

Each year we invite clergy who were eligible for our HLC scheme at 31 March to tell us how much they spent in the previous year and to provide an estimate of their costs for the coming year.

It is important that those eligible for the scheme complete the form each and every year to continue to access the full benefits of the scheme, which includes savings on tax and National Insurance. Those who aren't eligible for the scheme, or don't complete their form, can still claim some tax relief via their tax return.

## HLC Annual Return 2023

**HLC Annual returns for 2023 are now closed**, we will contact eligible clergy when this is available for 2024.

### Who needs to fill in an Annual Return?

Each year we contact everyone who needs to complete an Annual HLC Return, via email, with instructions on how to submit their figures.

You only need to complete an Annual HLC Return if:

- You were eligible for HLC at 31 March 2023
- You are still paid on our payroll and are still eligible for HLC

If you think you need to submit a HLC Return and haven't received an email or letter from us, please contact us. Our records may need to be updated or you may not need to complete the submission.

If you have left the payroll or are no longer eligible for the scheme then we can't make any adjustments via the payroll. You will receive a P11D to confirm the allowance you received through the payroll in the last tax year and can make any adjustments via your tax return. Please do not complete an Annual Return Form as we will not be able to process it.

### When to complete your Annual Return

Please submit your figures as soon as possible, so your allowance is based on the latest information. This is particularly important if your claim is significantly different to the estimate you provided last year. The HLC allowance is not an additional payment but it affects the amount of tax and National Insurance that you pay and therefore impacts your net payment. It is important that you take care when entering these figures, if you aren't sure if you can claim for something please contact us before you complete the form. If you have a tax adviser we recommend you consult them before submitting your figures.

If we don't receive confirmation of these figures by **30 September** your allowance will be **suspended**, this will mean you will pay more tax, National Insurance & student loan (where applicable) as HLC is part of your stipend that is paid outside of tax and National Insurance.

Provided you are still on the payroll and eligible to receive the allowance, we can re-instate your allowance the following month and back date any adjustments due when you submit your figures.

### What can I claim for?

Please ensure you read the [Annual Return Notes](#) carefully before completing your HLC Return as it details everything you can and can't claim for under the scheme. If you are in any doubt please contact us before you complete your submission.

### Where can I find more information about the HLC allowance?

You can find more information about the HLC scheme on our [HLC page](#) including:

- Who is eligible to receive the allowance
- How the scheme works
- What costs are covered by the scheme

If you have any queries or anything is not clear please [contact us](#).

### Suspension of HLC allowance in October

If you don't submit your Annual HLC Return by 30 September then your HLC allowance will be suspended. Any allowance you received in the months April to September was based on the estimate you provided in the previous tax year.

In order to reinstate your allowance we need you confirm how much you actually spent last year and provide a new estimate of your total expenditure for the current tax year. As long as you are still on the payroll and still eligible to receive the allowance then we can backdate your new estimate and make any adjustments due in the next available payment.

**Missed the deadline for previous Annual HLC Return?**

The agreement with HMRC is that you must submit your actual expenditure on heating, lighting, cleaning and garden upkeep (HLC) to the Commissioners each year to continue to benefit from the HLC allowance.

If you miss the final deadline we are unable, under the rules laid down by HMRC, to give you any tax-free adjustment for that year. You may, however, claim a discretionary "Study Allowance" for the amount of unreimbursed expenditure from the Revenue. The Study Allowance normally amounts to 25% of the total claim and you should enter this sum at box 25 on the Ministers of religion page of your tax return for that year.

We can only reinstate your HLC allowance once you submit your latest Annual Return, so we urge you to do this as soon as possible.

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