BADN® NEGOTIATES TAX RELIEF FOR DENTAL NURSES
Laundering Uniforms
Annual Membership Subscriptions
GDC Registration Fees

UNIFORMS

Laundering Uniforms

Dental nurses can get help with the costs of laundering their uniforms following negotiations between the British Association of Dental Nurses® and the Inland Revenue. Tax relief is available to dental nurses who have to wear a uniform and are not provided with laundry services by their employers.

The Paymaster General said, “... health workers who have to wear uniforms to carry out their employment and are not provided with laundry facilities have to meet the cost of cleaning their own uniforms - which can prove expensive in jobs where uniforms have to be washed separately after every shift. To help with the cost the Revenue have added these groups to the list of those who can get a flat rate deduction for uniform cleaning and maintenance costs.”

Claims may be submitted to your local tax office for up to 6 years prior to the current tax year. The Inland Revenue no longer issues claim forms - to claim your tax relief, call your tax office (have your details, including your National Insurance number and tax reference number, to hand) and explain that you wish to claim tax relief for laundering your own uniform. Your tax office will then adjust your tax code to include this. If you wish to claim back tax for the last 6 years, mention this as well.

Cost of Uniforms

Extract from HM Revenue & Customs website:

“EIM32475 - Other expenses: clothing: uniforms

A deduction can be permitted for clothing that is recognisably a uniform or part of a uniform, where the employee is required by his or her duties to wear it and must bear the cost of it. A uniform in this context means a set of clothing of a specialised nature that is recognisable as a uniform and is intended to identify its wearer as having a particular occupation. Examples include traditional nurse or police uniforms.

It is not enough for the clothing to be uniform in the sense that all employees in the same employment wear clothing of a similar design or colour. For example, a Bank may wish to reinforce its corporate image by requiring all counter staff to wear a shirt or blouse in the corporate colours of blue and green. That clothing is not a uniform for this purpose and no deduction can be permitted for the cost of acquiring such clothing.

Fixing a permanent and conspicuous badge to what would otherwise be ordinary clothing may be enough to make it a uniform, but each case must be considered on its merits. The essential test is whether the employee would readily be recognised as wearing a uniform by the person in the street. A detachable badge is not sufficient to make the clothing to which it is attached part of a uniform.
Even where you accept that an employee wears a uniform it is likely that not all of the clothing they wear is part of that uniform. No deduction should be permitted for clothing that is not part of the uniform. For example, shoes, socks and underwear."

**FEES**

**Annual Membership Subscriptions**

BADN® members may claim for tax relief on their annual subscription to the Association. Upon joining the Association, new members are sent a letter containing their membership card and number, and advised to contact their local tax office and quote the reference “CI SUB 566” to claim this allowance.

**GDC Registration Fees**

HM Revenue & Customs have confirmed to BADN that both the Initial Registration Fee and the Annual Retention Fee (payable after July 2009, amount still to be determined) will be allowable expenses.

The relevant statute is section 343 Income Tax (Earnings and Pensions) Act 2003 (ITEPA). This section contains a table setting out details of allowable fees and covers certain fees paid by Health Professionals which includes dental auxiliaries. HMRC accept that the term dental auxiliaries will cover dental professionals affected by the new registration requirements such as dental nurses, dental technicians, orthodontic therapists and clinical dental technicians (there may be others).

This will allow a dental nurse to deduct the fees from his or her employment income as a dental nurse.

**If your registration fee/membership fee is paid by your employer**

If the registration and/or BADN® membership fee is paid by the employer on behalf of the dental nurse, the registration fees are owed by the dental nurse in question, so the employer is settling the dental nurse’s liability. This payment is chargeable to tax under section 62 ITEPA although not under PAYE (in other words, it’s a benefit in kind). The employer must then complete a P11D form at the end of the tax year for the dental nurse concerned, and state the amount paid in Box M of the P11D.

However, the dental nurse is then entitled to match this amount with a deduction so there will be no net tax liability. Where the dental nurse is issued with a Self Assessment tax return, they should complete Box 1.34 on the employment pages marked "Professional fees and subscriptions". Alternatively a dental nurse who is not in Self Assessment can simply write to their HMRC office with details of the fees. If they do so there will be no tax to pay.

Alternatively, an employer can ask its HMRC office to include the fees and subscriptions within a dispensation. If they do so then they can avoid having to complete a form P11D and for their dental nurse to provide details of the fees to HMRC.

Either of these routes means that the dental nurse will not have to pay any tax. However, HMRC would encourage employers to apply for a dispensation because it will be easier for all concerned.
**CPD COSTS**

HMRC have confirmed that the cost of CPD, if paid by the employee themselves, is not tax allowable — ie you can’t claim tax relief on CPD costs.

“Employees are entitled to tax relief only for expenses incurred "wholly, exclusively and necessarily in the performance of" their employment duties. The courts have repeatedly confirmed that expenditure on CPD is not incurred “in the performance of” an employee’s duties, but only to put them in a position to perform their duties. It follows that dental nurses who have to pay for their own CPD, without any reimbursement from their employer, are not entitled to tax relief for the cost.”

BADN® will be lobbying to have this ruling changed and suggests that all BADN® members write to their local MP on this matter.

**HOW TO CLAIM TAX RELIEF**

BADN® have drafted a letter for you to send to your Tax Office — this may be amended according to your specific circumstances. **Please note that the information given was, to the best of our knowledge, correct at the time of issue. However, BADN® does not accept any responsibility in this matter — you may wish to consult with tax experts, such as the Tax Refund Service, before taking any action.**
Example letter for (re)claiming income tax on Professional Subscriptions

[Your address]
[Your phone number]
[Your email address]

[Put the address of your HMRC office here - you can get it from your employer’s payroll department]

[Date]

Dear Sirs,

CLAIM FOR INCOME TAX REFUND ON PROFESSIONAL EXPENSES

NI No: [in format AB 12 34 56 C]

Tax ref: [your tax reference, e.g. from PAYE Coding Notice, in format 123/A3456]

Employer: [your employer]

Employee’s ref: [your payroll number from your payslip]

I am a member of the British Association of Dental Nurses, the subscription for which has been approved for Income Tax relief under reference CI SUB 566. I am also a registered Dental Care Professional with the General Dental Council and would like to claim tax relief in accordance with section 343 of the Income Tax (Earnings and Pensions) Act 2003 (ITEPA on my registration fee.

I have been advised that as I do not complete a self-assessment tax form, but would like to claim tax back on both the BADN® membership fee and the GDC registration fee, I should write to you direct.

I also wish to claim the agreed amount of £100 to cover the cost of laundering my dental nurse uniform, as this service is not provided by my employer, the £18 tights/shoes allowance and tax relief on the cost of providing my uniform in accordance with section EIM 32475.

Please amend my PAYE code to allow for these costs/please forward a cheque for the appropriate amount to me at the address above. * delete as appropriate

I confirm that for each tax year for which I have claimed:

• I worked as a dental nurse and
• I had to wear a uniform and
• my employer did not launder my uniform for me or provide free laundry facilities and
• I had to pay full cost of laundering my uniform and
• I laundered my uniform separately from other items of clothing at a high temperature wash and
• I had not already had tax relief for the cost of laundering my uniform.

..../
Date

Your name and NI number

I claim the following amounts:

<table>
<thead>
<tr>
<th></th>
<th>For current tax year</th>
<th>Previous Tax years</th>
</tr>
</thead>
<tbody>
<tr>
<td>GDC Registration Fee</td>
<td>£</td>
<td>£</td>
</tr>
<tr>
<td>BADN® Membership Fee</td>
<td>£</td>
<td>£</td>
</tr>
<tr>
<td>Extra statutory</td>
<td>Please tick</td>
<td>Please tick</td>
</tr>
<tr>
<td>concession</td>
<td>[] shoes</td>
<td>[] shoes</td>
</tr>
<tr>
<td>All shoes &amp; tights/socks allowance (£18.00)</td>
<td>[] tights</td>
<td>[] tights</td>
</tr>
<tr>
<td>Uniform costs</td>
<td>£</td>
<td>£</td>
</tr>
<tr>
<td>Laundry</td>
<td>£100</td>
<td>£100</td>
</tr>
</tbody>
</table>

I declare that the information given is correct, to the best of my knowledge and belief, and that I pay each amount out of my earnings and that I will notify the Inland Revenue immediately if I am no longer entitled to tax relief.

Your assistance in this matter is appreciated. If any further information is required, please contact me at the above address.

Yours faithfully,

Your signature here

[Print name]