

# Could you claim to get tax back?

IT'S always nice to receive extra money that you weren't expecting, and it's worth knowing that many pensioners could be paying more tax than they need to.

That's because banks and building societies are required by law to deduct tax from the interest on everyone's savings before it's paid.

People over 65 who live in the UK can receive some tax-free income – at least £9,030 – a year. If their income is below their tax-free amount and they have some money in a bank or building society, they could be paying tax on their interest when they don't need to.

All pensioners have to do is check whether they're eligible to stop paying tax on their interest. If they don't need to pay tax, they can then complete a simple form, R85, to register so that tax won't be deducted from the interest on their savings in the future. The completed R85 form is then given to their bank or building society.

Once they have filled in the R85 they will not need to apply to HM Revenue & Customs to get their tax back in the future.

If pensioners have paid more tax on their interest than they were due to pay, it's straightforward to claim back any tax by filling in a form called an R40.

HM Revenue & Customs 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 word.

Arjun, 67, from Liverpool, didn't realise he paid tax on his interest until his brother mentioned that he was exempt. He said: "I looked into it and spoke to someone on the help line. She told me I might be entitled, and sent me two forms, the R85 and the R40.

"My wife and I filled in the R40 and sent it back to HMRC. We then got a cheque for



## Find out if you have been paying too much tax

nearly £200. We've also just sent the R85 to my bank so that we won't pay tax on the interest we earn on savings in the future."

Helen, 75, from London, had a similar experience. She said: "My friend claimed the tax back on her savings and then told me I should do the same. I used the HMRC website to find out more and got two simple forms and a guide on how to apply. I filled in both forms (the R85 and R40) and sent one to my

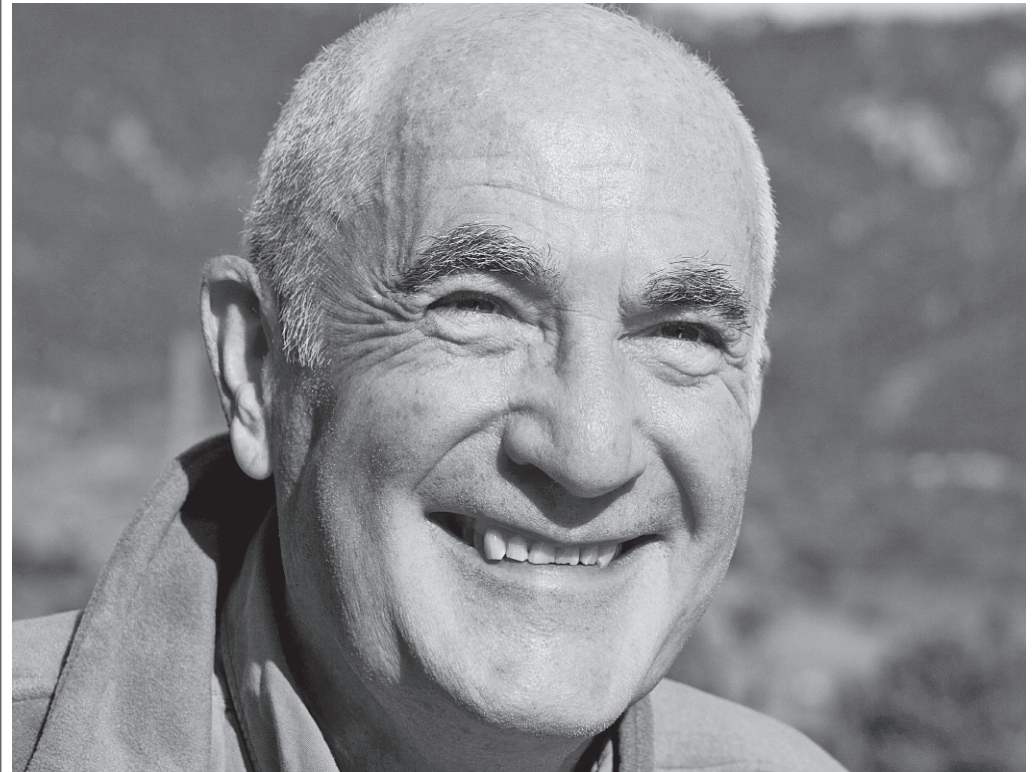
bank (R85) and one to HMRC (R40).

"I'm now registered so I don't pay tax on the interest I earn on my savings.

"I've also had a payment for tax I'd paid over the previous three years."

● If in doubt, or for more help and advice, call HM Revenue & Customs on 0207 438 6650 for help (your call will be charged at local rates). Frequently asked questions can be found at [www.hmrc.gov.uk/taxback](http://www.hmrc.gov.uk/taxback).

# One phone call saved Simon £120 last year.



## Because he no longer pays tax on his savings.

Banks and building societies usually take tax off your interest at 20% before they pay it to you. But if your total annual income is below a certain level, you do not need to pay any tax.

You can get your interest tax free by completing the form Getting your interest without tax taken off (R85) and either taking it or sending it to your bank or building society.

**If your weekly income is less than the amount shown below for your age group, you may be entitled to complete a form R85**

Age by 5th April 2009	Weekly income
Under 65	£116
65 - 74	£173
75 or over	£176

**For more information call the Helpline on 0845 980 0645 or visit [www.hmrc.gov.uk/taxback](http://www.hmrc.gov.uk/taxback)**