

FINANCIAL ADVICE FOR OPHTHALMOLOGY TRAINEES

A guide to money-saving tips from the Ophthalmologists in Training Group (OTG)

Tax relief on expenses

- An expense that is tax deductible is where the amount spent can be subtracted from your gross income, i.e. reduces the amount of income that is taxed.
- The expense must be one incurred 'wholly, exclusively and necessarily' whilst in ophthalmology training.

Professional memberships

- This includes GMC, RCOphth, MDU/MPS, BMA, etc.
- The organisation must be a HMRC approved body, a list of which can be found here: <https://www.gov.uk/government/publications/professional-bodies-approved-for-tax-relief-list-3/approved-professional-organisations-and-learned-societies>
- You can claim back the tax by calling HMRC, filing a tax return, or filling in the handy BMA tax relief form (see below).

Exams

- This applies to the FRCOphth Part 1 & 2 and the Refraction Certificate. As these exams are compulsory and necessary to progress, the examination fee should, in theory, be tax deductible. However this can be subject to individual circumstances.
- It may be helpful to write a supporting letter to explain the compulsory nature of these exams. The BMA has developed a template letter which can be used as a basis to draft your letter to HMRC if necessary (see further below).
- The RCOphth states:
 - "No previous experience in ophthalmology is necessary for candidates to sit the Part 1 FRCOphth but candidates will be required to pass this examination before they enter into the third year of ophthalmic specialist training. Candidates in OST are required to pass the Refraction Certificate examination before they enter into the fourth year of ophthalmic specialist training, and the Part 2 FRCOphth by the end of year seven of ophthalmic specialist training."

Courses

- HMRC guidance states that the costs of travel to courses, course fees and other associated costs are tax deductible if attendance at the event is an intrinsic part of the employment and one of the duties of employment.
- There is no guarantee that you may get this back, but you can always try.
- This especially applies to the Microsurgical Skills course. The RCOphth states:
 - "It is *mandatory* for all UK ophthalmic specialist trainees to complete a College run Microsurgical Skills Course before undertaking intraocular surgery."

Equipment

- If the expenditure either satisfies the 'wholly, exclusively and necessary' rule or is listed in HMRC's list of allowable annual subscriptions to approved associations, the expense incurred to purchase the equipment **may** qualify as an allowable deduction for tax purposes.
- Possible examples include lenses and theatre shoes.

Travel & relocation

- This recognises that trainees are required to relocate or commute due to the rotational nature of the training programme.
- A total of £8,000 is available for reimbursement, over the whole of the period employed on a recognised training programme. This covers the period from Foundation Year 1 (FY1) to your Certificate of Completion of Training (CCT) date.
- All trainees will have a 'base hospital', this is usually the first hospital on your ophthalmology training programme.
- If you are placed in a hospital that is further away from your base hospital, you may choose to:
 - Relocate closer to the area
 - Your old home area must usually be more than 20 miles away from your new place of work.
 - This covers: removal expenses, stamp duty, lawyer fees, etc.
 - Remember to apply prior to the move, as Deaneries will often not retrospectively approve expenses that have already been incurred.
 - Choose to travel the greater distance to the new hospital
 - You will be eligible to claim the excess mileage to your new place of work, less the deduction for home-to-base hospital mileage.
 - The amount payable varies for each deanery, from 21p to 45p per mile.
 - Note: HMRC allows you to claim tax relief of 45p per mile up to 10,000 miles and 25p per mile for subsequent miles. Therefore, if you are reimbursed less than 45p per mile from your Deanery, you may claim the difference by submitting a tax return.
 - If travelling via public transport, the cost of fares will be reimbursed (if considered reasonable), less the deduction for home-to-base costs.

Childcare

- You may claim for childcare costs if your child is under the age of 12.
- For more information, see: <https://www.gov.uk/government/news/tax-free-childcare-10-things-parents-should-know>
- You can also fill in the question tree on this link to understand what help you may be entitled to: <https://www.childcarechoices.gov.uk>

How do I claim tax relief on expenses

- Complete the BMA form if you are only claiming for professional membership fees (search 'BMA tax relief form 2017' on Google – a new form is released every year)
- Complete form P87 (online application possible) which can be found on the HMRC website: <https://www.gov.uk/government/publications/income-tax-tax-relief-for-expenses-of-employment-p87>
- Complete a self-assessment tax return, if:
 - You are already in self-assessment
 - The expenses amount to more than £2,500
 - You have untaxed ad-hoc income of more than £2,500 (e.g. locum)
 - The full list of self-assessment criteria (i.e. those who MUST do a self-assessment) can be found here: <https://www.gov.uk/self-assessment-tax-returns/who-must-send-a-tax-return>

- For travel and relocation expenses, contact your local Deanery/Health Education England (HEE) office. Each Deanery will have their own application form.
- The BMA has developed a template letter which can be used as a basis to draft your letter to HMRC, if necessary. Search for 'HMRC BMA letter' on Google.
- The RCOphth also has a template letter 'Tax relief for trainees draft letter' which can be found here: <https://www.rcophth.ac.uk/training/resources-and-support-for-trainees/>

Student discounts

NUS extra card

- The Royal College of Ophthalmologists is now recognised as a registered training body, so you can obtain a NUS extra card (which comes with free ISIC membership). You can purchase the card online at <https://cards.nusextra.co.uk/> – a 1-year card costs £12, a 2-year card costs £22 and a 3-year card costs £32.
- The NUS extra card gives you over 200 discounts, the list can be found here: <https://www.nus.org.uk/en/nus-extra/discounts/>

Railcard

- You can apply for a mature student railcard using your NUS extra card. Fill in the application form which can be found here: https://www.16-25railcard.co.uk/download/clientfiles/files/16-25_Mature%20Student_Form_AB_AW_1_0.pdf

Amazon Prime

- You can sign up for Amazon Prime Student. You will have a free 6-month trial (new Prime users only), following which Prime will be half-price (£39/year).

Microsoft Office

- You can get Microsoft 365 (university edition) for a discount using your NUS extra card. See here for more info: https://www.microsoft.com/en-gb/store/b/office?invsrc=search&OCID=AID620866_SEM_Wdcs5gAAAF0tAwOy%3a2017112134121%3as&s_kwcid=AL!4249!3!230574592949!b!!%2boffice+%2bstudent&ef_id=Wdcs5gAAAF0tAwOy%3a20171122134121%3as&activetab=tab:student

Pensions

- Check that your pension contributions are only being made on your primary full-time NHS salary, not on any additional bank shifts or external locum work.
- Please be aware that those on basic salaries of £47,846.00 or above (e.g. ST3 on the new contract with inner London weighting) will now contribute 12.5% of their gross salary to the NHS pension scheme instead of 9.3%.
- See <https://www.nhsbsa.nhs.uk/member-hub/cost-being-scheme> for further information.