



# Use these notes to help you fill in the Trusts etc pages of your tax return

You should fill in the 'Trusts etc' pages if you:

- were a beneficiary and received, or were entitled to income from a trust or settlement – do not include bare trusts
- were a settlor and have put money or assets into a trust or settlement
- received income from the estate of a person who has died

To help you fill in these pages, use these notes and any forms R185 that your trustee or personal representative gave you. For example:

- form R185 (Trust Income) 'Statement of income from trust' for boxes 1 to 5
- form R185 (Settlor) 'Statement of trust income chargeable on settlor' for boxes 7 to 15
- form R185 (Estate Income) 'Statement of income from estates' for boxes 16 to 24

You do not need to fill in all the boxes on the 'Trusts etc' pages, just those that match the boxes on your R185.

Do not fill in the 'Trusts etc' pages with any information from form R185 'Pension lump sums' for a payment from a trust that was funded by a taxed lump sum death benefit. Instead, use boxes 11 and 12 on page TR 3 of your tax return.

Do not send forms R185 with your tax return. If we need them, we will ask you to send them to us.

### Income from trusts and settlements

Use the figures in boxes 1 to 5 on your R185 (Trust Income) to fill in this section. If you do not have this, ask the trustees for the details.

If you are both a beneficiary and a settlor, do not fill in boxes 1 and 2. Put this income in boxes 7 to 12.

### Discretionary income payment from a United Kingdom (UK) resident trust

#### Box 1 Net amount

Take the figure from box 1 (net payments) on your R185 (Trust Income) and put this in box 1. If you get payments from more than one trust, add them together.

If the trustee is a non-resident, fill in box 41 on the 'Foreign' pages (also see box 2 below).

**i** For more information and help to work out the tax credit on a discretionary trust payment, go to [www.gov.uk/trusts-taxes](http://www.gov.uk/trusts-taxes)

#### Box 2 Total payments from settlor-interested trusts

If the trustee has put an amount in box 2 on your R185 (Trust Income), put this figure in box 2.

If the trustee is a non-resident, only fill in box 2 if the trust is settlor-interested for UK tax purposes. If it is not, fill in box 41 on the 'Foreign' pages.

### Non-discretionary income entitlement from a trust

If you do not have an R185 (Trust Income), ask the trustees for details. Put the net amount received, that is, after it has had UK tax taken off, in boxes 3 to 5. Do not include stock dividends, foreign income or untaxed trust income.

If your trust income is not received from the trustees but is received directly by you or indirectly, for example through an investment manager, you do not need to include this income in the trust page. Instead, the income should be entered directly in the appropriate boxes of your tax return.

If you've received income from a residential property, the trustee will supply you with details of the figure to include in box 25 'Amount of residential property income or restricted finance costs' where applicable. Use the working sheet on page TN 4 to help complete box 25.

#### Box 3 Net amount of non-savings income

This includes rental income. Use the figure in box 3 on your R185 (Trust Income) and put this in box 3. Do not include interest or dividend income. These go in boxes 4 and 5.

#### Box 4 Net amount of savings income

This includes bank or building society interest. Use the figure in box 4 on your R185 (Trust Income) and put this in box 4.

#### Box 5 Net amount of dividend income

This includes dividends from UK companies. Use the figure in box 5 on your R185 (Trust Income) and put this in box 5.

#### Income chargeable on settlors

Use the figures in boxes 7 to 15 on your R185 (Settlor) to fill in this section. If you do not have this, ask the trustees for the details.

If you've received income from a residential property, the trustee will supply you with details of the figure to include in box 25 'Amount of residential property income or restricted finance costs' where applicable. Use the working sheet on page TN 4 to help complete box 25.

Do not include any foreign income in these boxes. Fill in the 'Foreign' pages instead.

 For more information about trusts and settlements, go to [www.gov.uk](http://www.gov.uk) and search for 'HS270'.

#### Box 15 Additional tax paid by the trustees on certain UK life insurance policy gains

If the trust made a gain on a life insurance policy, you may need to fill in other boxes on your tax return pages as well as box 15. For example, if:

- the policy was foreign – fill in box 43 on the 'Foreign' pages
- the insurer had paid the tax at 20% – fill in box 4 on page Ai 1 of the 'Additional information' pages
- no tax has been paid on the gain – fill in box 6 on page Ai 1 of the 'Additional information' pages – if the trustees paid tax on the gain, put the tax paid in box 15 of the 'Trusts etc' pages – this may be either 20% or 45%

#### Income from the estates of deceased persons

Use the figures in boxes 16 to 24 on your R185 (Estate Income) to fill in this section. If you do not have this, ask the personal representatives of the estate for the details of the amounts you have received or that you are entitled to as a residuary beneficiary, and the tax paid.

If you are a residuary beneficiary, you are taxable on your share of any income that arises from the residue of the estate. The amount of income and how it is taxed will depend on:

- the type of interest you have – an absolute interest, successive interest, limited or discretionary interest
- if it is a UK or foreign estate

#### Income from UK estates

If you receive income from a UK estate, it will already have been taxed in the UK. You will receive credit for the tax taken off the payments you receive from the estate.

If you've received income from a residential property, the personal representative of the estate will supply you with details of the figure to include in box 25 'Amount of residential property income or restricted finance costs' where applicable. Use the working sheet on page TN 4 to help complete box 25.

#### Box 16 Non-savings income

This includes rental income and profits from a trade taxed at 20%. Use the figure in box 16 on your R185 (Estate Income) and put this in box 16.

#### Box 17 Savings income

Use the figure in box 17 on your R185 (Estate Income) and put this in box 17.

#### Box 18 Dividend income

This is any dividend income from UK and foreign companies. Use the figure in box 18 on your R185 (Estate Income) and put this in box 18.

If any dividend income is received by the estate before 6 April 2016, but is not paid to you until after 5 April 2018, you'll receive a 7.5% tax credit against any tax due on these dividends. The 7.5% tax credit is not repayable in the event that you have no tax liability for the year.

Make a note of the amounts of any dividend income that was received by the estate before 6 April 2016, but not paid to you until after 5 April 2018, in box 26, Any other information.

Any other information	
26	Please give any other information in this space
	<i>Amount of dividend received by the estate before 6 April 2016 - £500</i>

 For more information about foreign dividends, go to [www.gov.uk](http://www.gov.uk) and search for 'SA106'.

### **Box 19 Non-savings income taxed at non-repayable basic rate**

This includes gains from certain life insurance policies taxed at 20%. Use the figure in box 19 on your R185 (Estate Income) and put this in box 19. If the life insurance policy gain was taxed at 22%, give details of the non-repayable income in box 26 'Any other information'.

### **Box 20 Income taxed at 22%**

This is any income taxed at 22% which the personal representatives gave you after 6 April 2008. Do not include gains from a life insurance policy taxed at 22%. You should show this as non-repayable income in box 26 'Any other information'.

Use the figure in box 20 on your R185 (Estate Income) and put this in box 20.

### **Income from foreign estates**

You will need to fill in boxes 22 and 23 if the estate has foreign income, and either:

- the personal representatives are not resident in the UK
- the deceased person was not domiciled in the UK when they died

### **Box 22 Foreign estate income**

Use the figure in box 22 on your R185 (Estate Income) and put this in box 22.

### **Box 23 Relief for UK tax already accounted for**

You can claim relief for any UK tax paid or deducted on foreign income from a foreign estate.

Use the figure in box 23 on your R185 (Estate Income) and put this in box 23.

### **Foreign tax paid on estate income**

#### **Box 24 Foreign tax for which Foreign Tax Credit Relief has not been claimed**

If you receive or are entitled to taxed income from a foreign country, which is taxable in the UK, you can either claim Foreign Tax Credit Relief or deduct the foreign tax against your income.

If you want to deduct the foreign tax against your income, put the amount in box 24.

To claim Foreign Tax Credit Relief, you will have to fill in box 2 on the 'Foreign' pages.

#### **Box 25 Residential property income or restricted finance costs**

For the tax year 6 April 2018 to 5 April 2019, the allowable costs of getting a loan or alternative

finance to buy a residential property that is let, and any interest on those loans and alternative finance, is restricted to 50% of these costs for each property business.

The net income you've received from non-discretionary trusts and estates will already include this 50% deduction of finance costs.

### **Relief for residential finance costs**

The remaining 50% of the finance costs (the 'restricted finance costs') from each residential property business is used as a basis for calculating a reduction to your Income Tax for beneficiaries of deceased estates and non-discretionary/accumulation trusts only. Use the working sheet on page TN 4 to calculate your tax reduction. Each trust must be considered separately and each property business the trust carries on must be considered separately.

Only include your share of the profits and finance costs. If a property business made no profit, or made a loss, put zero in column A. If it had no finance costs, put zero in column B. Please contact the trustee or personal representative if they have not already provided you with the figures to include in columns A and B of the working sheet.

#### **Box 25.1 Unused residential finance costs brought forward**

Put any unused residential property finance costs from earlier years in box 25.1.

Any balance of residential finance costs which is still unrelieved, may be carried forward to future years of the same property business.

**i** For more information on the residential property finance costs restriction, go to [www.gov.uk/guidance/changes-to-tax-relief-for-residential-landlords-how-its-worked-out-including-case-studies](http://www.gov.uk/guidance/changes-to-tax-relief-for-residential-landlords-how-its-worked-out-including-case-studies)

### **More help if you need it**

To get copies of any tax return forms or helpsheets, go to [www.gov.uk/taxreturnforms](http://www.gov.uk/taxreturnforms). You can phone the Self Assessment Helpline on 0300 200 3310 for help with your tax return.

We have a range of services for disabled people. These include guidance in Braille, audio and large print. Most of our forms are also available in large print. Please contact our helplines for more information.

Use the working sheet below to calculate your tax reduction.

<b>Working sheet for box 25</b>	<b>Column A</b> Share of property business profits  £	<b>Column B</b> Share of restricted finance costs  £	<b>Column C</b> Lower of column A and column B  £	<b>Column D</b> Unused finance costs to be carried forward  £
Example 1: Trust A's property business	15,000	2,000	2,000	0
Example 2: Trust B's property business	3,000	4,000	3,000	1,000
Property business 1				
Property business 2				
Property business 3				
Property business 4				
Property business 5				
Property business 6				
Property business 7				
Property business 8				
Total of column C - copy to box 25			£	
				Total of column D £

These notes are for guidance only and reflect the position at the time of writing. They do not affect the right of appeal.