

# Scotland update: tax coding issues for Scottish taxpayers; Carer's Allowance Supplement

General Features

Management of taxes

Personal tax

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The CIOT requests feedback on issues with tax codes experienced by Scottish taxpayers and the LITRG reports back on a Scottish government meeting on the Carer's Allowance Supplement.

## Tax coding issues for Scottish taxpayers

We have come across an issue in relation to PAYE tax codes for Scottish taxpayers who have second jobs. It appears that a number of individuals with more than one employment have been issued with a Scottish 'S'-code in respect of their main employment, but a UK flat-rate code, for example a D0 code, rather than a Scottish flat-rate code, in respect of their second job.

If you are coming across any problems in relation to Scottish tax codes, we would be interested to receive details (subject to client permission), so that we can approach HMRC, in case there are operational or computer system issues that they need to address.

Please send any feedback to [scottech@ciot.org.uk](mailto:scottech@ciot.org.uk).

## Carer's Allowance Supplement

LITRG attended the Scottish Government's Carer's Allowance Supplement short-life practitioner group meeting to discuss the communications approach and information to be provided to carers about the Carer's Allowance Supplement (CAS), which is the first social security element to be provided directly by the Scottish Government and its new agency – Social Security Scotland.

Social Security Scotland will pay CAS to carers who live in Scotland and are in receipt of Carer's Allowance (paid by the Department for Work and Pensions (DWP)) on the relevant 'qualifying date'. As Carer's Allowance is a taxable benefit, CAS will also be taxable. However, CAS will not be counted as income when determining entitlement to other benefits, including Universal Credit and Tax Credits.

There will be two payments of CAS (each covering six months) per tax year. The first payments cover 2018/19, with the first payment to be received by carers in late summer 2018. At the meeting, the Scottish Government confirmed that CAS will be updated for 2019/20.

Prior to the meeting LITRG provided feedback on a draft notification letter for carers and a Q&A document for CAS - this latter document has now been posted on the [Scottish Government website](#). Many of the suggestions made by LITRG were incorporated into these documents.

The communications approach was discussed. This has been divided into three stages. Stage one is to raise awareness that Social Security Scotland is coming and that it will be delivering benefits to carers. The aim is to reach front-line advisers, by holding events such as roadshows during July and August. Stage two is to communicate directly with carers and their advisers, and notify them that Social Security Scotland will be paying CAS later this summer. Stage three will be to ask carers in receipt of Carer's Allowance who did not receive CAS, but feel they should have, to contact Social Security Scotland.

There was also discussion about Social Security Scotland information for carers, based around a draft Social Security leaflet that the Scottish Government had created. It is intended that this will accompany the notification letter to be sent to carers.