

Why do older people pay too much tax?



An official government report estimated that between 2002 and 2009, 1.5 million people over state retirement age paid £250 million more tax than they needed to.

Three reasons were:

- Retired people are more likely to have the wrong tax code because they receive their income from a number of sources.
- They did not claim the age related allowances they were entitled to.
- They did not ask for interest on savings to be paid without deduction of tax.

To make sure you don't pay too much tax:

- Keep a record of all of your income
- Ensure you complete any forms HMRC send you
- If you have money coming in from a number of different sources it may be worth asking for a tax return even if you don't usually get one.

Finally there are a number of online income tax calculators that can give an indication of how much tax you should be paying. They tend not to go into the level of detail needed to give you a precise figure but they are certainly close enough to see if you should investigate further.

For help and advice on money matters contact us

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