# ***PART 2 Q – TAX CREDITS***

## SCHEDULE OF SERVICES

This schedule should be read in conjunction with the engagement letter and the terms of business.

1. RESPONSIBILITIES AND SCOPE FOR TAX CREDIT SERVICES
   1. **Recurring compliance work**
      1. We will prepare your tax credits annual declaration (TC603D) (and, on request, a tax credits claim form (TC600)) from the information and explanations that you give us. After obtaining your approval and signature, we will submit the completed forms to HMRC.
      2. We will check your tax credit award notices (TC602) and annual review (TC603R) using the information you have given us. We will point out any errors or omissions on these documents and agree what action should be taken to inform HMRC.
      3. We will inform HMRC on your behalf of any changes in circumstances affecting your tax credit award which you notify to us. Notification is generally mandatory and must be done within 30 days of the change. The changes which must be notified are listed at <https://www.gov.uk/changes-affect-tax-credits> (paper copy available on request).

***It must be clear whether the practitioner or the client is to deal with notifying changes. Many practitioners will prefer to leave this to the client, in view of the very short time limit for notifying HMRC and the risk of overpayments accruing if notification is not done as soon as possible. If the client is to be responsible, delete this paragraph and also paragraph 1.4.6(e), and include paragraph 1.4.5 instead.***

* + 1. When your tax credit claim ends, we will help you prepare the forms and other paperwork which is expected by HMRC from the information and explanations you give us. After obtaining your approval and signature, we will submit the completed forms to HMRC.
  1. **Excluded, ad hoc and advisory work**
     1. We will not provide the following services under this engagement but, if you have instructed us to do so, we will provide such other tax credits, ad hoc and advisory services as may be agreed between us from time to time. These may be the subject of a separate engagement letter at our option. If appropriate, we will discuss and agree an additional fee for such work when it is commissioned by you. Examples of such work that we will not undertake unless you instruct us include:

1. advising you on your eligibility for working tax credit and/or child tax credit based on the information you give us about your household circumstances;
2. advising you of any possible claims or reliefs or other planning measures that may have a bearing on your tax credits entitlement including, but not limited to, gift aid, pension contributions, and trading loss reliefs;
3. explaining to you what you must report to HMRC, including the time limits for doing so, and what it would be in your interests to report to HMRC (but not obligatory for you to do);
4. assisting you with any tax credit examinations or enquiries raised by HMRC, or with any other communications with HMRC regarding your entitlement;
5. advising you on the implications that any changes to your tax credit award might have for other aspects of your tax affairs;
6. advising you on, and helping you claim, universal credit or other social security benefits; ***Delete if the practitioner does not deal with any other aspect of the client’s tax affairs***.and
7. [in general, when considering your tax affairs, advising you of the tax credit implications of any proposed course of action.]
   1. **Changes in the law, in practice or in public policy**
      1. We will not accept responsibility if you act on advice given by us on an earlier occasion without first confirming with us that the advice is still valid in the light of any change in the law, practice, public policy or in your circumstances.
      2. We will accept no liability for losses arising from changes in the law (or the interpretation thereof), practice or public policy that are first published after the date on which the advice is given.
   2. **Your responsibilities**
      1. You are legally responsible for:
8. ensuring that that all documents and information submitted to HMRC are correct, complete and on time; and
9. ensuring that HMRC are informed promptly of any changes in your income or circumstances, and of any errors or omissions in any document sent to you by HMRC.

Failure to do any of the above may lead to or exacerbate an overpayment and may, in certain cases, give rise to penalties, and/or interest.

* + 1. Taxpayers who sign their claims, renewal or other forms cannot delegate this legal responsibility to others. You agree to check that documents that we have prepared for you are correct and complete before you approve and sign them.
    2. You are no less responsible for estimated amounts included in returns, submitted on the basis of the information provided to and processed by us, than if you had confirmed your approval of the actual amounts in returns.
    3. Responsibilities in relation to joint tax credit claims are set out below under ‘You and your [spouse] [partner]’ if applicable.
    4. You will be responsible for informing HMRC of any changes in circumstances. Notification is generally mandatory and must be done within 30 days of the change. The changes which must be notified are listed at <https://www.gov.uk/changes-affect-tax-credits> (paper copy available on request).

***This is only relevant if the practitioner is not going to deal with notifying changes. If paragraph 1.4.5 is included, delete paragraphs 1.1.3 and 1.4.6(e).***

* + 1. To enable us to carry out our work, you agree:

1. that all claims, renewals and other reports are to be made on the basis of full disclosure of your income and circumstances;
2. to provide full information necessary for dealing with your affairs; we will rely on the information and documents being true, correct and complete and will not audit the information or those documents;
3. to authorise us to approach such third parties as may be appropriate, for information that we consider necessary to deal with your affairs;
4. to provide us with information in sufficient time for your renewal forms to be completed and submitted by the due date following the end of the tax year; to do this, we need to receive all relevant information by …………………………… ***insert date***; and
5. [to provide us with information about changes in circumstance which must be reported to HMRC as soon as possible and in any event within sufficient time for us to tell HMRC within 30 days of the change.] ***Delete point (e) if it is to be the client and not the practitioner who deals with this***.
   * 1. You will keep us informed of material changes in your circumstances that could affect your tax credit entitlement. If you are unsure whether the change is material, please let us know so that we can assess its significance. In particular, it is recommended that a record of working hours is maintained.
     2. [HMRC will send you an agent authorisation code which expires within 30 days of issue. Please send this to us as soon as you receive it. This code will enable us to register as your agent with HMRC.]\* [We enclose an HMRC form 64-8 for you to sign and return to us for submission to HMRC.]\* ***\*Delete as appropriate*** This authorises HMRC to communicate with us as your agent, although they consider that you should still take ‘reasonable care’ over your tax affairs. ***Include form 64-8 and draw to the client’s attention.***
     3. You will forward to us HMRC notices, statements of account, letters and other communications received from HMRC, in sufficient time to enable us to deal with them as may be necessary within the requisite time limits. Although HMRC has the authority to communicate with us once you have appointed us as your agent, it is essential that you let us have copies of any correspondence received, because HMRC are not obliged to send us copies of communications issued to you and, in most cases, will not do so. You should also keep a note of any telephone communication you have with HMRC’s tax credits helpline, including the date and time of the call, and the name of the helpline operator(s).
   1. **[You and your [spouse] [partner]]**

***For use if services are provided to a couple who are required to make a joint tax credits claim – in which case the practitioner will need access to all relevant information about both partners.***

***Joint claims must be made if the household is a polygamous unit; practitioners will need to adapt the wording if this applies to the client.***

* + 1. A couple must claim tax credits jointly. A ‘couple’ broadly comprises spouses or civil partners who are not separated, or two people living together as husband and wife or as if they were civil partners.
    2. Members of a couple are jointly and severally liable to repay overpaid amounts of tax credit; in other words, HMRC can recover an overpayment from either partner or from both partners in equal or unequal proportions.
    3. If we act for you as a couple in respect of a joint claim, we will advise you and your spouse or civil partner or any person(s) with whom you are making a joint claim for tax credits (your ‘partner’) on the basis that you are a household. You both agree that, in all matters relating to your or your partner’s tax and financial affairs, we may deal directly with either of you and we may discuss with either of you the tax liabilities and/or financial affairs of the other, so far as they are relevant to your tax credits entitlement.
    4. For us to act for you as a couple in respect of a joint claim, you undertake that all instructions, information or explanations either of you gives us will be on behalf of both of you, unless you specifically tell us otherwise. Similarly, if one of you signs a document, it will be on behalf of you both unless you instruct us to the contrary. If a conflict of interest should arise between you in relation to any matter to do with your joint claim or entitlement, we reserve the right to cease acting for both of you, or to advise one or other of you to obtain independent advice.
    5. We will require your partner’s agreement to these arrangements and [are sending them a separate engagement letter for approval] OR [would ask both of you to sign this schedule to confirm your approval].

***The practitioner can either send engagement letters to each partner or ask them to sign a joint one. If the practitioner performs other tax services for partner A, it will be best to send partner B their own tax credits schedule.***

* + 1. You undertake to tell us if you cease to be a couple because this will terminate the joint claim. You cease to be a couple for tax credits purposes if:

1. you were a married couple or civil partners and you have separated under a court order, or in circumstances in which the separation is likely to be permanent; or
2. you were living together as husband and wife, or as if you were civil partners, but no longer do so; or
3. one of you has gone overseas for longer than eight weeks (even if you still regard yourselves as living together in the usual sense).
   * 1. HMRC will need to be informed if the joint claim terminates, and we will also need to amend our terms of engagement accordingly. If you are unsure whether you have ceased to be a couple for tax credits purposes, please tell us so that we can assess the situation.