
Help ! I'm an Athlete, not an Accountant.

(everything you need to know about Athlete Tax)

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(an accountant, not an Athlete)

Objective

To tell you everything you need to know about tax, and answer any questions

Some questions:

- Will my Athlete Personal Award (Lottery Award) be taxed?
- How do I know if I am a Professional Athlete?
- But how do I know if I have to pay tax or not?
- What if my sporting income exceeds my sporting expenses?
- How do I know if I have to complete a tax return?
- What information do I need to complete my tax return?
- What expenses can I claim against my income?
- What if I am not happy with the tax decisions made by HMRC?
- I am still confused about what I need to do, where can I seek further advice?

Any more?

Do I need to pay tax?

Yes

.....well maybe....

.....but not if we can help it !!

Are you a Professional Athlete?

Even if you dedicate all of your time to training and competing, you are not necessarily a professional athlete.

You are a Professional Athlete, if you are trying to or do make a profit out of your sporting activity (or associated activities).

So how do you know if you have to pay Tax?

- ❑ If your sole income is from your Lottery or Governing Body Award, then you won't be considered to be a professional Athlete and so your Award will NOT be taxed.
- ❑ If you earn, some other income, in addition to those from your sport, then you MAY be taxed.
- ❑ If you make a profit from your sport, you WILL be taxed.

Other Income

- ❑ Prize Winnings/Participation Fees
- ❑ Employment Income
- ❑ Sponsorship/Endorsements
- ❑ Grants/Gifts

How do I work out the Tax due?

- ❑ You will need to complete a Self Assessment Return (Tax Return)
- ❑ You will need to keep a record of all your income and expenses
 - ❑ All Income, including Bank Interest
 - ❑ All Expenses

Expenses

... incurred wholly and necessarily.....

- Training
- Travel
- Equipment
- Personal Expenses

Types of Tax

- ❑ Income Tax
- ❑ National Insurance
- ❑ Value Added Tax
- ❑ Corporation Tax
- ❑ Capital Gains Tax
- ❑ Inheritance Tax

Income Tax

- ❑ Tax Year: 6th April to 5th April
- ❑ Personal Allowance: £6,035
- ❑ Tax Rates: <£34,800 – 20%
 >£34,800 – 40%
- ❑ Self Assessment Dates: 31st January

National Insurance

- ❑ It is important
 - ❑ Men 44 Years, Women 39 Years
 - ❑ Incapacity Benefit, State Pension, Maternity Allowance
- ❑ Class 1: Employee
- ❑ Class 2: Self Employed (£2.30)
- ❑ Class 3: Voluntary (£8.10)
- ❑ Class 4: Annual Profit (8% to £40,040 + 1%)

Corporation Tax

- ❑ Charged on Company Profits
- ❑ Accounting Periods
- ❑ Basic Rate: 21% (up to £300,000)
- ❑ Company's can be very tax effective

Employed or Self Employed

- ❑ Status very important
- ❑ Self Employed vs Limited Company
- ❑ Total Tax Implications
- ❑ Capital Gains Tax (Business Assets)
- ❑ Seek advice

Further Help and Advice

- ❑ Granite Morgan Smith
- ❑ www.granitemorgansmith.co.uk
- ❑ 01376 57 48 48
- ❑ Tax Returns: £175 _{+VAT}

Our Guarantee to You

We understand the importance of the success of this initiative and the impact that it will have on your business and we want you to know that as a result you have the right to expect the following standards from us:

- You will receive friendly, courteous, awesome service. You will be respected and not taken for granted;
- We will honour all our commitments to you absolutely;
- You will always be able to seek our help with any aspect of your business. We see ourselves as an active member of the day to day management team, not just an interested party. We expect to help wherever we can;
- The way we communicate with each other is important. As part of that process, if we are not in the same location as you, or if we do not have the solutions to your problems easily available, then we will acknowledge any communication you have with us by the end of the next working day;
- We will be honest, truthful and 'up front' with you at all times. We'd expect you to be like that too. That way we can build a long term and valuable relationship with each other; and
- We believe totally that your perception of our performance is always the reality. For that, and other reasons, your feedback is critical to our continuing to innovate and improve. We're always looking forward to your ideas, your comments and your suggestions.

We look forward to you keeping us to our promises !