

# FINANCIAL ADVICE FOR OPHTHALMOLOGY TRAINEES

## v2

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. For small amounts (less than £2,500), this will usually be added to your personal (tax free) allowance for the year. For larger amounts eg. through self-assessment (see below) this may be sent in the form of a cheque.
- The expense must be one incurred 'wholly, exclusively and necessarily' whilst in ophthalmology training.
- If you need to do self-assessment because your expenses are over £2,500 and you are unfamiliar with the process, it may be worth enlisting the help of an accountant, particularly one with experience of working with doctors. They may have a better idea of what is likely to be accepted for tax relief and what is not. Expect to pay around £300 (including VAT) for this service per tax year.
- Claims can be made retrospectively up to 4 years prior to the current tax year (which runs from April to April).
- The simplest way to claim relief on expenses under £2,500 is by registering through HMRC online services (<https://www.gov.uk/log-in-register-hmrc-online-services>). Click on the PAYE box then 'check current tax year', 'how your income tax is calculated' then 'tax relief for expenses of employment'. Follow the on screen instructions after this. Alternatively, it can be done over the phone or by post by filling in and sending the p87 form ([https://public-online.hmrc.gov.uk/lc/content/xfafoms/profiles/forms.html?contentRoot=repository:///Applications/PersonalTax\\_A/1.0/P87\\_20189&template=P87.xdp](https://public-online.hmrc.gov.uk/lc/content/xfafoms/profiles/forms.html?contentRoot=repository:///Applications/PersonalTax_A/1.0/P87_20189&template=P87.xdp)).
- Complete a self-assessment tax return, if:
  - o You are already in self-assessment
  - o The expenses amount to more than £2,500
  - o You have untaxed ad-hoc income of more than £2,500 (e.g. locum)
  - o 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>

### **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>

## 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 RCOphth has a template letter which can be used for this (<https://www.rcophth.ac.uk/wp-content/uploads/2014/07/Tax-Relief-Guidance-for-Trainees-Draft-Letter-Mar2015.docx>).
- The RCOphth states:
  - o “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 Introduction to Phacoemulsification courses. The RCOphth states:
  - o “It is *mandatory* for all UK ophthalmic specialist trainees to complete a College-run Introduction to Phacoemulsification Course before undertaking intraocular surgery.”

## Equipment

- If the expenditure is ‘wholly, exclusively and necessary’, the expense incurred to purchase the equipment **may** qualify as an allowable deduction for tax purposes. Possible examples include lenses and other ophthalmic equipment.

## 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>

## Travel and 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 but may be the one you will spend the most time at during training (see the link below for further information on how to ascertain your base hospital).
- Travel and relocation expenses are managed by your Trusts, not HEE. Each Deanery will have guidelines and contacts relating to this (eg. for London/KSS, see <https://www.lpmde.ac.uk/training-programme/training-matters/relocation-and-excess-travel-claims/relocation>)

If you are placed in a hospital that is further away from your base hospital, you may choose to:

1. 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
2. Choose to travel the greater distance to the new hospital
  - You can claim back the excess mileage or public travel costs to your new post less what you would have paid for home-base hospital travel.
  - The amount per mile varies between deaneries. You may be able to claim tax relief on travel from HMRC if you can demonstrate to them that your new post is a 'temporary' place of work (as opposed to the base hospital which is the permanent site).
  - If using public transport, fares will be reimbursed minus the fare cost for home to base hospital travel.

## Student discounts

### **Totum card (formerly NUS extra)**

The Royal College of Ophthalmologists is now recognised as a registered training body, so you can obtain a Totum card (which comes with free ISIC membership). You can purchase the card online at [totum.com](http://totum.com) – currently £24.99 for 3 years. The website details the large number of discounts including 10% off Co-op. You will need to email [membership@rcophth.ac.uk](mailto:membership@rcophth.ac.uk) for a voucher code when you list RCOphth as your training body. The Totum card will allow you to purchase a railcard and discounted Amazon Prime (see below).

### **Railcard**

You can apply for a mature student (16-25) railcard using your Totum card. Fill in the application form which can be found here: [https://www.16-25railcard.co.uk/download/clientfiles/files/Online%2016-25%20Railcard%20Mature%20Student%20form%20-%20print%20at%20home%20-%202019-20%20b.pdf?\\_ga=2.29608438.834763953.1603036204-1311454019.1603036204](https://www.16-25railcard.co.uk/download/clientfiles/files/Online%2016-25%20Railcard%20Mature%20Student%20form%20-%20print%20at%20home%20-%202019-20%20b.pdf?_ga=2.29608438.834763953.1603036204-1311454019.1603036204). This gives you 1/3 off rail fares. The cost is £30 per year and it must be renewed annually. You will need to email RCOphth to sign the form and you will need a photo of your Totum card to send with the application.

### **Amazon Prime**

You can sign up for Amazon Prime Student but will require a Totum card. You will have a free 6-month trial (new Prime users only), following which Prime will be half-price

(£47.88/year). Email [amazon-student-verification@amazon.co.uk](mailto:amazon-student-verification@amazon.co.uk) with a photo of your Totum card

## Study leave and reimbursement

- Since 2018 the study budget has been reformed and is now managed centrally through HEE
- There is variability between Deaneries as to how this is implemented
- On the whole, courses (and conferences) are split into those which are pre-approved ('optional' and 'mandatory') and 'aspirational'.
- Mandatory and Optional courses may be assigned a code which can be used once a year
- Courses in the optional and mandatory list will be reimbursed assuming you have not used that particular 'code' during the academic year. Non-approved courses come under the 'aspirational' bracket and require TPD approval a per your local Deanery processes
- Flights and hotels abroad are generally not reimbursed
- There is now technically no limit to the amount that you can claim
- Reimbursement for exam preparation courses is available depending on the region; this includes question banks. For example, in London/KSS, one of these is permitted per year (as optional).
- Once a code has been used, reimbursement will need to be applied for through the aspirational route.

## Am I being paid correctly?

- This is determined by your work schedule/ contract and your tax code.
- Payslips are now supplied through NHS Electronic Staff Record (ESR) for many Trusts
- Check that you are on the correct tax code at the start of each employment.
- Check that the constituents of your gross salary eg. banding (old contract) or weekend frequency (new contract) are correct. If you feel this is incorrect or the salary make up does not reflect your hours or working pattern, you can raise this with the guardian of safe working hours for the trust.
- Make sure you are registered for HMRC online services (see tax relief section above). You will be able to view a lot of information relating to your income tax and national insurance contributions.

## 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.
- Check that the correct percentage is being deducted for pension. For those on new contract this is 9.3% up to ST2 then 12.5% from ST3 onwards. If you are under contributing, ensure this is flagged up with HR as it may affect your pension pay out later.