# Broadcast

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FACTSHEET: WILL SIMPLE ASSESSMENT TAKE YOU BY SURPRISE?

SPECIAL ISSUE

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In June, HMRC begins sending out simple assessments. They will come as a surprise to many recipients.

From June 2025, HMRC will begin to issue simple assessment letters to those who are not required to make full self assessment returns. As a rule, you will receive a simple assessment letter if you:

- owe income tax that cannot be automatically taken out of your income;
- owe HMRC £3,000 or more;
- have tax to pay on your State pension;
- either do not have a PAYE code or HMRC cannot collect the tax due via an adjustment to your code.

The letter covers the 2024/25 tax year and gives:

- a detailed calculation of the tax due;
- the latest date by which you must pay the tax (31 January 2026 for the 2024/25 tax year);
- how you pay the tax;
- what action to take if you disagree with HMRC's numbers.

HMRC says that while some people receive a simple assessment every year, for most recipients the letter will come out of the blue. One major reason why that happens, and happens in growing numbers, is the freeze in the personal allowance. This has been fixed at £12,570 since April 2021 and is currently not due to rise until 2028/29.

The basic levels of old and new State pensions are currently (2025/26) below the level of the personal allowance. However, if you have additional State pension (which increased by 6.7% in 2024/25), it could be enough, in combination with the main State pension, to take your total State benefits over £12,570. The same could be true if you deferred your State pension(s), resulting in an increased payment.

To further complicate matters, if you owe tax on bank and/or building society interest, HMRC may send you two simple assessment letters for 2024/25, depending on when they receive the interest information. In those circumstances, any amount due on the second assessment is independent from the first.

What HMRC is likely dreading is an overall increase in the new State pension of 5% or more from the current level (£230.25 a week) before the 2028/29 tax year begins. If that happens, the new State pension alone will exceed the personal allowance, potentially dragging anyone receiving a full new State pension into tax. With inflation presently above 3% and around 5.5% earnings growth, that 5% threshold could be breached in 2026/27.

You can find out about simple assessment letters from HMRC on their website.

**We can help**
If you require further information, please contact us on **01753 888 211** or email **info@nhllp.com**.
We are here to help.