Aldermore

Self-employed income verification for brokers



If you're submitting a mortgage application for a self-employed client, we will require certain tax documents to verify their income.

Tax Documentation Required
– the last **two tax years** for each of the below with the application:

Tax Calculation (SA302)

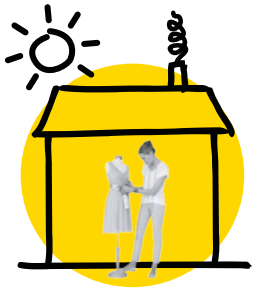
One copy for each tax year via either:

- HMRC Online Account
- Online commercial software
- Post, issued by HMRC

Tax Year Overview

One copy for each tax year via either:

- HMRC Online Account
- Post, issued by HMRC



You can view examples of these HMRC documents on pages 2 and 3 of this guide.

3 ways to access HMRC documents

1. HMRC self-assessment online

Clients who usually send off their tax return through a HMRC self-assessment online account can print both of the required documents from their online account. If your client is unable to print from their online account, they can contact HMRC for a paper copy of the documents.

2. Commercial software

Clients who usually send their tax return using commercial software can print the Tax Calculation (SA302) from there. For the Tax Year Overview, they should log into their official online self-assessment account to print off.

HMRC can also be contacted to obtain printed copies.

3. By post and phone

If your clients usually send in a paper tax return, once it's processed they should automatically receive a copy of their Tax Calculation (SA302) by post. A copy of the Tax Year Overview can then be obtained by calling HM Revenue and Customs on 0300 200 3310. Customers should have their national insurance number and self-assessment unique taxpayer reference (UTR) to hand when they call.

Applicants with one year's accounting

We're able to consider applicants with one year's accounting information, up to 90% LTV.

To be considered they must be able to provide documented evidence of one of the following scenarios to meet our criteria:

- Previous employer reference or P60 that evidences their track record within their trade before becoming self-employed. For example, employed electrician who is now a self-employed electrician); or
- Evidence of guaranteed income within the next accounting period, an on-going contract for example, or
- Where an existing business has been taken over as an ongoing concern (e.g., purchase of shop by an experienced manager), evidence of accounts or a business valuation that demonstrates the sustainability of the business; or
- Accounts for the first 6 months of the current financial year that demonstrate the income is stable or increasing.

They must also:

- Provide VAT returns for the two previous quarters, if appropriate.
- Provide personal and business bank statements for at least the previous 3 months showing a sustainable level of income and expenditure
- Applicants must meet our standard level 1 criteria, see our **mortgage guides** for more information.

Example Tax Calculation (SA302)

As seen when calculated via a HMRC online account

GOV.UK

Mike Smith's tax return 2018-19 Sign out

Unique Taxpayer Reference (UTR): 4564112784
Your tax return is 100% complete

View your calculation

This section provides you with a breakdown of your full calculation. If it says your tax return is 100% complete then you have submitted your return and this is a copy of the information held on your official online Self Assessment tax account with HM Revenue and Customs.

Pay from all employments	£63,165.00
Profit from UK land and property	£38,996.00
Total income received	£102,161.00
minus Reduced Personal Allowance	£10,770.00
Total income on which tax is due	£91,391.00

How we have worked out your income tax

	Amount	Percentage	Total
Pay, pensions, profit etc. (UK rate for England, Wales and Northern Ireland)			
Basic rate	£34,500.00	x 20%	£6,900.00
Higher rate	£56,891.00	x 40%	£22,756.40
Savings interest from banks or building societies, securities etc.			
Starting rate	£0.00	x 0%	£0.00
Basic rate band at nil rate	£0.00	x 0%	£0.00
Basic rate	£0.00	x 20%	£0.00
Higher rate band at nil rate	£0.00	x 0%	£0.00
Total income on which tax has been charged			£91,391.00
Income Tax due			£29,656.40
minus Relief for finance costs	£38,371.00	x 20%	£7,674.20
Income Tax due after allowances and reliefs		£21,982.20	
***minus* Tax deducted**			
From all employments, UK pensions and state benefits			£7,991.00
Total tax deducted			£7,991.00
Total Income Tax due			£13,991.20

Estimated payment due by 31 January 2020
You must pay the total of any tax and class 4 NIC due for 2018-19 plus first payment on account due for 2019-20 by **31 January 2020**

Please note: all figures used are for illustrative purposes only.

Example tax year overview

As seen when printed from a HMRC online account

GOV.UK

Information as at 17 Jan 2020
Mr M Smith
Unique Taxpayer Reference (UTR): 4564112784

Tax years

Tax year overview

Tax year ending 05 Apr 2019.

This is a copy of the information held on your official online Self Assessment tax account with HM Revenue and Customs.

Please note: To view a breakdown of an amount, follow the appropriate link in the 'Description' column.

Description	Amount (£)
Tax	13,991.20
Surcharges	0.00
Interest	26.51
Penalties	0.00
Sub total	**14,017.71**
Less payments for this year	6,218.78
Less other adjustments	0.00
Total	7,798.93

Please note: all figures used are for illustrative purposes only.

IMPORTANT NOTE. THIS DOCUMENT IS INTENDED TO PROVIDE INFORMATION ONLY. INDIVIDUALS SHOULD SEEK ADVICE ON MATTERS RELATING TO TAX FROM A QUALIFIED INDIVIDUAL.

Aldermore

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