

LBCA Chartered Accountants

Record Keeping for Tax Returns

Table of contents

| | |
|--|---|
| Record keeping (individuals and directors) | 2 |
| Introduction | 2 |
| Why you need to keep records | 2 |
| Types of records you may need to keep | 2 |
| How long must you keep your records? | 4 |
| If your records are lost or destroyed | 5 |
| Record keeping for tax - other circumstances | 6 |
| Related guides on businesslink.gov.uk | 6 |
| Related web sites you might find useful | 6 |

Created by Business Link on 20 July 2010 13:40
You can personalise content from the Business Link website
and download it in PDF format. This is a free service

Record keeping (individuals and directors)

Subjects covered in this guide

[Introduction](#)

[Why you need to keep records](#)

[Types of records you may need to keep](#)

[How long must you keep your records?](#)

[If your records are lost or destroyed](#)

[Record keeping for tax - other circumstances](#)

[Related guides on \[businesslink.gov.uk\]\(http://businesslink.gov.uk\)](#)

[Related web sites you might find useful](#)

You can find this guide by navigating to:

Home > Taxes, returns & payroll > Self Assessment > Your tax return: the basics > Record keeping (individuals and directors)

Introduction

If you're a UK taxpayer you should keep a record of the tax you pay each year and other records relating to your income and outgoings. You'll need these to help you complete your tax return or to answer any questions from HM Revenue & Customs (HMRC) about a return you have already completed.

Why you need to keep records

If you have to send HM Revenue & Customs (HMRC) a tax return, you should keep all the records and documents you need to enter the correct figures. If HMRC needs to check your return, they may ask to see the records you used to complete it.

If you don't keep adequate records or if you don't keep your records for long enough, you may have to pay a penalty.

Types of records you may need to keep

This guide deals with typical records that employees, directors or non-working individuals, including pensioners, may need to keep. If you're self-employed, in business or a trustee, or if you're dealing with the tax affairs of someone who has died, please also see the page in this guide on **[record keeping for tax - other circumstances](#)**.

Income from employment

You should keep documents containing details about your pay and tax that your employer provides, including:

Record keeping (individuals and directors)

- your P45 - if you leave your job. Part 1A of this form shows your pay and tax to the date you left
- your P60 - if you're in a job on 5 April, this shows your pay and tax details for the tax year
- form P11D - this shows details of your expenses and benefits, such as a company car or health insurance
- certificates for any Taxed Award Schemes
- information about any redundancy or termination payment

You should also keep evidence of any other income or benefits from your employment not covered in the list above, for example:

- any tips or gratuities received (but not if your employer pays them to you through a method called the 'tronc' system, which means they'll have deducted tax already)
- benefits in kind, for example meal vouchers you receive in connection with your employment from someone other than your employer
- any lump sum payments not included on your P60 or P45, for example incentive payments or golden hellos

Expense records

When you're employed you may have had to pay expenses out of your own pocket in order to do your job. You may be able to claim for some or all of these expenses to reduce the tax you'll have to pay. You'll need to keep records so you can include the expenses in your Self Assessment tax return.

[Find information on tax relief for business expenses on the HM Revenue & Customs \(HMRC\) website - Opens in a](#)

[new window.](#)

Benefits records

You should keep any documents relating to:

- social security benefits
- Statutory Sick Pay
- Statutory Maternity, Paternity or Adoption Pay
- Jobseeker's Allowance

Pension records

You should keep:

- your form P160 (part 1A), which you received when you retired and started getting a pension from your former employer
- your form P60 giving details of your pension and the tax deducted
- any other details of a pension (including State Pension) and the tax deducted from it

Interest, dividends or other income from UK savings, investments or trusts

You should keep all:

- bank and building society statements or passbooks
- statements of interest and any other income you have received from your savings and investments
- tax deduction certificates supplied by your bank
- dividend vouchers received from UK companies
- other vouchers such as scrip dividend vouchers
- unit trust tax vouchers
- life insurance chargeable event certificates

Record keeping (individuals and directors)

- details of any income you receive from a trust

You should also keep:

- details of exceptional amounts you have received, for example an inheritance or other windfall
- correspondence and other documentation relating to your savings and investments

Income from property

If you get income from letting out a property, you'll need to keep details of the rents you have received and the expenses you have paid.

[Find information on what records a landlord needs to keep on the Directgov website - Opens in a new window.](#)

Foreign income or gains

You'll need to keep any dividend vouchers, tax certificates and personal financial records. including:

- evidence of overseas earned income, for example from employment, self-employment or property letting
- receipts for any expenses you wish to claim
- dividend certificates from overseas companies
- certificates or other evidence of tax paid - either in the UK or overseas

Income from employee share schemes or share-related benefits

You should keep information on any share options awarded or share participation

arrangements, including:

- copies of share option certificates and exercise notices
- correspondence about any changes to your options
- information about what you paid for your shares and the relevant dates
- details of any benefits you've received as an employee shareholder

Capital Gains Tax records

The records you should keep depend on your circumstances - but it's a good idea to keep any records associated with an asset you've owned in case you make a gain or loss when you sell, give away, transfer or exchange it.

Always keep any information that you have used to:

- work out your capital gain or loss
- fill in your tax return
- make claims - such as a claim for losses

Record keeping and Capital Gains Tax

How long must you keep your records?

You must keep your records for a minimum period, as described below, in case HM Revenue & Customs (HMRC) decides to make a check into your return. Note that HMRC has longer to make a check if your tax return is received after the filing deadline of 31 January.

Record keeping (individuals and directors)

If you send in your tax return on or before 31 January

If you send in your tax return on or before the normal filing deadline of 31 January, you must usually keep your records for a further year after this deadline. This applies to both online and paper tax returns.

For example, for a 2009-10 tax return filed on or before 31 January 2011, you must keep your records until 31 January 2012.

However, you may need to keep them longer if a check has already been started - in this case you'll need to keep your records until HMRC writes and tells you they have finished the check.

If you send in your tax return after 31 January

If you send in your tax return after the normal filing deadline of 31 January, either because it was issued late or because you sent it back late, you must usually keep your records for 15 months after the date you sent it in. This applies to both online and paper tax returns.

For example, for a 2009-10 tax return filed on 28 Feb 2011, you must keep your records until 31 May 2012.

However, you may need to keep them longer if a check has already been started - in this case you'll need to keep your records until HMRC writes and tells you they have finished the check.

If you receive income from a trade or business

If you receive other income, such as income from a property business or a shop, you

need to keep the records for longer. Find out more using the links below.

[Record keeping \(self employed\)](#)

[Record keeping \(partners and partnerships\)](#)

[Tax return deadlines and penalties](#)

[Checks into your tax return](#)

[If your records are lost or destroyed](#)

If your records are lost or destroyed and you can't replace them, you must tell HM Revenue & Customs (HMRC) what has happened and do your best to recreate them.

Once you have gathered replacement information you use this to complete your tax return. You must tell HMRC whether any provisional figures are:

- estimated figures - you want them to accept these as final figures
- provisional figures - you are using these until you can confirm the figures (you must tell HMRC when you will be supplying actual figures)

If you make adjustments at a later date and you have underpaid tax there may be interest and penalties to pay.

Find information on tax return deadlines and penalties in our related guide.

[Tax return deadlines and penalties](#)

Record keeping (individuals and directors)

Record keeping for tax - other circumstances

The types of records you must keep depend very much on your circumstances.

The previous levels deal with typical records that employees, directors and pensioners may need to keep. You can find other guidance and information that may better match your circumstances by using the links below.

[Find information about the tax records needed after the death of someone you represent on the HM Revenue & Customs \(HMRC\) website - Opens in a new window.](#)

[Find guidance on record-keeping for trustees on the HMRC website - Opens in a new window.](#)

[Record keeping \(self employed\)](#)

[Record keeping \(partners and partnerships\)](#)

[Record keeping \(trustees of registered pension schemes\)](#)

Related guides on
businesslink.gov.uk

[Log in or register for Self Assessment Online with HMRC](#) | [Record keeping \(self-employed\)](#) | [Record keeping \(partners and partnerships\)](#) | [Record keeping \(trustees of registered pension schemes\)](#) | [Record keeping and Capital Gains Tax](#) | [Log in or register for Self](#)

[Assessment Online with HMRC](#) | [Record keeping \(self-employed\)](#) | [Record keeping \(partners and partnerships\)](#) | [Tax return deadlines and penalties](#) | [Checks into your tax return](#) | [Tax return deadlines and penalties](#) | [Record keeping \(self-employed\)](#) | [Record keeping \(partners and partnerships\)](#) | [Record keeping \(trustees of registered pension schemes\)](#) |

Related web sites you might find useful

[Business expense tax relief information from HMRC - Opens in a new window](#)

[Record-keeping advice for landlords from Directgov - Opens in a new window](#)

[Tax record-keeping guidance after the death of someone you represent from HMRC - Opens in a new window](#)

[Trust record keeping for tax purposes - information from HMRC - Opens in a new window](#)