,797 |
| Sep-21 | 1,110 | | 13,564 | Mar-24 | 1,412 | | 14,209 |
| Oct-21 | 1,110 | | 14,673 | Apr-24 | 1,412 | | 15,621 |
| Nov-21 | 1,110 | | 15,783 | May-24 | 1,412 | | 17,032 |
| Dec-21 | 1,110 | | 16,893 | Jun-24 | 1,412 | | 18,444 |
| Jan-22 | 1,110 | 8,150 | 9,853 | Jul-24 | 1,412 | 6,134 | 13,722 |
| Feb-22 | 1,110 | | 10,962 | Aug-24 | 1,412 | | 15,133 |
| Mar-22 | 1,110 | | 12,072 | Sep-24 | 1,412 | | 16,545 |
| Apr-22 | 1,267 | | 13,339 | Oct-24 | 1,412 | | 17,956 |
| May-22 | 1,267 | | 14,605 | Nov-24 | 1,412 | | 19,368 |
| Jun-22 | 1,267 | | 15,872 | Dec-24 | 1,412 | | 20,780 |
| Jul-22 | 1,267 | 2,453 | 14,685 | Jan-25 | 1,412 | 12,530 | 9,661 |
| Aug-22 | 1,267 | | 15,952 | Feb-25 | 1,412 | | 11,073 |
| Sep-22 | 1,267 | | 17,218 | Mar-25 | 1,412 | | 12,484 |
| Oct-22 | 1,267 | | 18,485 | Apr-25 | 1,412 | | 13,896 |
| Nov-22 | 1,267 | | 19,751 | May-25 | 1,412 | | 15,308 |
| Dec-22 | 1,267 | | 21,018 | Jun-25 | 1,412 | | 16,719 |
| Jan-23 | 1,267 | 11,429 | 10,856 | Jul-25 | 1,412 | 7,265 | 10,865 |
| Feb-23 | 1,267 | | 12,122 | Aug-25 | 1,412 | | 12,277 |

***The table above includes Student Loan repayments on Plan 2 loans due on 31 January of each year and tax savings of 25% of the net amount received from the practice each month.***

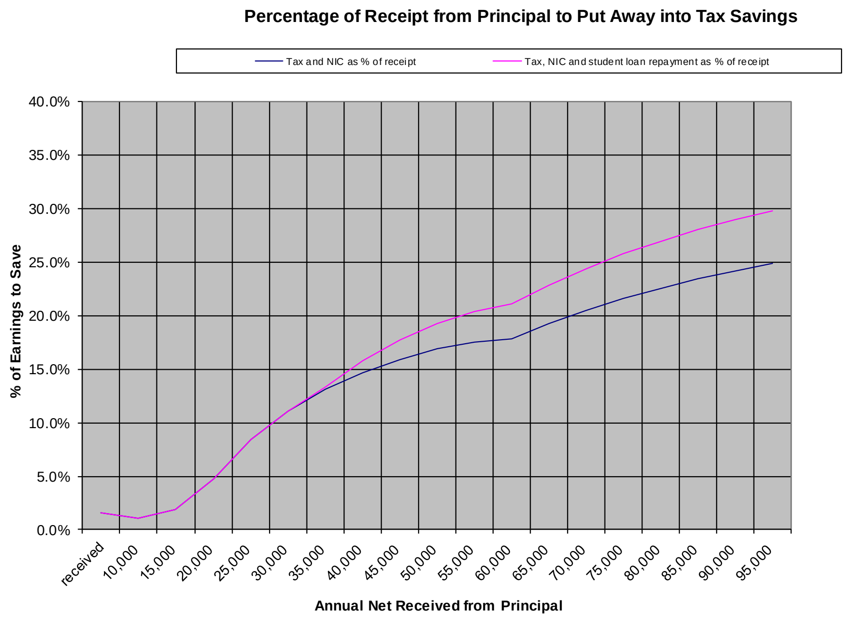
As liabilities are based on profits it is clear that higher earners will have to save more to meet payments as they become due.

Estimated savings required as a percentage of monthly income can be summarised as follows:

| Monthly Income | Tax & Class 4 NIC | Student Loan | Total |
|---|---|---|---|
| Up to £2,000 | 5% | - | 5% |
| £2,000 to £4,000 | 15% | 1% | 16% |
| £4,000 to £6,000 | 19% | 4% | 23% |
| £6,000 to £8,000 | 24% | 5% | 29% |
| Over £8,000 | 25% | 5% | 30% |

For the average associate, to be on the safe side, we would recommend that you save 25% of what you receive from the practice each month (for those with no student loan, 20%).

The graph below gives a rough estimate of the percentage of earnings received from a principal that may be saved to meet future tax liabilities. This graph is based on the tax allowances, rates and bands for the year 2020/21. Other factors such as NHS superannuation and other income could have an impact on the actual percentage needed.




It will be noted from the Savings Passbook above that after payment of each tax instalment, a significant balance remains on deposit. Taking the position at say 31 March 2024, there is a balance of £14,209 on deposit. If the Associate ceased to trade on this date and no further savings were made, the following tax payments would still remain to be paid:

| | | |
|---|---|---|
| 31 July 2024 | 2nd instalment for tax year 2023/24 | £6,134 |
| 31 January 2025 | Balance of tax due for 2023/24 | £2,422 |
| 31 January 2025 | Student Loan repayment 2023/24 | £2,842 |
| **Total** | | **£11,398** |

The balance on the savings account would be more than sufficient to meet the final tax liabilities.

**Savings V Debt Repayment**

Money invested in savings accounts earns you interest, but this annual interest is considerably less than the annual interest you have to pay on your borrowings. How else do the banks make profits! When an Associate dentist first commences to trade it may be appropriate to use the initial monthly savings to reduce high interest rate debt rather than put them into accounts where the interest rate earned is relatively low. In the first 3 years of self-employment, the balance on the savings account does not fall below about £9,853, equivalent to approximately 8 months' worth of saving which might suggest that the first £10,000 or so of tax savings could be used to pay off other debts.

The interest on savings varies widely and will depend on such factors as:

- The amount invested; the higher the balance the higher the interest earned
- The method of running the account i.e. postal and internet accounts tend to carry the highest interest rates
- Access to your money; the more notice you have to give for withdrawal, the higher the interest
- Frequency of withdrawal; some high interest accounts will only allow two withdrawals per annum

Some banks are now marketing a concept of integrated banking or offset mortgages, whereby all financial needs, including any or all of the following: current account (including overdraft), credit cards, savings and mortgages, are treated as one entity when it comes to calculating interest. On a monthly basis, interest is calculated on a net debt position, so high savings will reduce overall debt and the interest payable, and effectively earn interest at the same rate that would be paid on borrowings. An additional advantage to offsetting savings against a mortgage is that tax would be payable on the interest otherwise earned on the savings account.

Another product on the market is flexible mortgages. This is mainly suitable for people who are actually looking for a mortgage or whose existing mortgage does not carry penalties for early settlement. These mortgages allow increases in monthly repayments and withdrawals up to a set ceiling. Rather than putting money into a savings account, the monthly repayments can be increased and when the time comes to pay the tax, one can withdraw the necessary amounts. This way, if interest on the mortgage is being paid at say 4%, interest will effectively be earned at 4% on savings – well above the rate you would normally expect to earn in a bank or building society.

The savings products on the market are many and varied and constantly changing. It pays to be vigilant because the financial institutions can launch a new savings product with a highly attractive interest rate, which, within a year or so may fail to keep pace with the market. There are monthly publications readily available which summarise the various savings accounts, giving details of interest rates, terms and conditions. These are probably the best source of information to help you keep track of whether you are getting value for money. Examples of such sources are "The Sunday Times" Personal Finance section, "Which Money" and "Planned Savings".

## Conclusion

In summary, the golden rules for managing debt and planning for future tax liabilities are:

- Don’t bury your head in the sand, be aware of your current commitments and future tax liabilities
- Use your tax savings effectively, whether it be obtaining a decent return on your savings or using the money initially to reduce high interest borrowings

## Appendix - January Starts

The vast majority of new Associates begin in September each year, following the DFT year. If you were not one of these hopefully you will have been able to understand the basic principles in these notes. You may be interested however to know what your potential tax liabilities will be, based on average earnings. You will be able to derive these from the figures below:-

### Earnings record and tax liability

| Accounting period | | Net profit per accounts as adjusted for tax | Total tax class 2 NIC and class 4 NIC liability for the year | Total tax, class 2 NIC and class 4 NIC liability and Student Loan repayment for the year |
|---|---|---|---|---|
| **From** | **To** | | | |
| 1 January 2021 | 31 March 2021 | £11,523 | £1,680 | £1,680 |
| 1 April 2021 | 31 March 2022 | £52,464 | £9,753 | £11,538 |
| 1 April 2022 | 31 March 2023 | £58,841 | £12,426 | £14,782 |
| 1 April 2023 | 31 March 2024 | £64,137 | £14,689 | £17,531 |

### Tax payment schedule

| Due date | Balancing instalment of tax due | | Payment on account due | | Student Loan repayment | Total tax, class 2 NIC, Class 4 NIC and Student Loan payable |
|---|---|---|---|---|---|---|
| | **Amount** | **Tax year** | **Amount** | **Tax year** | | |
| 31 Jan 2022 | £1,680 | 2020/21 | £820 | 2021/22 | £ - | £2,500 |
| 31 Jul 2022 | | | £820 | 2021/22 | | £820 |
| 31 Jan 2023 | £8,113 | 2021/22 | £4,797 | 2022/23 | £1,784 | £14,694 |
| 31 Jul 2023 | | | £4,797 | 2022/23 | | £4,797 |
| 31 Jan 2024 | £2,831 | 2022/23 | £6,134 | 2023/22 | £2,357 | £11,321 |
| 31 Jul 2024 | | | £6,134 | 2023/24 | | £6,134 |
| 31 Jan 2025 | £2,422 | 2023/24 | £7,265 | 2024/25 | £2,842 | £12,530 |
| 31 Jul 2025 | | | £7,265 | 2024/25 | | £7,265 |

## Note

The contents of this advice sheet are for information purposes only, and by necessity various areas of tax have been simplified. It should not form the basis of any decision as to a particular course of action. The notes are based on UK tax legislation as at the date shown in the bottom left hand corner of this page, and may not necessarily be up to date. No responsibility can be taken by Morris & Co for any loss incurred in acting or failing to act as a result of the information contained in the notes. Specialist advice should always be sought from us in relation to your own particular circumstances.

**These notes were last updated 27 April 2020**

## Other Morris & Co Advice Sheets Available

Dental Associates – Tax Payment, Tax Returns and Savings for Tax
Capital Allowances, Building Costs and Grants for Dentists
Year End Tax Planning Checklist for Dentists
Benefits in Kind and Tax Free Gifts to Staff in Dental Practices
Payments to Dentists' Spouses and the State Second Pension
Parental Leave for Dentists
Matters for the Dentist to Deal With Before and After Incorporation
Limited Companies for Associate Dentists
Forming a Partnership with a Spouse (or Life Partner) Who is a DCP
UK Taxation for Dentists Coming from Overseas
Applying for a National Insurance Number
Acquiring a Dental Practice
Investment Property - The Tax Implications
Obtaining the Services of a Part Time Bookkeeper
Tax Relief on Dental Nurses'/DCPs' Subscriptions and Expenses
The Tax and Accounts Consequences of Leaving the UK
Minimising the Risk of PAYE & NIC Audits for Dentists
Dentists – Making a Will
Attracting a New Associate
Buying a Car
Limited Companies for Dentists
Guidance Notes on Salary Payments to VDPs/Foundation Dentists in England

MORRIS & CO
CHARTERED ACCOUNTANTS

**Chester House**
**Lloyd Drive**
**Cheshire Oaks Business Park**
**Ellesmere Port**
**Cheshire**
**CH65 9HQ**

**Tel:** **0151 348 8400**
**Fax:** **0151 348 8401**

**Email:** **mail@moco.co.uk**
**Website:** www.moco.co.uk