



## Now there's a nice surprise

Do you get interest on a bank or building society account? If you do and your income is less than a certain amount each year, you may have paid tax that you didn't need to pay.

Check the amounts shown in the table and if you think you might be eligible for Tax Back, find out more at [hmrc.gov.uk/taxback](http://hmrc.gov.uk/taxback) or call the helpline on 0845 366 7850.

Tax Back Eligibility Check	
Age at 5th April 2009	Annual Income
Under 65	£6,035
65-74	£9,030
75 or over	£9,180



## H M REVENUE and CUSTOMS

# Pensioners may not have to pay tax on precious savings

Many pensioners may be due a repayment of tax which they have overpaid on interest on their savings

IT'S ALWAYS nice to receive extra money that you were not expecting, so it's worth knowing that many pensioners could be paying more tax than they need to.

Banks and building societies automatically deduct 20 per cent tax from savings interest. So if you are a non-taxpayer or should only be paying the 10p savings rate, you might be overpaying tax and may be due a repayment.

Every year you are allowed to have a certain amount of money coming in before you need to pay any tax. This is called your 'tax-free allowance' or 'personal allowance'. People under 65 who live in the UK can receive at least £6,035 a year tax free and those over 65 can receive at least £9,030 tax free. So if your income is below your tax free allowance and you have some money in a bank or building society you might be paying tax on your interest when you don't need to.

All you have to do is check whether your income is below your tax-free allowances or whether you should be paying the 10p savings rate. If the answer to either question is "yes", you should complete a straight forward claim form, called an R40, and send it to Her Majesty's Revenue and Customs' (HMRC) Freepost address. HMRC will then pay you back any tax you have overpaid.

Furthermore, if you don't need to pay tax, you can 'register' so that tax won't be deducted from the interest on your savings in the future. All you need to do is complete a simple

### ADVERTISEMENT FEATURE

## Two who completed the forms . . .



### 'I got a cheque for £90'

**Amina, 65**, from Glasgow said: "I find tax affairs since retirement very confusing. I just assumed I had to pay tax on the interest I get on my savings. I didn't even bother looking into it until my brother told me he was exempt. "HMRC sent me an R40 form. They also sent a really handy help sheet to calculate if I was entitled to a refund. My husband and I each filled in an R40 and sent it back to HMRC. I then got a cheque for £90 and my husband got one for nearly £140. "We picked up two R85 forms last time we were at the bank and filled them in so that we won't pay tax on the interest we get on our savings in the future."

form R85 and then give it to your bank or building society. Once you have filled in the R85 you will not need to apply to HMRC to get your tax back in future.

HMRC is keen to make sure that no pensioners pay tax if they don't need to. If it doesn't affect you, but you know someone it might – spread the



### 'I saw a poster and claimed'

**Graham, 74**, from Liverpool "I always thought of tax as something you just pay and never get back, until I saw a poster in the community centre. It said I might be exempt from paying tax on the interest I get on my savings and also might be able to claim a refund on tax I had already paid. "Soon after I received an information pack from HMRC. I filled out the enclosed R40 form and sent it back. I got a cheque for £120. I was delighted. I picked up an R85 form at the bank and filled it in to make sure I don't pay tax in future. Now I don't pay tax on interest on my savings, which means I get full interest payments every month."

word. If in doubt, or for more help and advice, please visit the web page [www.hmrc.gov.uk/taxback](http://www.hmrc.gov.uk/taxback) or call HM Revenue & Customs on 0845 366 7850 for help (your call will be charged at local rates). Frequently asked questions can also be found at [www.hmrc.gov.uk/taxback](http://www.hmrc.gov.uk/taxback).