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Important Notice

This document has been prepared to provide answers to the questions we are most frequently asked by our authors. The answers include some general comments on the income tax and VAT treatment of the royalty income we pay. Please note these comments are provided as a general guide; but they cannot and do not represent formal advice to the authors or their advisers. If any author is in any doubt about the tax treatment of their royalty income they should take their own tax advice.

Cambridge University Press: February 2018

Payments

‘When will I get paid?’

Royalty period January to June (October payment and statement)

Your royalty earnings are calculated on royalty sales made during the January to June period of the current calendar year. A royalty payment will not be made to you if the amount due is below the minimum payment level on your royalty account, but will be carried forward to the following statement. If you qualify for an October payment, we aim to get your payment to you by 31st October, but please allow a further 21 days for any postage delays if you are being paid by cheque before contacting us.

Royalty period July to December (April payment and statement)

Your royalty earnings are calculated on royalty sales made during the July to December period of the previous calendar year. A royalty payment will not be made to you if the amount due is below the minimum payment level on your royalty account, but will be carried forward to the following statement. If you qualify for an April
payment, we aim to get your payment to you by 30th April, but please allow a further 21 days for any postage delays, if you are being paid by cheque, before contacting us.

**Advances**
Advances will be paid according to your contract. When your title is published and starts earning royalties, these royalties will be deducted from the advance that you have already been paid and any unearned balance of your advance will show on the Advances Details section of your royalty statement. Once the total value of the advance has been earned you will then receive royalty payments.

*In which currencies are you able to pay royalties?*
Royalties can be paid in:
- Sterling (GBP)
- US dollar (USD)
- Australian dollar (AUD)
- Euro (EUR)

Our preferred payment method is by bank transfer directly into your bank account, but if we don’t have your bank details, then our default methods of payment are Sterling cheque, US Dollar cheque, Australian Dollar cheque and Euro cheque. To advise us of your bank details please follow the link to our bank form.

*I want royalty payments to be made into my UK bank account.‘*
To arrange for royalty payments to be made directly into your UK bank account, please complete the online form available on Author Hub. Direct payments to UK bank accounts are made through BACS and can take up to four working days to reach your nominated bank account.

*I want royalty payments to be made into my non-UK bank account.‘*
We can make payments into certain non-UK bank accounts if the net
payment due exceeds £50. Please note that any bank charges incurred by Cambridge University Press will be deducted from the payment value.

Payments are made in the following ways:

1. US dollars are paid using ACH from our JP Morgan US dollar bank account in the USA. Wire transfer to US bank accounts can also be made, but bank charges may be deducted.
2. Australian dollars are paid from our Westpac Australian dollar bank account in Australia.
3. Euro direct transfers are made from our Euro bank account with Barclays in the UK using your IBAN number and SWIFT code.
4. International direct transfers are made using SWIFT or BIC, but bank charges may be deducted.

If you wish for your royalties to be paid using one of these methods, please follow the link to our bank form.

‘How is the exchange rate determined for the calculation of royalties?’

The exchange rate used for the calculation of royalties is the average exchange rate for the royalty period. We apply the same method of exchange rate calculation year-on-year to ensure uniformity.

‘What is the minimum payment value? Can I opt for it to be set at a different level?’

The minimum payment value is set at £50/US$50/AUS$50/€50 per contract for all new authors. You may opt at any time for the level to be increased. This may be beneficial to you if, for example, it is not economical for you to cash a cheque because of the bank charges involved. Please contact the Royalties Department at royalties@cambridge.org with a more appropriate minimum value if you wish to increase the level.
‘Can I have my royalties paid into a bank account other than my own’
No. Due to fraud and money laundering regulations we are legally obliged to make payment into your bank account as you are the contracted party. If you want us to make payment to your company, for example, then this change would require an addendum to your royalty contract.

‘Is it possible for Cambridge to delay payment of my royalties for tax reasons?’
No. We cannot delay the payment of royalties to help you defer any tax liability.
You may apply for a refund of any UK tax deducted by contacting HM Revenue & Customs.

Personal Details
In order to ensure your April and October paper royalty statements are sent to the correct postal address, please ensure that you have provided us with any new details by the following time periods:
• End of February for April statements
• End of August for October statements
This is because we need to start printing our statements a month in advance to ensure timely delivery.

If your statement is sent to you by email and you have changed your email address, please ensure that you have provided us with any new details by the following time periods:
• 15th April for April statements
• 15th October for October statements

‘I have changed my address. Who should I inform and how?’
If you wish to change your Royalties correspondence address,
please send written confirmation by email or letter to the Royalties Department at Cambridge University Press. Please note that we are unable to accept address changes over the telephone.

‘I have moved to a different country. How does this affect my royalty payments?’

Please notify the Royalties Department so that we can ensure that correspondence is sent to the correct address. If you have left the UK and become tax resident in another country, your UK income tax liability may change. You may have to report your royalty income in your new country of residence. You can also opt for your royalties to be paid in a different currency if this is more convenient for you. Please see ‘In which currencies are you able to pay royalties?’.

‘I have changed my bank details. What do I need to do?’

If your royalties are paid into your bank account and you have changed your account details, please notify the Royalties Department immediately, in writing (email is acceptable), to avoid payments being issued to the wrong bank account. Please follow the link to our bank form.

Cambridge University Press cannot be held responsible for payments going astray if you have failed to notify us of changes to your bank account details.

If you suspect that a payment may have already been made into the wrong account, please consult your bank first. Sometimes payments are re-routed by the bank from the old account to the new one, especially if the account is held with the same bank.

We require confirmation from our bank that a payment has been rejected and been returned to our bank account before we can re-issue payment, so it is essential that we hold the correct bank details for you.
General Tax

Please note that the comments below are provided as a general guide, but they cannot and do not represent formal advice to the authors or their advisers. If any author is in any doubt about the tax treatment of their royalty income they should seek their own tax advice from their local tax authority or from a registered tax advisor.

‘Has tax been deducted from my payment?’

If tax has been deducted from your royalties then this will be clearly shown on the payment summary page and your statement will include a certificate of tax deduction.

Tax is deducted at source if:

• You are NOT the copyright creator (if rights have been assigned by or inherited from the original author)
• You are resident in Australia and have not provided us with an ABN or statement by supplier form.

In both cases your royalty statement will clearly show the deduction made on the payment summary page.

You should report any income as required by local tax regulations. If you are in doubt please contact your local tax authority for advice.

‘I need a 1099 form in order to complete my US tax return.’

As Cambridge University Press is a UK resident organisation, and royalty payments are made from the UK, we are not required to issue 1099 forms. Your royalty statement should provide all the information you need for your US income tax return. For your information, our EIN is 13-1599108

UK Income Tax

‘Should UK Income Tax have been deducted from my royalties?’

When Cambridge University Press completed the implementation of a new royalties management system, a part of that exercise included a
thorough review of the UK’s latest withholding tax rules (i.e. when we have to deduct income tax at source and when we do not).

The rules are complex but, in general, we no longer deduct UK income tax from professional authors, UK registered companies and some charities. For this purpose we consider a professional author to be the original author or creator of the copyright.

Tax liability is defined on a product-by-product basis. Broadly, if you created and own the copyright, your royalties will be paid without deduction of UK income tax. If you own the copyright, for example as a beneficiary, but did not create the work, then UK tax may be deducted.

If we are required to deduct UK income tax, it will be deducted from all royalty income payable to UK residents, but for non-UK residents tax will be deducted from royalties on UK sales only.

‘Can I claim any relief from UK income tax?’

If we are required to deduct UK income tax, but you are resident in a country that has a tax treaty with the UK, you may be entitled to a reduced rate of UK income tax under the treaty. To apply for relief under the treaty you must complete an application form and send it to your local tax office. Further information and downloadable forms to apply for tax relief are available from the HM Revenue & Customs website.

Please note that the Royalties Department cannot offer any advice on completion of the forms. If you need further assistance you should contact HM Revenue & Customs directly:

HM Website find a form

If treaty relief is granted, HM Revenue & Customs will provide us with a reference number and certificate for you. The certificate covers all titles on which you are paid royalties by Cambridge University Press. Relief is usually granted for an indefinite period (subject to you continuing to declare your tax in the same country), but occasionally a period is stipulated. If the certificate expires it is your responsibility to re-apply for relief.
‘Can I reclaim UK income tax that has already been deducted from my royalties?’

If UK income tax has been deducted from a royalty payment made to you, a Certificate of Deduction of UK Income Tax will be enclosed with the payment. If you are resident in a country that has a tax treaty with the UK, you should be able to reclaim for all or part of the income tax deducted. To make the claim you need to complete and send the relevant form to HM Revenue & Customs. The exact process will depend on whether you are a company or an individual, and where you are resident for tax purposes. For current guidance on the correct procedure for your circumstances please go to:

HMRC Individuals
HMRC Companies

Please note that Cambridge University Press cannot refund any tax deducted.

‘I have moved to another country. Do I need to reapply for treaty relief?’

If you have become resident in another country, and that country also has a tax treaty with the UK, then you will need to make a new application for treaty relief.

If this is the case please let us know, otherwise we will assume your tax status has changed and we may be required to deduct UK income tax from your royalty income.

‘Do I need to apply for tax exemption for each of my titles and for each publisher for whom I write?’

One application for relief covers all titles on which you are paid royalties by Cambridge University Press. If you write for another publisher we cannot use the same tax relief reference number and you will need to make a separate application for relief.
UK VAT

‘I have registered/de-registered for VAT. What do I need to do?’

If you have registered for VAT it is primarily your responsibility to issue a tax invoice to Cambridge University Press for the VAT payable to you. However this is not a practical approach, so we operate an annual self-billing system.

You must, therefore, notify us if you register for VAT and we will send you an annual VAT self-billing agreement to complete, sign and return. Once we have received the signed self-billing agreement we will apply UK VAT to all payments we make to you until the annual VAT self-billing agreement expires. Please remember it is your responsibility to ensure that you pay the VAT charged to HM Revenue & Customs in your own VAT returns.

In accordance with HM Revenue & Customs, guidelines the VAT self-billing agreement must be renewed annually. A new annual self-billing form is included as part of your April royalty statement. If you fail to sign and return the new self-billing agreement to the Royalties team, we will assume that you are no longer VAT-registered and VAT will not be applied to future royalty payments.

If you have de-registered for VAT it is your responsibility, under the terms of the self-billing agreement, to inform us in writing immediately.

‘I am VAT registered, but VAT was not added to my royalty payment.’

In this situation you should contact the Royalties Department immediately. We will then send you an annual VAT self-billing agreement which should be signed and returned with your invoice for the VAT due on your royalties. On receipt of the invoice we will arrange for the VAT to be paid to you (which you are responsible for sending to HM Revenue & Customs) and for VAT to be added to future payments of royalty income until your annual self-billing agreement expires. A new annual self-billing form is included as part of your
April royalty statement. If you fail to sign and return the new self-billing agreement to the Royalties team, we will assume that you are no longer VAT-registered and VAT will not be applied to future royalty payments.

‘Does VAT apply to all royalty earnings?’
Yes. If you are VAT registered VAT is calculated on your gross royalty earnings, regardless of their origin.

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Australian Taxation

‘Why have you deducted tax of 47% from my royalties?’
A deduction has been made because we have not received notification of your Australian Business Number (“ABN”) or a signed ‘statement by a supplier’ form, which can be found on this link https://www.ato.gov.au/forms/statement-by-a-supplier-not-quoting-an-abn/
We are therefore required to deduct Australian withholding tax (“PAYG”) on all your royalty earnings. We require your Australian tax file number in order to report the tax we have deducted from your royalties to the Australian tax authorities.
All withholding tax deductions are reported to the Australian Tax Office. All ABN numbers are validated via the Australian Government Tax website before each royalty calculation. If your ABN has been cancelled on the Australian Government Tax website then we are obliged to remove your ABN from our system and deduct withholding tax from your royalty payment. Please use the links below to access forms that you can use to inform us of your taxable status:

▶ Form A - Author / Editor / Contributor GST Questionnaire
▶ Form B - Cambridge University Press Australia Agreement
▶ Supplier 2015 declaration form
‘I have an Australian Business Number (“ABN”) but you have deducted Australian withholding tax from my royalties. What should I do now?’

You should report your ABN to the Cambridge Royalties Department at the earliest opportunity to avoid any further deductions. Please apply directly to the Australian Tax Office if you wish to claim a refund for the withholding tax already deducted.

Please note that Cambridge University Press cannot refund any tax deducted.

‘I am registered for Australian Goods & Sales Tax (“GST”), but GST was not added to my royalty payment.’

GST is only added to your royalty payment once we receive notification from you that you are GST registered. We are not notified by the Australian Tax Office. ABN numbers and GST status are validated via the Australian Government Tax website before each royalty calculation. If your GST status has been cancelled on the Australian Government Tax website then we are obliged to remove your GST status from our system and GST will not be added to your royalty payment.

If GST has not been added to your royalty payment and you are still registered then you should send an invoice for the GST due to the Cambridge Royalties Department, along with signed documentation stating your ABN and that you are GST registered. You will also need to contact the Australian Tax Office to get it to correct its website.
Statements

Our preferred method of delivery for your royalty statement is email.

‘Why didn’t I receive a statement in April/October?’

Statements are issued to all authors on a six monthly basis, regardless of whether a payment is due or not. A statement will not be dispatched if your account is on hold. If you have not received a statement it may be for one of the following reasons:

1. All of your titles are out of print
2. You have changed your postal or email address and have not informed the Royalties Team
3. A royalty statement or payment has been returned to us or a cheque we have sent to you has not been cashed, so for security reason we have placed your royalty account on hold
4. You have assigned all rights to your titles to a third party

If you are expecting your royalty statement by email and it has not arrived, please check your ‘trash’ or ‘junk’ folder.

If you require a copy of a royalty statement, please check your Author Hub account where you can find PDF copies.

‘I don’t understand my statement.’

Please check our statement guide using this link.

If you require any further assistance with your statement please contact the Royalties Department at royalties@cambridge.org directly quoting your author account number shown on the cover page of your statement.

‘No Certificate of Deduction of UK Income Tax was enclosed with my statement.’

If tax has not been deducted from your royalty income then a
Certificate of Deduction of UK Income Tax will not be included with your statement. See ‘Should UK Income Tax have been deducted from my royalties?’

‘What is the account number for at the top of my statement?’

The account number (00500******) on your statement is your unique reference that you should quote when contacting the Royalties Department. The account number enables members of the Royalties Department to access your address details, payment method and other information we hold quickly and accurately.

**Author Hub**

‘What is AuthorNet?’

AuthorNet has now been replaced by Author Hub.

‘What is Author Hub?’

Author Hub is a dedicated website for Cambridge authors. Potential authors can view the website without a username and password to access guidelines for submitting book proposals and information about the book production process. The logged in, secure area is for existing Cambridge authors and allows them to view their royalty statements, sales figures and order Cambridge books online with up to a 40% discount.

‘I cannot see all my titles on my Author Hub account’

Please email the Royalties Team and we will ask our Datacare Team to link your title to your Author Hub account. Please note that this process usually takes 24-48 hours.

‘I am a contributor and I don’t have an account number. How can I obtain this information?’

Some Author Hub services are not accessible to authors or
contributors who do not receive royalty payments. However, you may still take advantage of the many resources on offer without the need to log in (see menu options on the Author Hub website), such as:

- Homepage
- Publish with Cambridge landing page
- Publish with Cambridge subpages – Academic, Cambridge English and Education
- Find an editor (Academic)
- Find an editor (Cambridge English)
- Editor profile pages
- About Author Hub
- Resources (a sample of our most popular Author Hub guides)
- Author testimonials

## Other Enquiries

**‘How many copies of my title have been sold to date?’**

For any sales information please log into Author Hub or contact your Press editor directly. Sales fluctuate throughout the year and therefore the information provided should not be used as an indicator of anticipated royalty earnings.

**‘What discount am I entitled to as a Cambridge author/editor?’**

As a Cambridge author you may buy copies of the books, DVDs or CDs that you have published with us at a discount of 40% off the UK price. This includes titles that you have written or edited, titles to which you are a contributor and titles in a series of which you are an editor.

You can also buy copies of any other Cambridge title with a discount...
of 40%.

You are also entitled to a 20% discount off the individual subscription rate for the first year of any new subscription to a Cambridge journal. Please email our Customer Services Department with your order using authors@cambridge.org; authors resident in the USA or Canada can email orders@cambridge.org

‘How do I place a book order?’

You can now order online via Author Hub, our dedicated website for Cambridge authors. Alternatively, you can order by phone on +44 (0)1223 326050, or fax +44 (0)1223 326111.

Authors or contributors who do not receive royalty payments can still purchase books with their author’s discount if they email their order with details of the book(s) to which they have contributed to authors@cambridge.org; authors resident in the USA or Canada can email orders@cambridge.org

If you wish to send your book to a third party, you should email our Customer Services Department authors@cambridge.org or orders@cambridge.org for US or Canada-resident authors with your order and delivery address. Please do not change your address on Author Hub for such purposes, as doing so may result in your royalty correspondence being sent to the incorrect address.

If you wish to place an order using your author discount, please email our Customer Services Department authors@cambridge.org or call +44(0)1223 326050, or fax +44(0)1223 326111.

If you are resident in America or Canada, please email orders@cambridge.org

‘Can I offset Author Hub book purchases with my royalties?’

No. Royalty earnings cannot be offset against any book purchases.