



Helping
you to
avoid
getting
a red
card

*Specialist Sports Tax Advisers
and Accountants*

STREETS[®]
SPORT

www.streetsport.co.uk

Helping you to avoid a red card when it comes to your tax and financial affairs

Whether you've just secured your first commercial contract or are a more seasoned player, our experience shows that there are a number of key financial issues that more often than not are overlooked. The consequence of this can have a significant impact on a players' financial wellbeing. It may be the case that you leave your affairs to others, thinking they have everything in hand, however this may not be the case and whilst ignorance might be bliss it can also be costly.

Structuring your Image Rights company correctly

Tax savings can be made from setting up an Image Rights company to receive a player's income from his or her image rights, but it is important that these are structured correctly to avoid them being taxed as disguised emoluments.

Tax relief for flights for non-domiciled players

For non-domiciled players if flights to and from their home country are paid for by the club within 5 years of the player coming to the UK, the amount is not taxable. Often though these flights are included on the player's P11d and taxed. A claim can therefore be made to claim the tax back.

Agent fees

If a club pays for agent fees they are a taxable P11d benefit. HM Revenue & Customs will often include this benefit in a player's tax code in the following tax years to collect tax at source from the player's salary for the expected benefit. However, if the club only paid for the agent fees in the first year, and all subsequent years are paid by the player, the player will have paid too much tax at source and could be entitled to a tax refund.

Over looking expenses for relocation and accommodation

If a club pays for relocation expenses when a player moves club, the first £8,000 of expenses paid for are exempt from Income Tax and National Insurance, as long as the expenditure is qualifying and certain conditions are met.

Help with cost of equipment and kit

Players can obtain tax relief on the equipment and kit they purchase themselves. Whilst the amounts are only modest on their own, when you add up the potential cost of boots, training kit, gum shields, gloves, laundry etc the savings can be worth it.



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Help with the cost of operations

Whilst medical expenses aren't usually an allowable expense for tax purposes due to their intrinsic duality of purpose, in some cases if it can be shown that the expenditure had a special character dictated by the occupation as a matter of physical necessity, the cost of an operation could be allowable.

Claiming and logging Mileage

If a player drives himself to away games, to meet the coach for away games, to club functions, to medical appointments or between the ground and training ground, a mileage claim of 45p per mile for up to 10,000 miles can be claimed and then 25p per mile thereafter, assuming a mileage log has been kept.

Tax efficient planning for retirement

A pension may not be high on the list of priorities for players, but the relatively short careers of sports professionals means planning for the future is important. A pension scheme can be a tax efficient way to save for the future

Bonus and salary sacrifice for pension contributions

Bonuses and salary are subject to income tax, however by sacrificing such payments in favour of a payment into a personal pension scheme it is possible to receive full tax relief and for significant National Insurance Savings to be made by both player and club..

Penalties for not complying

To avoid penalties players need to make sure they are compliant with their UK tax requirements. This might mean submitting a self assessment tax return or paying tax on time. If the deadlines are not met a player could find himself subject to unwanted penalties. Equally players can miss off taxable income from their tax return, such as P11d benefits, and face interest and penalties on underpaid tax.

Protection should the Revenue come knocking at your door.

HMRC are taking an increasingly aggressive stance, with their investigations and enquiries relating to the income and treatment of tax by sports people. To ensure our clients are able to protect themselves from the unexpected professional fees associated with an investigation or enquiry we strongly recommend they subscribe to our specialist tax investigation fee protection service.

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As leading sports tax advisers and accountants, we tailor our services to suit your needs with a personal approach to looking after your affairs from tax compliance and tax advice to income and wealth protection and general business advice.

Our work with sports clients includes

- Personal and business tax returns
- Specialist advice on image rights
- Remuneration planning, player contracts and agents fees
- Benefit in kind reviews
- Foreign player tax advice
- Advice on HMRC investigations
- Pension planning and investments*

If you are unsure as to whether you are claiming all the tax reliefs you may be entitled to, or feel you could benefit from a fresh pair of eyes looking at your affairs then please do get in touch to arrange a free without obligation meeting.



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