

Royalties FAQs

We realize that royalties can be a confusing and complicated subject, so we hope these FAQs will help to answer most of your questions. If you have any further questions or need more clarification, please get in touch at royalties@cabi.org and we'll be happy to walk you through the process or investigate any concerns you may have.

General Royalties

Q. How do I know if I am due any royalties on my book? At what rate am I paid royalties?

There will be a clause in your contract, outlining the royalty payable on your book.

Q. If I have a co-author or co-editor, how are royalties divided between us?

Royalties are automatically split equally between all co-authors or co-editors unless you have instructed us otherwise.

Statements

Q. When should I expect to receive my statement?

We aim to post statements and cheques out by the end of April. Depending upon your country of residence, it may take up to six weeks for you to receive your statement.

Q. It is the end of June but I haven't received my statement yet.

Statements are issued to all authors by the end of April, whether or not a payment was due. If you have not received a statement it may be for one of these reasons:

1. You are on a sliding scale royalty rate and the minimum number of copies needed to sell before you start earning royalties has not been reached. You will not receive a statement until you start to earn royalties.
2. No copies of your book(s) were sold in the previous calendar year.
3. You may have changed your address and forgot to inform CABI. Contact us (details below) and we will send you a new statement and cheque if required.
4. You are a UK-based author but have not provided bank details for payment (we no longer pay UK royalties by cheque).
5. If you think none of the above apply to you, your statement may have been lost in the post. Contact us (details below) and we will look into issuing you another statement and cheque if required.

Q. What information is included on the statement?

Statements outline sales information for the previous calendar year; the period will be listed as 1-Jan-20XX to 31-Dec-20XX. Each book that you receive royalties for will be listed, together with the publication price of the book, the number of copies sold, your royalty percentage and the total revenue we received (price realised). Your payment is calculated at your contracted royalty percentage of the price realised and represented in Pounds Sterling.

Royalties from the sale of electronic copies or subsidiary rights, such as translation or reproduction rights, will be listed separately from the hardcopy edition(s). Subsidiary rights are identified as SRT on your statement. If no copies of a book were sold in the previous calendar year, the book will not be listed on your statement.

Any deductions or additions to your account will be listed after the individual sales. Deductions may include tax or advance royalty payments and an addition could be a carried forward amount from the previous year or added VAT.

If you require any further clarification, contact us (details below), quoting your 4-digit author account reference number listed below your address.

Q. What if I think some of the information is incorrect on my statement?

If you think any information is incorrect or missing from your statement, such as a missing book or incorrect royalty rate, contact us (details below) immediately, quoting your account number.

Q. There wasn't a cheque enclosed with my statement.

A cheque may not have been enclosed for the following reasons:

1. Your royalties were below the minimum payment level
2. You did not earn any royalties in the previous calendar year
3. Your royalties have been paid into your bank account
4. Any advances against royalties have not yet been offset by royalty earnings

Payments

Q. What is the minimum payment value?

The minimum payment value is £25. If the total value of your royalty statement is below this amount, then royalties will be carried over onto the following year's statement.

If you have less than £25 in your account and your book is out of print or selling only limited numbers, you can opt for your account to be closed and the remaining amount paid to you.

Q. In what form and currencies are you able to pay royalties?

UK based authors can only be paid by direct BACS transfer to a UK bank account. You will be asked to provide bank details pre-publication. If you have not provided your details, please complete the [bank transfer request form](#) and either email, post or fax (details below) it back to us.

If you are a non-UK author, you may choose to have your royalty paid into a non-UK bank account. These payments are made in pounds sterling or euros, and are converted at the current exchange rate by your bank. A fee will be deducted from your total royalty amount for using this payment method.

Unless you inform us otherwise, all US resident authors will automatically be paid by a US dollar cheque.

Q. I am a non-UK resident, but want royalty payments to be made into my UK bank account.

In order to have payments made directly into your UK bank account, please complete our [bank transfer request form](#) and either email, post or fax (details below) it back to us. All future royalties will be paid into this account until you inform us otherwise. Direct payments to UK bank accounts are made through BACS and can take up to three working days to reach your nominated account.

Please note that if you are a non-UK resident author, wishing to pay your royalties into a UK bank account, this does not exempt you from paying tax.

Q. I want royalty payments to be made into a non-UK bank account.

In order to have payments made directly into your non-UK bank account, please complete our [bank transfer request form](#) and either email, post or fax (details below) it back to us. All future royalties will be paid into this account until you inform us otherwise. Direct payments to non-UK bank accounts can take up to five working days to reach your nominated account. Please note that any bank charges incurred by CABI will be deducted from the payment value.

Q. How long are cheques valid for? What if didn't cash the cheque before it expired?

Cheques are valid for six months from the date of issue listed on the cheque. If you were not able to cash the cheque before it expired, we can issue a new one. Please note that before we can issue a new cheque, we will need you to send the original cheque back to us.

General Tax

Q. What payments should I report on my tax return?

You should declare any payments received in the tax year that you are reporting. For example, if you report your taxes to HM Revenue & Customs, the tax year runs from 5th April to the following 4th April. Therefore, if you received a payment in late April 2013, it should be reported in your 2013/2014 tax return, even though the royalty earnings were from sales made in January to December 2012.

If you are reporting your taxes outside the UK, the tax year most likely runs from January to December. If you received a payment in April/May 2013, you should declare this on your 2013 tax return, even though the earnings were from sales made in January to December 2012.

UK Income Tax

Q. I am a UK resident. Has UK tax been deducted from my royalties?

No tax is withheld from royalties paid to authors who are resident for tax purposes in the UK. The royalties are paid in full and the author is responsible for dealing with HMRC directly concerning the taxation of his/her earnings.

Q. I am not a resident of the UK, why has UK tax been deducted from my royalties?

CABI is required to deduct tax from royalty earnings when the author resides overseas. Working under the assumption that you pay tax in the country that you currently reside, we have deducted tax according to the double taxation agreement between the UK and your country of residence, which could be full exemption from tax, a reduced tax rate, or no exemption from tax. Further information can be found on the [HM Revenue and Customs's](#) website. If you do not pay tax in your country of residence, contact us (details below) to clarify your current tax status.

Q. How can I reclaim tax that has been deducted from my royalties and apply for full tax exemption?

If you have been taxed on previous royalty payments but believe that you should have been taxed at a lower rate or been exempt from tax, you can try to reclaim the tax deducted and apply to be exempt from tax in the future. Further information and downloadable forms to apply for repayment and exemption are available from the [HM Revenue & Customs's](#) website. If a specific form for your country is not listed, complete the 'individual' form.

Please note that any repayments will be issued by HM Revenue & Customs; CABI cannot refund any tax once it has been deducted unless it has been deducted in error. CABI also cannot offer any advice on the completion of the forms (however we recommend that you enter our address in Part C.4, [as demonstrated here](#), so that CABI is sent confirmation of

your tax status). If you need further assistance you should contact [HM Revenue & Customs' Centre for Non-Residents](#) directly.

Q. I have moved to another country, will this affect how my royalties are taxed?

Yes, depending on the double taxation agreement between your new country of residence and the UK, the rate that your royalties are taxed may increase or decrease. If you will continue to declare taxable income in your previous country of residence, please let us know when you send your change of address.

Q. I have not moved or applied for tax exemption, why has the tax rate changed from previous years?

We have recently implemented a new system of taxation, as advised by HM Revenue and Customs (see 'I am not a resident of the UK, why has UK tax been deducted from royalties?'). According to this new system, your tax rate may have increased or decreased.

Personal Details

Q. 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, fax or letter (details below).

Q. 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 us in writing as soon as possible, by email, fax or letter (details below), to avoid payments being made into the wrong bank account. CABI cannot be held responsible for payments going astray if you have failed to notify us of changes to your account details.

If you suspect that a payment may have already been made into the wrong account, please consult your bank initially. The payment may have already been re-routed from the old account, especially if your new account is still with the same bank.

Contact the Royalties Team

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