



From this summer, employed taxpayers who have to pay the high-income child benefit charge (HICBC) will no longer need to complete a self assessment tax return. Instead, they can report the charge using HMRC's new online service.

### **When the HICBC is payable**

The HICBC only comes into play when an individual – or their partner – receives child benefit and their annual income exceeds £60,000. This means:

- The charge removes 1% of child benefit for every £200 of income over £60,000.
- Once income reaches £80,000 the charge is 100%, so the amount of child benefit is essentially reduced to nil.

For those with several children, the HICBC can result in a high effective marginal tax rate.

For 2025/26, child benefit of £26.05 a week is paid for a first child, with £17.25 a week paid for each subsequent child.

### **New online service**

Employed taxpayers will be able to use HMRC's new digital service to report the amount of child benefit received. This will give them the option of paying the HICBC through PAYE:

- Unless the taxpayer has any other income or chargeable gains, there will be no need to submit a tax return following the end of the tax year.

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- Taxpayers who are required to file a tax return for another reason will still need to report the HICBC on their return.
- Anyone who has previously submitted a tax return needs to be careful because HMRC will continue to issue a notice to make a return. Penalties will be incurred if the notice is ignored.

It remains to be seen whether the new online service will alleviate the problems associated with the HICBC. One of the main issues continues to be a lack of awareness, despite the charge being in place for more than ten years. Also, most employed taxpayers are not used to dealing with HMRC.

Government guidance on the HICBC can be found [here](#).

## **We can help**

If you require further assistance with any of the issues raised in this Broadcast, please call us on **01753 888 211** or email [info@nhllp.com](mailto:info@nhllp.com). We are here to help.