



Understanding your Elevate Tax Voucher



Standard Life
There's a lot to look forward to

Important guidance notes

We've produced this guide to help you understand your Elevate Tax Voucher and the information it contains. We can't give you tax advice so this doesn't explain all the tax implications that may apply to your Elevate investments. If you're unsure of your tax position, you should speak to an adviser.

Every year we send you a tax voucher which includes:

- details of income from your Elevate investments in the last tax year and
- tax paid to HMRC on your behalf or applicable tax credits during the last tax year.

Your tax voucher only shows your Elevate GIA and Elevate Cash investments that have paid income in the last year. Any income from investments in an Elevate ISA, Elevate PIA or third party accounts won't be on your tax voucher. If you'd like to see a full list of all your Elevate investments, you can ask your adviser or contact us directly by calling the phone number shown on your tax voucher or by email on Elevate_enquiries@standardlife.com.

What you need to do

If you need to submit a Self-Assessment Tax Return to HMRC, your Elevate Tax Voucher can help you do this. Please give your adviser or accountant a copy if they complete your tax return for you.

If you don't need to submit a Self-Assessment Tax Return, then your tax voucher is just for your information, but you should still keep it safe in case you need it in the future.

What your tax voucher contains

Income payments made from investments you hold in funds are called distributions and can be classed as dividend or interest payments, depending on the type of fund you've invested in. Your adviser or accountant will be able to explain how your investments are classified and help you determine if you need to pay any additional tax to HMRC on this income. You'll need to record this in your self assessment.

The first page of your Elevate Tax Voucher is a summary showing the total amounts for each category of income such as dividends or interest, as well as distributions from any overseas funds that you will need to complete your tax return. The following pages are for your information and provide further details on the individual distributions, such as dates, fund names, tax credits, and any equalisation payments that apply to each.

Column headings on your tax voucher and what they mean

Date paid

The date the income was paid or accumulated. Your tax voucher is prepared for each tax year, and so includes income from 6 April to the following 5 April.

Distribution number

A unique reference number relating to each payment.

Fund name

The name of the fund which has paid you a distribution.

Holding

The number of units or shares you hold in the fund.

UK tax credit

The Dividend Tax Credit was abolished in 2016 (see explanatory notes on page 3 under the UK Dividend Distribution schedule), and therefore it will show as zero in your Elevate Tax Voucher.

Dividend received

The total of the dividend distribution and any equalisation. This excludes the UK tax credit.

Interest distribution (before tax)

The gross amount of the interest distribution before the fund has deducted any income tax.

Equalisation

A payment to you that some fund managers may make after you've purchased or switched into units in a fund during the fund's distribution period. For tax purposes, it's treated as a partial refund of your purchase price, so is not normally subject to income tax, but you may have to take it into account for Capital Gains Tax. The equalisation payment only applies to the first period in which you purchased units in the fund.

UK income tax

The taxation of interest distributions from UK funds changed from 6 April 2017 (see explanatory notes on page 3 under UK Interest Distribution Schedule). Income tax is no longer deducted automatically so it will show as zero in your Elevate Tax Voucher.

However interest received from your Elevate Cash Account or Elevate GIA cash holdings continues to be taxed.

After tax

The net amount of the interest distribution after the tax deduction. It excludes any equalisation.

Amount paid

The total of the net amount of the interest distribution plus any equalisation.

Depending on the investments you have in your Elevate portfolio, your tax voucher will include some or all of the following sections:

UK dividend distribution schedule

Dividends are a type of distribution paid from certain funds. You might not have received all distributions in cash, as some may have been reinvested in the fund. Tax has not been deducted from the dividends you have received. This is shown as zero in your tax voucher.

The first £2,000 of any dividend distributions that you receive from all sources in a single tax year is tax free. This is in addition to any unused Personal Allowance you might have. Your Personal Allowance is the amount of income you can earn before income tax is charged. You should declare any dividends that you receive above this amount to HMRC through your self-assessment return and you will be subject to tax at the appropriate rate.

UK interest distribution schedule - UK authorised unit trusts and OEICs

Some funds pay interest distributions instead of dividends. Tax isn't normally deducted from interest distributions so this is shown as zero in your tax voucher.

However, if the combined interest that you receive from all sources exceeds any unused Personal Allowance and Starting Rate Band for Savings Income, together with the Personal Savings Allowance (PSA), you should declare this to HMRC through your self-assessment return and you will need to pay income tax at the appropriate rate.

The PSA available to you depends on your total income:

- The PSA for a basic rate taxpayer is £1,000
- The PSA for a higher rate taxpayers is £500
- Additional rate tax payers are not entitled to a PSA.

UK interest schedule

This shows the interest you've received from your cash holding within your Elevate Cash or Elevate GIA accounts. UK income tax has already been deducted from these payments. This is listed as UK bank interest on the summary page. Non-taxpayers may be able to reclaim the tax credit on interest paid on cash held within your Elevate account.

Unit trust and OEIC rebates

Some fund managers refund the fund charges back to investors, either as cash or additional units in the fund. Rebates are taxable as income and Elevate is required by HMRC to deduct 20% income tax from these payments before they are credited to your account. These are listed as Fund Manager rebates on the summary page.

Dividend or interest distributions from overseas funds - listed securities or overseas funds

Distributions from overseas funds are listed separately and show the country of origin of each fund. These can be dividend or interest payments and each are shown as separate tables. You may need to pay tax on these payments. Your adviser or accountant can tell you if you need to do this.

Your tax voucher shows distributions from overseas funds that you've received in cash or which have been reinvested in the fund. However, some overseas funds may not pay all their income as distributions and instead they include this income in the total fund value and report this to HMRC separately. This is called "excess reportable income" and isn't shown on your tax voucher but it is taxable as income so will need to be included in your tax return.

Details of overseas reporting funds can be found on the relevant fund managers' websites, or by contacting your adviser.

If you have any questions regarding your Elevate Tax Voucher, speak to your adviser or accountant.



This information is based on our understanding of current UK law and tax legislation as of April 2019. We don't accept liability for any actions you take or don't take as a result of this information, as laws around tax on investments may change at any time. We strongly advise you speak to a financial adviser before taking any action regarding your investments or tax position.

Important information about misclassification of distributions

We've found that distributions from some funds have been incorrectly classified as either interest or dividend distributions. We're working with fund managers to improve the information we receive from them and planning improvements to our tax voucher to prevent this issue occurring in the future.

If you're invested in any of the funds shown on the list below, your adviser or accountant can help when completing your tax return to ensure the distributions are recorded in the right section and the correct level of tax is applied.

Fund name	Incorrect classification shown on tax voucher	Correct classification
iShares FTSE UK All Stocks Gilt	Dividend	Interest
iShares Gbl HY Corp Bond GBP Hdg UCITS ETF	Dividend	Interest
iShares III Plc Citigroup Gbl Gov Bond	Dividend	Interest
iShares III Plc Iboxx Corp Bond Ex-Fin	Dividend	Interest
iShares III Plc iShares FTSE Gilts UK 0.5	Dividend	Interest
iShares Jpm Usd Em Bnd	Dividend	Interest
iShares Markit Iboxx EUR High Yield Bond	Dividend	Interest
iShares Markit Iboxx USD High Yield Bd ETF	Dividend	Interest
iShares Plc Barclays Index-Linked Gilts	Dividend	Interest
iShares Plc Euro Agg Bond	Dividend	Interest
iShares Plc Global-Inflation Linked Bd	Dividend	Interest
iShares Plc iBoxx Sterling Corp Bond	Dividend	Interest
iShares Plc Markit Iboxx GBP Corp Bond 1-5	Dividend	Interest
iShares Plc USD TIPS	Dividend	Interest
NB Global Floating Rate Inc Fd Red Ord Shs GBP	Dividend	Interest
iShares GS \$ Investop Corp Bond	Dividend	Interest
iShares Plc USD Treasury Bond 1-3	Dividend	Interest
Lyxor Core Ftse Uk Gilt 0-5y	Dividend	Interest

This list is based on accurate information as at April 2019.

Speak to your adviser or accountant for more information on how distributions are classified.