Expat Accountants
POWERED BY BUZZ ACCOUNTING

Leaving the UK: the ten tax jobs worth doing early

Each one costs almost nothing in the right month and four figures in the wrong tax year. In the order the deadlines actually arrive.

Most of what decides your UK tax position for the next decade is settled in the twelve months around your departure. **None of these is difficult. All of them are much harder once the tax year has closed.**

01 Work out your day budget before you book anything

The Statutory Residence Test caps how many days you can spend in the UK based on the ties you keep. Three ties and you are down to 45 days a year, not the 90 everybody repeats. Get the number in writing before you plan the first trip home.

BEFORE YOU GO

02 Check whether split-year treatment applies

It divides the tax year in two so foreign income after you leave falls outside UK tax. There are eight cases, it is usually the most valuable thing on that year's return, and it is claimed on the return rather than granted automatically.

BEFORE YOU GO

03 File a P85 if you are leaving part-way through a tax year

You have probably paid PAYE as though you would earn a full year's salary. The refund is claimed, not issued automatically.

ON LEAVING

04 Get an NRL1 in before the first rent payment

If you are letting the house, your agent is legally obliged to withhold 20% of the rent until HMRC approves you for gross payment. Approval is not retrospective, so every month it is not in is a month of your money sitting with HMRC.

BEFORE THE TENANCY STARTS

05 Evidence your property's April 2015 value

Non-residents are only taxed on gains since April 2015 (April 2019 for commercial). When you eventually sell, the rebasing choice is usually the difference between a real tax bill and nothing — and valuations are far easier to evidence now than in ten years' time.

BEFORE YOU GO

06 Decide about the ISA and the pension

You can keep an ISA but not contribute to it once non-resident. Several countries tax an ISA that the UK does not. Pension contributions have their own limited window after departure.

FIRST YEAR

07 Sort your National Insurance

Class 2 costs about £3.50 a week from abroad and adds roughly £342 a year to your State Pension for life. Most working expats qualify, assume they do not, and never apply.

FIRST YEAR

08 Understand the five-year rule before you sell anything

Assets sold during a short absence can be dragged back into UK tax if you return within five years. It changes the timing of selling things, sometimes by a lot.

BEFORE SELLING

09 Fix the filing plumbing while you still have a UK number

HMRC's own website cannot file the residence pages, and a dead UK SIM locks you out of your Government Gateway. Sort access, and how the return will actually be submitted, before January.

BEFORE YOU GO

10 Diarise 31 January and any 60-day clock

The annual return is due 31 January. Selling UK property starts a separate 60-day clock from completion — profit or loss, tax or no tax — and your solicitor almost certainly will not mention it.

EVERY YEAR

Free tools that answer these in about a minute

Day-count checker, split-year checker, 60-day CGT deadline calculator, landlord refund estimator and voluntary NI calculator — no email required, at expataccountants.co.uk/tools. If you would rather talk it through, a leaving-the-UK review is £249 and is credited against your first year's return.

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