

## General Details that will be required:

- Name
- Date of Birth
- Residency Details
- School and/or course details
- Bank/Building Society Details – ensure that this is the EMA student's account only.
- Establish Independent Status – to identify students who receive Income Support or Employment and Support Allowance (ESA) in their own right or if the student is under the care of the local authority. Evidence may be required
- Family details – names and addresses of parents/carers, details of children in the household. Evidence may be required (lone parent status, proof of guardianship etc.)

## Details of Household Income required

- This section **does not** need to be completed if student is independent or if a TCAN is available.

**To note – The Department for Work and Pensions are implementing significant changes to the benefits system which includes the roll out of Universal Credit. Universal Credit will replace the current suite of benefits and their notification forms such as Job Seekers Allowance. Further guidance will be given as and when information is released. For FY 2017/18 there are no changes and the current procedure should follow.**

## Social Security Benefits

- Request a P60U certificate or to ask Job Centre Plus or the Department of Work and Pensions to complete the relevant section of the form.
  - Provide details of helpline numbers
- |                        |               |
|------------------------|---------------|
| Carers Allowance       | 0345 608 4321 |
| Child Benefit Helpline | 0300 200 3100 |

**PLEASE SEE [TCTM04402](#) for further details.**

## Earnings as an Employee

- Proof by providing a 2016 P60 or valid week 52 or month 12 payslip.
- For pension contributions to a HM Revenue and Customs approved scheme (other than through employer), the grossed up<sup>1</sup> amount should be deducted for 2017/18 from the total household income. Contributions through employer should be ignored<sup>2</sup>.

**See [TCTM04003](#) for further details.**

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<sup>1</sup> For Tax credit purposes the amount deducted is 'grossed up'. This is to convert the contribution to the amount before tax, e.g. customer pays £100 into scheme – grossed up amount is £125 (£100\*(100/80)), the '80' representing the 100 minus the basic rate of income tax.

<sup>2</sup> These are ignored because they are taken before tax and the person's gross taxable pay will be reduced by the amount of the contribution. This ensures treatment of pensions is the same.

- Deduct:
  - Any expenses which you met from your earnings and which arose wholly, exclusively and necessarily in the course of your work (as well as travelling expenses necessarily incurred in the performance of your duties).
  - certain payments from your earnings which are deductible for income tax purposes, such as fees and subscriptions to professional bodies and learned societies, employee liabilities and indemnity insurance premiums, and agency fees paid by entertainers.
  - Flat-rate expenses agreed by your employer and HM Revenue & Customs, to maintain or renew tools or special clothes (such as a uniform) that are necessary to do your work.
- If you paid such expenses and were not reimbursed by your employer, deduct the amount of these from your gross pay. If your employer reimbursed you, do not
  - include the reimbursed amount received in your claim, or
  - make any deduction from your earnings.

### **Income from self-employment**

If you are in self-employment (either on your own or in partnership), enter your profit:

- If you completed a Tax Return form SA200, your profit is the figure in box 3.10;
- If you completed a Tax Return form SA100, your profit is the figure in box 25 of the short return or box 71 of the full return;
- If you have more than one business, work out your total profit by adding together box 25 of the short return or box 71 of the full return from each of your tax returns.

If self-employed, a Self-Assessment Tax Calculation (SA302) 2017/18 should be submitted. Alternatively, a completed Accountants Certificate should be submitted (see Part B) until a SA302 form is available. In this case, a provisional award will be made to allow time to obtain the SA302 form required.

Enter your total profits

#### **minus**

- The gross amount of any contributions you made to a pension scheme or retirement annuity contracts, unless you have already deducted these from any employment income;
- The grossed up amount of any payments made to charity via gift aid;
- Any amount you added on for averaging perhaps because you are a farmer or market gardener with fluctuating profits. (Averaging is not allowed in tax credits claims).

#### **plus**

- Any amount you deducted for averaging on the Self-employment pages of the full Tax Return.

Please round down this total to the nearest pound before entering. For example, if your profits are £8,345.65, enter £8,345. Please note, if you carry on a trade outside the UK, you should enter your profit in British pounds, not in the foreign currency. **Please see <http://www.hmrc.gov.uk/exrate/>**

If your business received other income or profits, for example, rental income include the profits.

If you are now self-employed but had no income from self-employment in 2017/18 leave blank.

### **Working out your profits if you have not sent HMRC your tax return**

Your business profits is the difference between:

- your turnover – all the money your business earned for work you have done or goods you have sold; and
- your allowable business expenses.

Do you have a yearly date on which you make up your books? If so, that is your accounting date. The profit to enter is your 12 months' profit up to your accounting date in the year to 5 April 2018. Please round down this total to the nearest pound before entering it. For example, if your profits were £8,345.65, enter £8,345. If you have only just started working for yourself or need help working this out, call the HMRC Self Assessment Helpline on 0300 200 3310.

### **Losses**

If your business made a loss in the tax year 2017/18 you deduct the loss from:

- any other income you may have for that year; or
- in a 2 parent application, any other income which you and your spouse or personal partner may have for that year.

If this does not use up the entire loss, the balance (that is, the unused part of the loss after deducting the amounts set against other income in the year) may be carried forward to be set against the profits of the same business in a future tax year.

For example, if you had a loss in 2016/17 and there is some loss remaining after the deduction from total income for 2017/18, the unused part of the 2016/17 loss may be brought forward and deducted from the profits of the same business in the tax year 2017/18.

**Benefits from your employer(s)** (e.g. company car and fuel, taxable vouchers and payments in kind from all jobs)

You may have received benefits from your employer which were not paid out in wages but which were taxable. These are called benefits in kind. Your employer should have given you information about these by 6 July 2018, usually on a form P9D or P11D. You do not have to work out the amount of each individual benefit – your employer will tell you the taxable values.

If you have not received a form P9D or P11D for the year 6 April 2017 to 5 April 2018 and you think you should have, ask your employer or phone HM Revenue & Customs.

For tax credits purposes HMRC takes into account the value of the following benefits in kind:

- Any goods and assets your employer gave you that you could sell for cash or anything bought for, or paid to you, other than at market value. For example gifts of food, drink, fuel, cigarettes, clothes etc. The amount to include should be found at section A of the P11D or the third or fourth boxes in section A(2) of the P9D.
- Any payments made by your employer which you should have paid. For example, if your employer paid your rent directly to your landlord or paid your gas, telephone or electricity bills or your income tax liability. Again, these amounts are shown on forms in section B of the P11D and section A(2) of the P9D (in the first, second and, if appropriate, fifth boxes).
- Cash and non-cash vouchers and credit tokens, such as company credit cards. The value of these benefits is shown at section C of the P11D and at section B of the P9D (add together all the boxes at section B).
- Expenses payment made to you or on your behalf (shown at section J, M or N on form P11D or P9D section A (1)).

If you earn at a rate of £8,500 or more a year (including any benefits in kind), or you are a company director, the following benefits are also taxable and form part of your income for tax credit purposes:

- Mileage allowance payments, paid to you for using your own car for business, in excess of the tax-free 'approved amount'. The taxable amount is shown at section E of form P11D.
- The cost, where your employer paid someone else for any other running cost (for example, insurance). The taxable amount is included with the other expenses at section N of the P11D.
- Any company car or car fuel benefits provided by your employer. These can be found at boxes 9 and 10 at section F of the P11D.

If you have had benefits from more than one employer, add the figures together to show the amounts received from all employment. Enter the total of these benefits for the year to 5 April 2018 rounded down to the nearest pound. For example, if your 2017/18 benefits in kind were £254.36 enter £254.

If you

- Are not paid any mileage allowance for using your own car for business; or
- Receive less than the 'approved amount' of these allowances

you can deduct the difference between the 'approved amount' and what you receive from your employer, from your earnings as an employee (see previous section).

## **OTHER INCOME**

In addition to social security benefits and earning from your work, we also take into account any miscellaneous income in the year 6 April 2017 to 5 April 2018. Enter the income you (and/or your partner) received. Then round down the total to the nearest pound. For example, if your total was £134.76, then enter £134. **Please see [TCTM04008](#).**

**Do not** include the following:

- maintenance received from a former partner
- Working Tax Credit and Child Tax Credit;
- Student loans - you should also not deduct student loan repayments from your income;
- Other student grants such as those to meet the cost of tuition fees, child care, etc; **Please see [TCTM04005](#).**
- War pensions, or pensions or annuities payable under German or Austrian law to victims of Nazi persecution;
- Income your children may have had, unless it is taxable in your name or your partner's name;

## **Notional income**

Notional income includes income that you are treated as having received, even though you may not have. It may include:

- Income that you have deprived yourself of to get tax credits or more tax credits;
- Income that you were entitled to but did not apply for. For example, a social security benefit or allowances paid to local government councillors or civic dignitaries. This does not apply to:
  - a deferred state pension (although when it is paid, a social security pension lump sum or an enhanced state pension will count as 'pension income' for tax credits purposes);
  - a deferred personal pension;
  - a deferred retirement annuity; or
  - compensation for personal injury.
- Income you lost out on because you worked for less than the going rate (or for nothing) if the person you are working for, or to whom you are providing a service, has the means to pay. This does not apply to:
  - voluntary work (for example, helping out in a charity shop or Citizens Advice Bureau): or
  - employment or training programmes.

Please provide appropriate evidence.

## **UK Pensions**

Enter the amount of any State Pension you received, including

- The basic (or old age) pension
- The social security pension lump sum
- State earnings related pensions (SERPS)
- Graduated pension (graduated retirement benefit)
- Industrial Death Benefit
- Widow's Pension
- Widowed Mother's Allowance, Widowed Parent's Allowance
- Any increase for a dependent child
- Any incapacity addition or addition for a dependent adult
- Any increases paid by the Department for Work and Pensions or Department for Social Development to up rate a guaranteed minimum pension.

Do not include the Christmas Bonus and the Winter Fuel payment.

## **Other UK pensions**

If you received a pension other than a State Pension, include the full amount before any tax was taken off. Your pension provider should provide you with a P60 (or similar certificate) by the end of May each year showing the amount of pension paid and tax deducted.

Also include any annuity payments from a pension scheme. If your pension includes an extra amount because you were disabled by injury on duty, or by a work-related illness (compared to what would have been paid had you retired at the same time on ordinary ill health grounds), exclude that extra amount.

If you receive a pension from outside of the UK it should be included as foreign income (see below).

## **Income from savings and investments**

Include interest from any personal or joint bank or building society accounts. This is the interest before tax was taken off (the gross interest). Your passbook or statement will help you work out this figure. If you received company dividends from any UK company (including dividends from a company of which you or your partner, or both of you are directors), add the tax credit shown on the voucher supplied by the company, to the dividend.

Ignore tax-free savings (for example, ISAs, TESSAs, PEPs, Index Linked and Fixed Interest National Savings Certificates and Children's Bonus Bonds).

Also include here a 'chargeable event' gain from a life insurance policy. Include the full amount before 'top slicing' relief for income tax. Please provide appropriate evidence (income statement/tax voucher).

## **Property Income**

Include income from property or land in the UK that you owned or leased out. If this was part of your business income (if you were self-employed) include it here. Ignore any income covered by the 'Rent a Room' scheme (briefly, if you let furnished accommodation in your own home for up to £4,250 a year).

If your rental property made a loss, relief for this loss (for tax credits purposes) is generally given in the same way as for income tax. Normally, the loss should be carried forward and set-off against profits from the same source in the following tax year.

If, however, part of the loss arises from capital allowances or from agricultural land, that part of the loss may be set against other income which you (but not

your spouse or partner) may have, either in the tax year in which the loss was made or in the following tax year. In such cases, the amount of loss relief available for tax credits purposes is based on your tax calculations.

Please provide appropriate evidence.

## **Trust income**

If you received income from a trust, settlement or a deceased person's estate, the trustees or administrators will have given you a certificate telling you what income was paid to you. Include the gross income (that is, the amount before any tax was taken off).

Please provide appropriate evidence.

## **Foreign income**

For example, income from investments and property overseas, non UK pensions and social security payments from overseas governments.

Include the full amount, whether or not it was remitted to the UK, in British pounds not the foreign currency. Also, include the gross income (the amount before any foreign tax was taken off) even if it is not taxable in the UK because of a double taxation agreement.

If you receive a foreign pension, whether or not it was remitted to the UK, you should include 90% of the full amount received (in British pounds, not the foreign currency).

You may deduct any banking charge or commission paid when converting foreign currency to British pounds.

Please provide appropriate evidence.

## **Deduction from income**

The sum total income under the sections:

- Notional income
- UK pensions
- Other UK pensions
- income from savings and investments
- property income
- trust income
- foreign income

are subject to a £300 disregard. If the sum total is £300 or less, it is treated as nil. If the sum total is more than £300, only the excess is taken into account.

## **Withholding future payments**

If you have received EMA payments through a provisional award and it is found that you were not eligible, these funds will be recovered by withholding the equivalent amount from any future claim.