

# Tax for Dentists: Status, Expenses and Pensions

Whether you are an associate or a practice owner, dental income brings its own tax questions across NHS and private work. This guide covers what matters most.

Tax year **2025/26** · Reviewed by **Kiran Boparai** · Last reviewed **6 June 2026** · Sources: gov.uk

CLASS 4 NIC <b>6% · 2%</b>	PERSONAL ALLOWANCE <b>£12,570</b>	PENSION ANNUAL ALLOWANCE <b>£60,000</b>	INCOME TAX RATES <b>20% · 40% · 45%</b>
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## 01 Associate self-employed status

Associates are typically self-employed, but HMRC's long-standing concession on the BDA dental associate agreement has ended. Status now follows the actual working arrangement and the usual employment-status tests, so care is needed.

**i** Don't assume self-employment automatically; the reality of how you work now decides your status.

## 02 Mixed NHS and private income

Many dentists earn a mix of NHS and private income, each with different reporting and pension treatment. You pay Class 4 NIC at 6% then 2% on your self-employed profits, with the £12,570 personal allowance applied first.

- Income tax bands of 20%, 40% and 45% apply
- Keep NHS and private income clearly separated in your records
- Only NHS work is relevant for the NHS pension

## 03 Allowable expenses

You can deduct costs incurred wholly and exclusively for your dentistry, reducing your taxable profit. Associates typically have a steady list of professional costs.

- GDC registration fees
- Indemnity insurance
- Lab fees
- Equipment and courses

## 04 NHS pension and the annual allowance

NHS dentists can be members of the NHS Pension Scheme, but the £60,000 annual allowance, which is tapered for higher earners, can trigger annual allowance tax charges. Higher-earning dentists should monitor pension growth each year.

**i** An annual allowance charge can arise without any cash in hand, so review your position before year end.

## 05 When to incorporate

Many dentists incorporate once profits are higher to access company tax planning, but it adds admin and is not right for everyone. The decision depends on your profit level and how you want to draw income.

**i** Incorporation suits higher, sustained profits rather than a temporary spike.

## 06 VAT and dentistry

Dental services are generally VAT-exempt when they are wholly for the protection of health, so most associates do not need to register for VAT. Some non-health supplies can fall outside the exemption.

**i** Because most clinical work is exempt, VAT registration is unusual for associates.

## Common questions

### Am I automatically self-employed as an associate?

No longer. The old concession on the BDA associate agreement has ended, so your status follows the actual working arrangement and standard employment-status tests.

### Do dentists charge VAT?

Dental services are generally VAT-exempt when wholly for the protection of health, so most associates do not register for VAT. Non-health supplies may be treated differently.

### Should I incorporate my dental work?

Many dentists incorporate once profits are higher to access company tax efficiencies, but it adds administration. It depends on your profit level and how you draw income.

NEXT STEP

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For guidance only — this factsheet does not constitute professional advice and is not a substitute for advice based on your specific circumstances. Whilst every care has been taken in its preparation, it may contain errors for which we cannot be responsible. Figures are for the 2025/26 UK tax year (England, Wales & Northern Ireland) and may change. Last reviewed 6 June 2026.

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**Zmartly Ltd** · 20–22 Wenlock Road, London N1 7GU · ACCA members

020 8175 5145 · [info@zmartly.co.uk](mailto:info@zmartly.co.uk) · [zmartly.co.uk](https://zmartly.co.uk)