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ZMARTLY FACTSHEET SERIES

LIMITED COMPANIES

R&D Tax Credits: Claim Guide & Checklist 2026

A plain-English walkthrough of the merged R&D scheme: who qualifies, which costs count, the rates, and exactly how to file a clean claim under the new rules. For accounting periods beginning on or after 1 April 2024, the old SME and RDEC schemes are gone.

Tax year **2026/27** · Prepared by **Harvey Dhillon** · Last reviewed **17 January 2026** · Sources: gov.uk

CORPORATION TAX

19% – 25%

01 Does your work actually qualify?

R&D relief is not for everyday product or software development. It is for work that tries to push a field forward and runs into genuine technical problems along the way. Two questions decide it, and both are judged from the point of view of a competent professional in that field.

- An advance in science or technology: the project must seek an advance in the overall field, not just for your own business, where the knowledge or capability did not already exist and was not readily deducible.
- Scientific or technological uncertainty: there must be a real uncertainty a competent professional could not easily resolve. If a known method already solved it, there is no qualifying R&D.

GOOD TO KNOW

A project does not have to succeed to qualify. If you took a real technical risk and could not be sure of the outcome, the work of trying to resolve it can qualify even if the project failed.

02 The merged scheme and ERIS

For periods beginning on or after 1 April 2024 there are two routes. Most companies use the merged expenditure credit. Loss-making, R&D-intensive small companies can choose the more generous Enhanced R&D Intensive Support (ERIS) instead.

- Merged scheme: a taxable 20% expenditure credit on qualifying costs. Because the credit is itself liable to Corporation Tax, the net benefit lands at roughly 15% of your spend, depending on your Corporation Tax rate.
- ERIS: an extra 86% deduction (a 186% total deduction) for loss-making companies, with the resulting loss surrenderable for a payable credit worth up to 14.5%.
- Intensity test for ERIS: your R&D must be at least 30% of total spend, and you must be loss-making before the deduction.

GOOD TO KNOW

On £100,000 of qualifying R&D under the merged scheme: a £20,000 credit, less £5,000 Corporation Tax at 25%, gives a £15,000 net benefit, about 15% of spend. Payable credits are capped at £20,000 plus 300% of your relevant PAYE and NIC.

03 Which costs you can actually claim

Only certain categories of spend qualify, and some are restricted to a percentage. Getting the split right is where a clean claim is won or lost.

- Staff costs: salaries, employer NIC, employer pension and the R&D share of time, at 100%.
- Externally provided workers and subcontractors: unconnected R&D work, generally at 65%.
- Consumables: materials, power, water and fuel used up in R&D, claimed as a proportion.

- Software, data and cloud computing: licence fees and cloud costs used for R&D, as a proportion. Data and cloud qualify for periods beginning on or after 1 April 2023.

GOOD TO KNOW
For newer periods, subcontractor and externally provided worker costs are generally restricted to UK-based activity, with narrow exceptions. Your own staff, consumables, software, data and cloud costs are not restricted by location.

04 How to file a clean claim

Two extra forms now sit around the tax return, and missing a deadline on either can lose the whole claim. Work through them in order.

- Claim notification: if this is a first claim or your last was over three years ago, notify HMRC within 6 months of the end of the period of account. Miss it and the claim is invalid.
- Additional information form: complete this before the tax return, naming the senior R&D officer and any agent, and describing enough projects to cover at least 50% of costs.
- Enter the claim in the CT600 Company Tax Return, and submit within 2 years of the period end.
- On filing day, if you send the additional information form and the CT600 together, send the form first, or HMRC may strip the claim out.

GOOD TO KNOW
Keep a short technical note per project on file. That note is your first line of defence in an enquiry.

Common questions

What is the merged R&D scheme?

For accounting periods beginning on or after 1 April 2024, the separate SME and RDEC schemes were replaced by one merged expenditure credit. It gives a taxable 20% credit on qualifying R&D spend. Because the credit is itself subject to Corporation Tax, the net benefit is roughly 15% of your spend, depending on your Corporation Tax rate.

What is ERIS and who can use it?

Enhanced R&D Intensive Support is a more generous route for loss-making companies whose R&D is at least 30% of total spend. It gives an extra 86% deduction, a 186% total deduction, and the resulting loss can be surrendered for a payable credit worth up to 14.5%. You must be loss-making before the deduction to qualify.

Does my project have to succeed to claim?

No. R&D relief is about the attempt to resolve a genuine scientific or technological uncertainty, not the result. If a competent professional could not readily say how to solve your problem, and you took a real technical risk trying, the work can qualify even if the project ultimately failed.

Which costs can I include in an R&D claim?

Staff costs count at 100%, including salary, employer NIC and pension for the R&D share of time. Unconnected externally provided workers and subcontractors are generally claimable at 65%. Consumables, software, data and cloud computing used in R&D are claimed as a fair proportion. Connected-party and overseas rules can change these figures.

What forms do I need to file an R&D claim?

Most claims now need a claim notification up front, due within 6 months of the end of the period of account if it is a first claim or your last was over three years ago, and an additional information form before the tax return. The claim then goes in the CT600 within 2 years of the period end. Miss the notification window and the claim is invalid.

KEEPABLE WORKBOOK

Print this part and work through it

Everything below is built to keep. Print it, fill it in, and take it to any conversation, including ours.

R&D claim cheat-sheet

A one-page reference for the merged scheme. Figures and rules can change, so confirm your position before you file.

Merged scheme credit	A taxable 20% expenditure credit on qualifying R&D spend, for periods beginning on or after 1 April 2024.
Net benefit	Roughly 15% of qualifying spend after Corporation Tax on the credit. The exact figure depends on your CT rate.
ERIS	For loss-making, R&D-intensive small companies: an extra 86% deduction (186% total) plus a payable credit up to 14.5%.
Intensity test	ERIS requires R&D to be at least 30% of total spend, and you must be loss-making before the deduction.
Qualifying test	An advance in the overall field plus a scientific or technological uncertainty, judged by a competent professional.
Staff costs	Salary, employer NIC and pension claimable at 100% for the R&D share of time.
EPW and subcontractors	Unconnected R&D work generally claimable at 65%, with an overseas restriction on newer periods.
PAYE cap	Payable credits are capped at £20,000 plus 300% of relevant PAYE and NIC for the period.

General information for the merged R&D scheme, not advice for your situation.

Claim readiness checklist

Work top to bottom. Anything left unticked is worth resolving before you file.

- [ ] Checked whether this is a first claim or your last was over three years ago
- [ ] Filed the claim notification within 6 months of the end of the period of account, if required
- [ ] Identified each project and the advance it sought
- [ ] Described the uncertainty a competent professional faced, and how you tried to resolve it
- [ ] Kept a short technical note per project on file
- [ ] Defaulted to the merged scheme, and tested the 30% intensity rule for ERIS if loss-making
- [ ] Modelled the PAYE cap before relying on a refund
- [ ] Totalled staff costs and apportioned R&D time fairly and on evidence
- [ ] Applied 65% to unconnected EPW and subcontractor spend, and checked the overseas restriction
- [ ] Completed the additional information form, covering at least 50% of costs
- [ ] Entered the claim in the CT600 and submitted within 2 years of the period end

NEXT STEP

Get expert eyes on your tax

Book a free 30-minute Tax Health Check — we review your situation, sense-check the figures and show you where you could save.

Scan to book a free call

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 2026/27 UK tax year (England, Wales & Northern Ireland) and may change. Scottish taxpayers face different income tax rates; dividend rates are UK-wide. Last reviewed 17 January 2026.

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