

# Self Assessment Explained

A straightforward guide to who needs to file a tax return, the deadlines that matter, and how to avoid costly penalties.

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

LATE FILING PENALTY <b>£100</b>	PERSONAL ALLOWANCE <b>£12,570</b>	TRADING ALLOWANCE <b>£1,000</b>	CLASS 4 NIC <b>6% · 2%</b>
------------------------------------	--------------------------------------	------------------------------------	-------------------------------

## 01 What Self Assessment is

Self Assessment is HMRC's system for collecting tax on income that isn't taxed automatically through PAYE. You report your income and gains on a return, and HMRC works out what you owe.

**i** If income isn't taxed at source, Self Assessment is usually how you declare it.

## 02 Who must file

You generally need to file if you have untaxed income or fall into one of HMRC's specific categories.

- Self-employed people and landlords with property income
- Higher earners and those with dividends above the £500 allowance
- Anyone with other untaxed income, such as foreign or savings income

**i** If you're unsure whether you need to file, it's safer to check than to assume you don't.

## 03 Registering on time

Before you can file, you need to register with HMRC for Self Assessment.

- Register by 5 October after the end of the tax year you need to report
- You'll receive a Unique Taxpayer Reference (UTR)
- Leaving registration late can delay your ability to file and pay

**i** Registering early gives you time to get your UTR and online access sorted before the deadline.

## 04 The key deadlines

Self Assessment runs to a fixed annual timetable, and most people file online.

- Paper returns: 31 October
- Online returns and the balancing payment: 31 January
- Payments on account: due 31 January and 31 July

**i** Payments on account are advance instalments towards your next year's bill.

## 05 Penalties for filing late

Missing the deadlines triggers automatic penalties, even if you have no tax to pay.

- £100 fixed penalty as soon as the return is late
- Daily £10 penalties after 3 months, up to £900
- Interest and further penalties build on tax paid late

**i** Penalties apply regardless of the amount owed, so filing on time matters even for a nil return.

## 06 The trading allowance

If you have small amounts of self-employed or casual income, the trading allowance can simplify things.

- The first £1,000 of trading income is tax-free
- Below £1,000 you may not need to report it at all
- Above £1,000 you can deduct the allowance instead of actual expenses

**i** Self-employed profits above the thresholds also attract Class 4 National Insurance at 6%.

## Common questions

### When is the online filing deadline?

Online Self Assessment returns and any balancing payment are due by 31 January following the end of the tax year.

### What happens if I file late?

You face an automatic £100 penalty, with daily £10 penalties of up to £900 after three months, plus interest on tax paid late.

### Do I have to report income under £1,000?

Casual or trading income within the £1,000 trading allowance is generally tax-free and may not need reporting.

#### 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 2025/26 UK tax year (England, Wales & Northern Ireland) and may change. Last reviewed 6 June 2026.