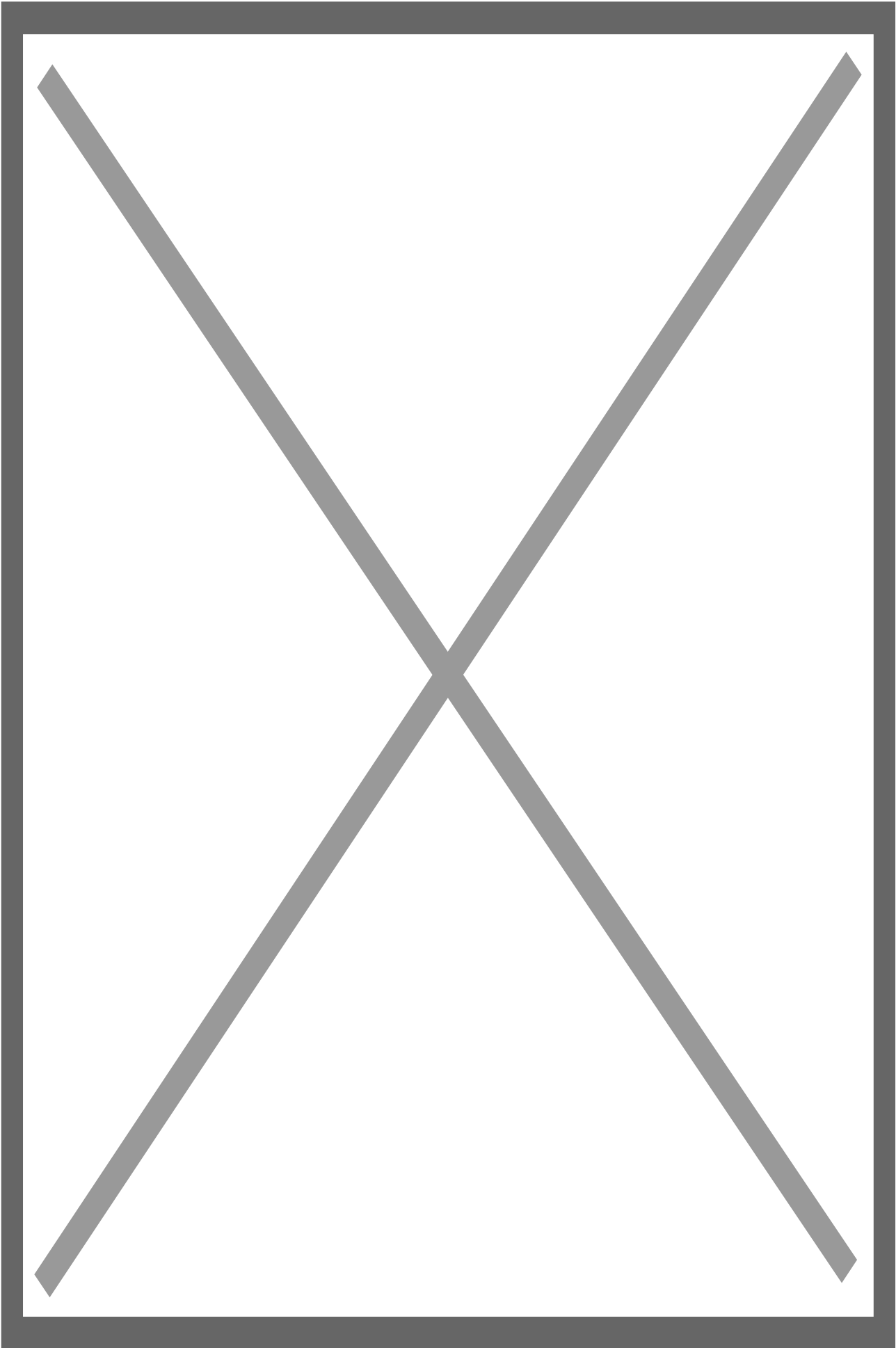


# Corner of a foreign field

General Features





01 September 2019

*Julie Cameron* explores the work of the tax charities in helping migrants to the UK with tax issues

## **Key Points**

### **What is the issue?**

Newcomers to the UK, especially those with language difficulties, can struggle to negotiate the UK tax system and the requirements of HMRC.

### **What does it mean to me?**

TaxAid and its sister charity Tax Help for Older People helped 21,000 people last year who desperately needed tax advice but couldn't afford to pay for it.

### **What can I take away?**

Find out how you can support the Bridge the Gap appeal in this vital work.

A friend of mine recently relocated to another part of the UK and was faced with those vital but annoying bureaucracies we have all had to deal with at such times. As she joked at the time, the regional accent might be different, but at least she knows the language. For those who come here to live, the whole of the UK can initially seem like an alien landscape, made impenetrable when there is not a good knowledge of English.

Whether political asylum seekers or economic migrants, newcomers will need to engage with many new systems and processes, including the UK tax system. I don't need to tell you how complex tax can be, but if one has not had previous experience with the UK system, it must be daunting to have to grapple with HMRC. It can be difficult to pick up the nuances of language on the telephone and tempting, perhaps, to accept as accurate what others have told you. Many migrants find themselves in low paid work, typically outside of PAYE, and they need to deal with the tax obligations.

### **Afia**

Once such person was Afia, an Ethiopian lady who sought asylum in the UK in 2014. Like many of TaxAid's clients, she was very distressed when she first presented herself. By then, she had experienced homelessness followed by a period in a hostel. Subsequently, she had become a single mum and was living in rented accommodation. Her English was very poor and an interpreter was needed.

Afia had done some work as a cleaner during the tax years 2015 /16 to 2017 /18 but had also received Jobseeker's Allowance. She was registered as self-employed with HMRC, although her earnings from cleaning over the three tax years were in total less than £600. As she had not filed any tax returns, she was being pursued for late filing penalties. She had no means to pay these fines.

The TaxAid volunteer called HMRC. Given Afia's very low income and inability to pay, HMRC agreed to remove the requirement to complete tax returns for all years. As a result, all late filing penalties were cancelled.

Afia was very relieved and pleased when it was explained that her tax statement was reduced to zero by TaxAid's intervention.

## **Bernardo**

Things had started differently for Bernardo, an Ecuadorian. Although he had little knowledge of English, he had maintained self-employed activities in the construction industry since arriving in the UK in 2001 and had been registered with HMRC. The trouble with self-employment, and especially in a physical environment like a building site, is that you can only work, get paid and make ends meet whilst functioning well physically. When disaster strikes – such as an accident at work forcing you to be laid off – work dries up. But your tax obligations continue.

This is the nightmare Bernardo found himself living. He had to stop after an accident in mid 2017. When he contacted TaxAid, a year later, and by now aged 53, he was managing as an employee doing cleaning work for three or four hours per day.

Bernardo's English was still poor and he previously used accountants to deal with his tax affairs, but could no longer afford professional help. Even so, there were some unpaid late filing penalties and tax debt in excess of £10,000, with HMRC threatening control of goods. TaxAid's review showed up some errors: in both the 2016 and 2018 self-assessment returns, his income from working in the construction industry had been declared, but no claim had been made for the CIS tax paid of £6,924 and £624 respectively. TaxAid helped Bernardo to file an overpayment relief claim for 2015 /16 and amend his 2018 return. To resolve the late filing penalties, the TaxAid volunteer called HMRC and, after a discussion on Bernardo's low earning ability following his accident it was agreed that some of the penalties would be cancelled by concession. Overall, Bernardo's debt became an overpayment of £8.28 and to his delight, HMRC sent a cheque to the client.

## **Jason**

Many of the clients seen by TaxAid volunteers are hindered by their lack of English, but as a Canadian, Jason was already fluent when he arrived at the age of 59. His tax problems stemmed from his learning difficulties. Jason has severe adult Attention Deficit Hyperactivity Disorder (ADHD) and dyslexia. When he made contact with TaxAid, Jason had a tax debt of almost £18,000, including late filing penalties, going back as far as a determination for the tax year 2010/11. He was fearful that he would be made bankrupt and that he and his son, who was living with him, would then become homeless.

When TaxAid approached HMRC for income and tax paid details from HMRC going back to 2007/08, it became apparent that tax returns were outstanding for the three years from 6 April 2007 to 5 April 2010. HMRC agreed that these returns would not be required.

TaxAid helped to prepare accounts covering the self-employed activities for the years 2010/11 to 2017 /18, together with the relevant tax returns. The TaxAid volunteer submitted a claim for Special Relief, together with appeals against the late filing penalties, and supported these applications with a financial statement covering the client's current position, including income and expenditure and a medical report. HMRC agreed the applications and Jason's tax account was adjusted with all late filing penalties being cancelled.

The client's final tax debt came down to a little over £2,000 but in view of Jason's medical and financial position HMRC agreed to not to pursue collection of the outstanding amount and the tax account was reduced to zero. Jason was relieved at such a positive outcome on his long running tax issues, which had taken almost two years to resolve.

Moving to a new place can bring minor hiccups in the usual flow of life, such as those facing my relocated friend. But when you are in a new country, struggling to understand and be understood for whatever reason, tax issues can have serious repercussions.

TaxAid and its sister charity Tax Help for Older People helped 21,000 people last year – people like Afia, Bernardo and Jason – who desperately needed tax advice but couldn't afford to pay for it. They provide advice, where needed acting for the client and put people back on their feet.

Their **Bridge the Gap appeal** seeks support from the profession for this vital work. This year, they need to raise £300,000 so that they can help 20,000 vulnerable people in crisis with their tax.

## **How you can support**

### **1. Make a personal donation**

Join our many supporters in the tax profession and make a regular donation.

Just £8.50 a month will resolve the tax problem for a vulnerable person. [Donate now](#) – and help us to deliver this vital service.

### **2. Take part in a sponsored event**

Organise a fund raising event in your team or take part in an event we have secured places on and seek sponsorship for TaxAid and Tax Help for Older People:

#### **London, Lee Valley VeloPark: 1 mile, 5K, 10K, 10 mile and half Marathon, Saturday 30 November 2019, Queen Elizabeth Olympic Park**

This is one of the London 2012 Olympic venues and the event is ideal for teams with people at different fitness levels. If you are interested, contact Rose Over at [Rose.Over@taxvol.org.uk](mailto:Rose.Over@taxvol.org.uk).

#### **The tax charities' Kilimanjaro challenge, 17-27 September 2020**

Do you want something amazing to look forward to? We are working with Action Challenge to offer supporters the opportunity to walk in a group to the top of Mount Kilimanjaro. We have a lot of interest already in this 11 day trek and hope to have our own team. Advance planning is essential and our partners have excellent experience of organising and running this trek. If you are interested, contact Tina Riches at [tina@richestax.co.uk](mailto:tina@richestax.co.uk).

For more events and to see what others are doing visit [Bridge the Gap](#).