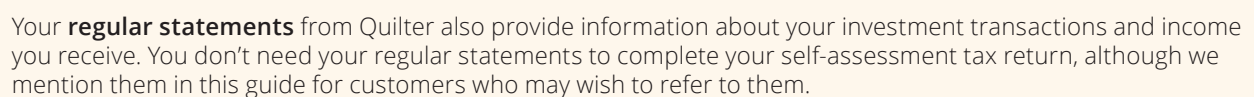


You usually receive your tax voucher from Quilter following the end of the tax year. We send you a tax voucher to give you the information you might need to complete your self-assessment tax return, if you need to submit one.

The information in your tax voucher covers the period of the most recent tax year that's just ended (6 April – 5 April). You can see examples of what your tax voucher looks like throughout this guide.

Your tax voucher summary looks like this

Your tax voucher schedules look like this



In what situations does Quilter send me a tax voucher?

We issue you with a tax voucher following the end of the tax year if you:

- ✓ have or previously had a Collective Investment Account (you may also have a CashHub account)
- ✓ have received income* within one or more of your accounts.

**This includes:*

- rebates, dividends, or interest from investments in:
 - unit trusts
 - open-ended investment companies (OEICs)
 - exchange traded instruments (ETIs).
- interest on cash within your Quilter account
- interest paid on one or more savings accounts in the CashHub, where applicable. The CashHub is an additional service from Quilter (powered by Bondsmith), and not everyone with a Collective Investment Account will have a CashHub account.

What do I use my tax voucher for?

Depending on your circumstances, you may need to complete a self-assessment tax return with HM Revenue & Customs (HMRC). HMRC uses the information you provide in your tax return to establish if you have additional income tax to pay for the tax year that's just ended.

As part of your tax return, you will need to report the income you've received from your Collective Investment Account (and CashHub account, if applicable) during the tax year.



Further information on completing your tax return can be found on HMRC's website at www.hmrc.gov.uk/sa.

HMRC also publishes a tax return guide, form SA150, which may be of assistance. HMRC forms can be found at www.hmrc.gov.uk/selfassessmentforms.

What's shown in my tax voucher?

Your tax voucher shows the income you've received from your assets throughout the previous tax year.

Depending on the assets you hold, you could receive income from them either in the form of:

- ▶ dividend distributions
- ▶ interest distributions.

You may also receive **rebates** within your Collective Investment Account. These reflect a refund we have agreed with the fund manager(s) of a portion of the management fees that you have paid to them.

We allocate the rebate to your account as a way to reduce the overall cost of investing. Rebates are classified as 'annual payments' by HMRC and are taxable as income.



Asset is a collective term we use to cover a fund, also referred to as a **unit trust** or an **open ended investment company (OEIC)**, depending on how it's structured.

An **Exchange Traded Instrument (ETI)**, which includes Exchange Traded Funds/Commodities and Investment Trusts, trade on a stock exchange. You'll see these terms throughout your **tax voucher**.

These are all collective investment schemes where investors purchase units or shares in a pooled fund, which is run by an investment manager.

What do I need to include in my self-assessment tax return?

If you are required by HMRC to submit a self-assessment tax return, you will need to disclose all income details including income earned within your Collective Investment Account and CashHub accounts if applicable.

This includes:

- ▶ rebates, dividends, or interest from investments
- ▶ interest on cash within your Quilter account
- ▶ interest paid on one or more savings accounts in the CashHub, where applicable.

The following sections will help you do this:

1. Tax voucher summary

Your tax voucher summary contains all the key information and figures you need from your account(s) with Quilter to complete your self-assessment tax return.



Your **tax voucher summary** shows the total taxable dividend distributions, interest distributions, interest earned on cash within your Collective Investment Account (shown as UK Bank Interest), and any dividend or interest distributions which you earned on assets based overseas. Where you also have a CashHub savings account, you will see the total interest earned on your savings products (shown as CashHub UK Bank Interest).

UK Dividend Distribution

Item	Dividend received (£)
UK authorised unit trust/OEIC dividends	1,493.69
Total	1,493.69

UK Interest Distribution

Item	Income received ⁵ (£)	
	Gross	Net
UK Bank Interest	298.33	238.66
UK authorised unit trust/OEIC Interest	704.58	704.58
Total	1,002.91	943.24

Overseas Income

Item	Net income/dividend received (£)	Overseas tax deducted (£)	Share of gross income (£)
Overseas interest	339.89	0.00	339.89



The **rebates (annual payments) breakdown**, located within your tax voucher schedules, provides details of all rebates allocated to your account during the tax year including any tax deducted at source. Where tax has been deducted, this has been paid to HMRC by Quilter.

Unit Trust and OEIC Rebates (annual payments) - Collective Investment Account

The table below shows the rebates from OEIC and Unit Trust holdings paid into your Collective Investment Account.

Date paid	Detail	Rebate	UK income tax deducted	Net Rebate
24/05/2023	M&G Japan Smaller Companies Acc -U	£0.27	£0.05	£0.22

The types of income you earn will go into different sections of your tax return. This is summarised below:

Income type	Section of self-assessment return
UK Dividend Distribution - unit trust/OEIC	Other dividends
UK Dividend Distribution - ETIs	Other dividends
UK Interest Distributions - unit trust/OEIC	Untaxed UK interest
UK Interest Distributions - UK Bank Interest	Taxed UK interest*
UK Interest distributions – CashHub UK Bank Interest	Untaxed UK interest
Overseas Income – Overseas dividends	Foreign dividends
Overseas Income – Overseas dividends (shares)	Foreign dividends
Overseas Income – Overseas interest	Foreign interest
Overseas Income – Overseas interest (shares)	Foreign interest
Rebates (annual payments)	Other taxable income

**Interest paid by Quilter is paid net of 20% withholding tax. Your summary should therefore show the tax deducted, where applicable. Enter the net amount into your self-assessment return.*

2. Tax voucher schedules

Your tax voucher schedules provide a breakdown of the figures shown in your tax voucher summary.

Although most of the information you need to complete your self-assessment tax return is in your tax voucher summary*, some customers like to review their tax voucher schedules to understand the sources of income they've received.

The rest of this guide contains questions and answers to help you understand your tax voucher in further detail, if you wish to do so, and what tax you may need to pay.

**You may need to refer to your tax voucher schedules for details of rebates you have received. These are included within the income you need to report in your self-assessment tax return.*



Please speak to your financial adviser or accountant for more information on the information contained within your tax voucher and how to complete your self-assessment tax return.

Questions and answers

1. What tax will I pay on the income included within my tax voucher?

The tax you pay depends on your other income from your salary, pension, and rental and other investments, although this list is not exhaustive.

► **Dividends** above your annual dividend allowance* may be taxed as follows. This depends on your marginal rate of tax and your personal circumstances.

- 8.75% basic rate
- 33.75% higher rate
- 39.35% additional rate.

**This is currently £500.*

► **Interest** is generally paid gross, meaning tax hasn't yet been deducted and may be payable. However, interest earned on cash within your Collective Investment Account will already have had 20% deducted and paid on your behalf. Where your interest exceeds your allowances* it may be taxed as follows. This depends on your marginal rate of tax and your personal circumstances.

- 20% basic rate
- 40% higher rate
- 45% additional rate.

**The starting rate for savings and the personal savings allowance, where applicable.*



Where tax has been deducted already from income contained within your tax voucher this can be used **to offset any further personal liability**. If you do not pay tax on your savings income, **you may be able to reclaim any tax deducted**.

Note for trustee investors only

Trustees of flexible discretionary trusts do not receive the dividend allowance or allowances for interest mentioned above. Once trust income exceeds £500 (multiple trusts may reduce this amount), trustees pay tax at the highest marginal rates, 39.35% for dividends and 45% for interest.



Your financial adviser will be able to discuss how your income is taxed and the allowances available to you in further detail.

2. Do I need to pay Capital Gains Tax?

Capital Gains Tax (CGT) is a tax on any profit or gain you make when you dispose of an asset.

You may need to pay CGT if you have:

- switched funds within your Collective Investment Account
- sold all (or some) of a fund, including if you sold units in a fund to pay for financial adviser charges.

Your tax voucher and regular statements provide the information to help you calculate whether you have made a capital gain on your investments with Quilter. You can report your gains in a **Self Assessment tax return** in the tax year after you sold or disposed of an asset.



You should **speak to your financial adviser** to establish what you need to report to HMRC.

3. Why can't I see some of the income shown in my tax voucher schedules within my regular statements from Quilter?

Depending on the type of units in a fund you hold, the money you invest is used to purchase either:

1. Accumulation units

Distributions that you receive from accumulation units are automatically reinvested in the fund. The number of accumulation units does not change as the distributions are reinvested, but the unit price goes up.

You will not see a cash or investment transaction for these in your regular statements.

2. Income units

Distributions that you receive from income units* are paid as cash into your account, which you can either take or reinvest in the asset to purchase additional units.

**This includes distributions from exchange-traded investments.*

You will see a cash transaction for these in your regular statements. If you have chosen to reinvest distributions, you will also see an investment transaction when additional units are purchased.



If your tax voucher shows that you have received equalisation, you need to refer to the 'What is equalisation?' section as this may impact the value of the transaction you look for in your regular statements.

4. What is equalisation?

Within a unit trust or OEIC, income is received from the fund's underlying investments over a period of time.

This income accumulates within the fund until it is declared and, for income units, paid out to investors on the distribution date. Income is paid either as dividends or interest, or accumulated within the fund as capital.

Units that are purchased part way through a distribution period are entitled only to the income that has accumulated from the date of purchase. However, the same amount is paid, per unit, to all investors who held units on the ex-dividend (or 'XD') date, regardless of the length of time they have held their units before the distribution date.

In this situation, the payment is composed of two elements:

1. The income that has accumulated during the distribution period before the units were purchased, which is **known as equalisation**.
2. The balance of the payment, which is income that has built up after the date of purchase.



The **equalisation** payment is not considered to be part of the income distribution. Effectively, it is a return of part of the investor's capital. This means:

- ✓ For income tax purposes, you should disregard it.
- ✓ For CGT purposes, when calculating any gains or losses, it should be deducted from the cost of your units.

It is important to remember that equalisation is included only in the first distribution received following the purchase of units. All subsequent distributions for those units will potentially be taxable in their entirety.

5. What do I need to know to report overseas income?

Where you have invested in an offshore reporting fund, you will see a separate line in your tax voucher summary that will identify any distributions that you have received in your account so that you may declare them on your tax return. These are shown as overseas income.

However, there may be an element of 'undistributed' income that has been retained in the asset. HMRC tax rules require you to declare this on your tax return, but the asset manager is not required to send details of such retained income to your adviser, to us as your 'nominee', or directly to you.

If you have this type of income, we will send you the details separately once we have sourced the additional data.



HMRC provides additional helpsheets, forms and notes regarding foreign income here:
www.gov.uk/government/collections/self-assessment-helpsheets-foreign

quilter.com

Please be aware that calls and electronic communications may be recorded for monitoring, regulatory and training purposes and records are available for at least five years.

Quilter is the trading name of Quilter Investment Platform Limited which provides an Individual Savings Account (ISA), Junior ISA (JISA) and Collective Investment Account (CIA) and Quilter Life & Pensions Limited which provides a Collective Retirement Account (CRA) and Collective Investment Bond (CIB).

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