

Trustees may use this form to advise the beneficiary about their income payments or entitlement from the trust.

Do not include any income shown on this form on form R185(Settlor) *Statement of trust income chargeable on settlor* that you give to another person. Please note:

Settlor-interested trusts – income arising to the trust

- Income arising to the trust is taxable on the settlor and should be included on form R185(Settlor) – do not include here.
- Income arising to the trust that belongs to an interest in possession beneficiary other than the settlor is not taxable on that beneficiary where the income is treated as that of the settlor and the settlor alone – do not include here.

Settlor-interested trusts – discretionary income payments

- Discretionary income payment to the settlor is not taxable on the settlor – do not include here or on any form R185(Settlor).
- Discretionary income payment to a beneficiary other than the settlor is taxable on the beneficiary under special rules – include here.

Notes for trustees are included on page 2. For annuities and other annual payments, use form R185 instead.

The beneficiary's income or entitlement for the year ended 5 April is shown on page 2 of this form.

The beneficiary

Full name of beneficiary

Address

The trust

Full name of trust

Unique Taxpayer Reference (UTR) of trust

Trust agent's or solicitor's reference

Notes for beneficiaries

Keep this form and refer to it if making a tax return or claiming a tax repayment.

If you need to complete a tax return copy the amounts of income from box numbers 1 to 5 to the corresponding boxes on the SA107 *Trusts etc.* pages of the tax return. For boxes 6 to 8 see the notes below. Do not send us this R185(Trust Income) unless we ask you to.

Box 2 From 6 April 2006, if the trustees have made an entry in box 2, copy this amount to box 2 on the SA107 *Trusts etc.* pages. This amount is treated as taxed and there will be no further tax to pay on this income.

Box 5 The 10% tax credit on UK dividends is non-payable. This means that you will be given credit for the 10% against your income, but we will not repay any excess.

Box 6 Include this income in the pages of your tax return dealing with that particular type of income, not the SA107 *Trusts etc.* pages. For example, if the income is rent, include it in the SA105 *UK Property* pages.

Box 7 If you are resident in the UK, include this information on the **SA106 Foreign pages** of your tax return, **not** the SA107 *Trusts etc.* pages. The notes for box 7 on page 2 show which columns on the **SA106 Foreign pages** to use.

Box 8 Include this amount in the scrip dividends boxes of the main tax return, not the SA107 *Trusts etc.* pages.

If you need to claim a tax repayment copy the figures at boxes 1 to 8 to the boxes on the R40 *Claim for repayment of tax deducted from savings and investments* as follows:

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|---|--|
| • box 1 to boxes 4.2 and 4.3 on the R40 | • box 2 to box 4.10 on the R40 |
| • box 3 to boxes 4.4 and 4.5 on the R40 | • box 4 to boxes 4.6 and 4.7 on the R40 |
| • box 5 to boxes 4.8 and 4.9 on the R40 | • box 6 to box 3.4 and/or box 7.4 on the R40, as appropriate |
| • box 7 to boxes 6.1 to 6.12 on the R40, as appropriate | • box 8 to box 3.7 on the R40 |

For more information see R40 Notes *Notes for completing form R40* – go to www.hmrc.gov.uk

<p>1 Net payments from non settlor-interested UK resident trusts (excluding box 2 income) – after tax taken off</p> <p><i>Enter the actual amount paid. Enter the amount of tax treated as deducted at the trust rate in the box below. For example, if the discretionary income payment to the beneficiary in tax year 2010–11 is £500, enter £500 in box 1 and £500 in the box below for tax credit at the trust rate.</i></p> <div style="border: 1px solid black; padding: 5px; margin-bottom: 10px;"> <p>£ . </p> </div> <p>Tax credit at the trust rate on box 1 payment</p> <div style="border: 1px solid black; padding: 5px;"> <p>£ . </p> </div>	<p>2 Total payments from settlor-interested trusts</p> <p><i>From 6 April 2006, if the trust is settlor-interested (that is, the settlor or settlor's spouse or civil partner retains an interest in the trust), use box 2 to show payments to a beneficiary other than the settlor. These payments form part of the non-settlor beneficiary's taxable income. Enter the actual amount of the payment in box 2. Do not gross it up. Do not include payments to the settlor.</i></p> <div style="border: 1px solid black; padding: 5px;"> <p>£ . </p> </div>
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3	Net amount of non-savings income taxed at basic rate – after tax taken off <i>This includes rental income. It does not include interest or dividend income.</i>	
	£ <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> . <input type="text"/> <input type="text"/>	
	Tax paid or tax credit on box 3 income	
	£ <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> . <input type="text"/> <input type="text"/>	
4	Net amount of savings income taxed at basic rate – after tax taken off <i>This includes bank or building society interest.</i>	
	£ <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> . <input type="text"/> <input type="text"/>	
	Tax paid or tax credit on box 4 income	
	£ <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> . <input type="text"/> <input type="text"/>	
5	Net amount of income taxed at dividend rate – after tax taken off <i>This includes dividends from UK companies.</i>	
	£ <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> . <input type="text"/> <input type="text"/>	
	Tax paid or tax credit on box 5 income	
	£ <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> . <input type="text"/> <input type="text"/>	
6	Untaxed income <i>On a separate sheet, tell the beneficiary what type of income this is.</i>	
	£ <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> . <input type="text"/> <input type="text"/>	
7	Foreign income <i>The taxable amount is the total of the net amount, plus UK tax paid, plus foreign tax paid and any foreign dividend tax credit that may be due. On a separate sheet tell the beneficiary what type of income this is.</i>	
	Gross amount of income before deducting any UK, foreign or special withholding tax	
	£ <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> . <input type="text"/> <input type="text"/>	
	<i>Copy this figure to column B on the SA106 Foreign pages</i>	
	Foreign tax paid on foreign income	
	<i>Foreign tax is the lower of the foreign tax actually withheld and the amount of tax credit allowed under the terms of a Double Taxation Agreement.</i>	
	£ <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> . <input type="text"/> <input type="text"/>	
	<i>Copy this figure to column C on the SA106 Foreign pages</i>	
	UK tax paid on foreign income (including any special withholding tax paid)	
	£ <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> . <input type="text"/> <input type="text"/>	
	<i>Copy this figure to column D on the SA106 Foreign pages</i>	
	Taxable amount of foreign dividends that does not qualify for UK tax credit	
	£ <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> . <input type="text"/> <input type="text"/>	
	<i>Copy this figure to box 7 on the SA106 Foreign pages</i>	
8	Stock/scrip dividends – dividend paid	
	£ <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> . <input type="text"/> <input type="text"/>	
	Notional tax on box 8 income	
	£ <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> . <input type="text"/> <input type="text"/>	
