

Mental Health & Wellbeing at the Bar

Financial Stress



Wellbeing
at the Bar

Financial stress

HMRC said "tax needn't be taxing" but it can be very taxing indeed! If you find yourself behind with your paperwork or payments it can be tempting to put the problem to one side until you can deal with it, and then the problem can escalate and with it the stress of the situation. So, an action plan is needed.

Firstly - breathe, you have taken the first step to address the problem. It may take many steps to resolve, but one at a time makes it much more manageable. The advice below can either be actioned by yourself, a trusted friend, your accountant or ask Chambers to help you. Remember, this may feel embarrassing or overwhelming, but there will be someone to help you.

Behind with filing VAT returns

- List which Returns are outstanding; which your HMRC account will show you.
- Use your Chambers' VAT reports to draft your Returns. If you already have your expenses listed or are in a position to do so, then do enter those too, but filing a Return with some missing expenses is better than not filing a Return.
- Check to see your new balance on your account and pay it. If this will prove difficult, see the "Behind with paying HMRC" section below.
- Set a reminder for future returns. You can ask your Chambers to email you your VAT report each quarter and they may even help you file your Returns.

Behind with filing self assessment tax returns

- For each Return, collate the information you need for your bar accounts. In basic terms – income (including opening and closing debtors), chambers costs and other expenses; either pass this information to your accountant or use it to draft your accounts.
- Also list, estimate if necessary, your other income / expenses for your Return. Look at your last filed Return to give you reminders of what has been previously included, such as bank interest received, investment income, property income, child benefit, gift aid payments and pension income or contributions.
- This may seem daunting, but again remember that you can work on one figure at a time and/or your accountant can do a lot of the work for you.
- Remember, it is allowed to enter estimates or provisional figures on the Return, HMRC would rather get some information than none.

Behind with paying HMRC

- This may seem to be the most daunting point, but HMRC can be understanding. They may offer you a payment plan and once you are in discussion with them, they can be asked to wait whilst financing is put in place.
- Whilst your advisor can call HMRC on your behalf, HMRC will need to speak to you personally at some point, as only you can make promises of payment. However this can be done in a meeting, over the phone or even by email and your advisor can be with you.

Hints and tips

- Don't ignore letters from HMRC, at least pass them to someone else to deal with them.
- Don't ignore HMRC determinations, they can be very scary as HMRC tend to estimate high, but if you don't challenge them, they can be enforced.
- Don't let yourself feel swamped by the big picture; tackle one small element at a time.
- Talk to someone (preferably an accountant, but anybody who can help you get on track).

The big picture

- However behind you are, you can catch up.
- Even if you fear you may face bankruptcy when you finalise your position, still do so, there are many options in place. The Bar Council will not strike you off just because you are made bankrupt and most Chambers are very sympathetic and would not ask you to leave.

Note

The advice above is from Place Campbell, who very much recommend you speak to an accountant if you have concerns regarding Tax, HMRC or similar issues. An accountant has seen all manner of records, schedules and positions and will be able to help. You need not be alone.