

1. Online Filing

1.1 2004-05 Employer's Annual Returns

Progress - Processing Returns

We are sorry that it was not possible to validate all the 2004-05 Returns on receipt. Having now finished the processing of 'clean' (i.e., no errors) Internet data, by the end of September 2005 we expect to have posted tax-free payment (incentive) details to the payment records of over 700,000 small employer accounts. However, and already underway, there are varying degrees of work to be done to correct errors in a further 100,000+ Returns. This remedial action has to be completed before the tax-free payment (incentive) can be credited to those accounts. In some of these cases it will be necessary for us to contact the submitter to obtain the correct information and, as indicated previously, in rare circumstances it may involve the re-submission of a Return. We hope to complete all the corrective action early 2006.

The processing of paper and magnetic media submissions will begin shortly.

Common Errors in Returns

Vendors will have received an analysis of the most common errors identified in their customer's 2004-05 submission. The following are examples of errors that would be eliminated if payroll software included comprehensive schema checks, cross validations or screen prompts for the user.

P35

The P35 asks 'Have you sent a P14, *End of Year Summary* or completed and retained a form P38(S), *Student employees* for every person in your paid employment, either on a casual basis or otherwise, during the tax year shown on the front of this form?' Where the answer is 'Yes' the answer to the P38A question can only be 'No'.

Tax Codes

- Tax codes, particularly K codes, with leading zeros and spaces. There is no need to complete all five spaces of the code number field. But you must 'left justify' each code number within the field.
- Suffix H is no longer an acceptable code number suffix (see Notes for Software Developers Series 10 number 13) and is not part of the Quality Standard. Employers must refer all existing H codes to their HMRC Office so that a correct tax code can be issued.
- Codes D0 and 0T - The number '0' must be used, not the letter 'o'.

Authentication – Tax references

- Many users experienced difficulty on authentication. Employers do not seem to have a clear understanding of the data they should send to identify themselves. A valid identifier is made up from the 3 digit tax office number (tax district reference) plus the employer's HMRC office PAYE reference. These are unique only in combination, for example 913/WZ51258 - errors have been where the employer showed the employer reference only (WZ51258) or used the district reference twice (913/913WZ51258).

- The tax district reference is subject to change when HMRC does district re-organisations. Where a PAYE scheme has been re-referenced, the Return should show the latest tax office number and employer reference in use at the date of the submission.

Reporting gross pay correctly

There were instances this year of software reporting in the 'Pay in this employment' field the gross pay before pension deductions. The instructions for P11 completion make it clear. When recording an employee's gross pay for tax purposes they must include such things as overtime, bonus, commission, SSP, SMP, SPP, SAP minus any authorised deductions under the 'net pay arrangements' for superannuation contributions or, payroll giving schemes. In other words the employer needs to establish the correct 'Gross Pay' for tax purposes during the year and should transfer these details at the year-end.

The P14 data should include gross pay, after the deduction of pension contributions and payroll giving where the net pay arrangements apply. The 'Pay in this employment' figure is obtained from the P11 Deductions Working sheet or equivalent record.

Decimal Points

Make sure that the decimal points are reported in the correct place. There were instances this year of pounds and pence being reported as whole pounds.

Invalid NINO prefixes (for example NI, PZ, TN).

The list of acceptable NINO prefixes is published in the Quality Standard each year. If the NINO is not 100% compliant with the Quality Standard specification, the NINO field must be left blank and the date of birth and gender used instead.

Part submissions

- Number of parts incorrectly recorded. We are currently investigating why a number of submissions all show '99' for the number of parts. We have evidence that '99' is the particular payroll product default and the user is not being prompted to enter the correct figure.
- Number of parts shown must relate only to the number of parts sent containing P14 data. The P35 data and any P38A submission must not be included in the count of parts.
- The number of parts must be the number of (bundles) or submissions sent (online, on paper or by magnetic media). It must not reflect the number of P14s.
- Do not send a P35 with every part submission of P14s. Only when making a paper part submission should each part containing paper P14s be accompanied by a "P35 (cover sheet)".
- Do not send more than one online P35 per employer's PAYE reference. It is recommended that you send the P35 last.
- Each part submission must carry its own unique identifier. There were instances where a single employer had made their Return in parts but had entered the same unique identifier on each part.

A list of some of most common errors that users have made is attached to these notes at **Annex A**. You may find this useful when supporting your customers to resolve errors in their 2004-05 Return and completing their Returns in future years.

Continual polling

Last April/May, continual polling was a problem. In particular where the user - often a bureau or agent - wanted to move to the next tax year or the next client before the submitted Return was accepted. It is not for HMRC to be prescriptive in this area. Developers will wish to retain the flexibility to provide software and processes that meet their customers' needs. But from the feedback we have received this particular area was a source of irritation to users and developers may want to consider changes to their products.

More than one Return

About 60,000 employers submitted their 2004-05 Return online and also sent us the same information on paper. We intend to publish guidance asking the employer not to make more than one original Return per Employer PAYE Reference. Where the paper Return was the first Return to be received by HMRC, it will be treated as the original Return. A small employer will not qualify for the tax-free incentive payment and a large employer will be penalised.

Aggregation

We are aware of difficulties some submitters experienced regarding the validating of online P14s when there has been aggregation of NICs. We have set up a group to look at these issues and will let you know of any changes to the reporting requirements as soon as we are able. But there will be no change for 2005-06 Returns and aggregation cases must continue to be calculated and recorded according to the existing guidance.

1.2 2005-06 validation process for Employer's Annual Returns

We have now finalised our processing plans for April 2006. The filing routines will involve the rejection of Returns that do not meet the 2005-06 Quality Standard. At April 2006 we expect Employer's Annual Returns (P35 and P14) data will be validated in real time and those submissions which include any errors will be rejected. To support developers, TPVS is available now and a previous edition of these notes (Series 10, Number 18) tells you how to use TPVS. To support employers and their agents a test in live service will be available from mid-March 2006.

Error message classes are the same as those for last year and submitters will get a message response in line with the existing message structure outlined in the MIG or Schema.

The Internet Technical Pack and link to documents for EOY ERIC Response Messages 2005-06 can be viewed at

http://www.hmrc.gov.uk/ebu/payee_techpack/endofyear2006.htm

For 2005-06, error and explanatory messages will be sent from our Electronic Returns Storage System and will be exactly the same as those sent from ERIC.

You can also view the EDI MIGs (P35 & P14), containing details as to what Trading Partners should expect to see by way of Success/Failure messages, at

http://www.hmrc.gov.uk/ebu/ebu_payee_ts.htm

EDI testing

The EDI test services will be available on the same dates as the TPVS.

1.9 Technical Pack Updates

End of Year 2005-06

The full EOY 2005-06 Internet technical pack is now available on our website at the following address http://www.hmrc.gov.uk/ebu/pay_e_techpack/endofyear2006.htm

EXB & MOV

The Internet technical pack for Expenses and Benefits 2005-06 will be available within the next few days, along with the updated P46 specifications for 'In Year Movements'. Please note the Internet service will only support new P46 specification with effect from April 2006. All Internet submissions must therefore comply with this specification from that date. Details will be announced on the 'What's New' page of our website.

The later version of the EDI P46 specification will also be available very shortly.

New Tax Credits

The outgoing PVE (payment via employer) Internet technical pack on our website at http://www.hmrc.gov.uk/ebu/pay_e_techpack/ntc_page_0304.htm will be removed at the end of October 2005. This is in line with the changes announced in previous editions of these notes (Series 10 Number 22.1 and Series 10 Number 24).

The EDI MIG will also be withdrawn shortly thereafter.

Outgoing forms

An updated Internet technical pack for all outgoing forms will be available within the next few days. This will include details for the new HMRC Data Provisioning Service.

Construction Industry Scheme (CIS)

The Internet technical pack is now available on our website at

<http://www.hmrc.gov.uk/ebu/cis-reform.htm>

This includes the schema and business rules for verifications and monthly returns.

EDI technical specifications are also available at

<http://www.hmrc.gov.uk/ebu/cis-reform-online.htm>

1.10 End of Year (EOY) Recognition process for 2005-06

Our Software Developers Support Team (SDS Team) have released the EOY 2005-06 recognition scenarios with the latest EOY 2005-06 technical pack. The Team will send developers an email in the early weeks of October 2005 to invite recognition cases to be sent in. Developers are asked not send any recognition requests until this email has been received.

1.11 Payroll Standard Accreditation Scheme

This announcement is for the attention of payroll software developers who either have accredited software products or are considering an application for the scheme.

If the software product supports completion of the Accounts Office Reference Number (also known as the Employers Payment Reference Number) it must incorporate the validation checks for this field in Part 1 of the Payroll Test Data which is available on our website at <http://www.hmrc.gov.uk/e bu/testdata.htm>

From 6th April 2006 these validation checks will be extended to include the modulus 23 check referred to in para 3.2 of these notes. From 6th April 2006 accredited products that support this field must include this check. For more information on the modulus 23 check contact James Chok Wing. Email James.Chok.Wing@hmrc.gsi.gov.uk or phone **020 7438 4418**.

Software products that do not support this field can still apply for accreditation.

For more information about the Payroll Standard you can call the Payroll Standard Helpline on **0845 91 59146**

2. Form Changes

2.1 2005-06 P11D

The 2005-06 P11D has now been finalised. The box layout and numbering remain unchanged from the draft version of the form published in the March 2005 edition (Series 10, Number 22.1) of these notes. There are however some minor changes to text on the form.

- The form has been updated throughout to reflect the change from Inland Revenue to HM Revenue & Customs
- There has been a change in style for the box headings that are used to enter identifying details. The headings will no longer include an apostrophe followed by the letter "s" when the possessive construction of a noun is used. e.g. Employer's details now becomes "Employer details".
- Section C – Vouchers or credit cards - includes an additional line of explanatory text (in brackets) to declare on the form only the excess over £50 per week when childcare vouchers are provided.
- Section F – Cars and car fuel:
 - explanatory text changed to refer to a non-year related P11D Guide
 - explanatory text no longer contains a reference to leaflet IR172, which has been withdrawn.
- Section H – Interest free and low interest loans:
 - explanatory text has a slight change of emphasis to stress that loans do not need to be declared if the total outstanding balance for all loans does not exceed £5000.

A copy of the final version is included at **Annex C**.

2.2 2005-06 P11D Working Sheet 3 (P11D WS3)

The P11D WS3 for 2005-06 has now been finalised. The box layout and numbering remain unchanged from the draft version of the form published in the July 2005 edition (Series 10, Number 24) of these notes. There are however some minor changes to text on the form.

- There has been a minor change in style to the box headings that are used to enter identifying details. The headings will no longer include an apostrophe followed by the letter "s" when the possessive construction of a noun is used. e.g. Employer's details now becomes "Employer details".
- In section 1, following the tick boxes the text now says "enter 500 / 350 at box A". The earlier draft version omitted the word box.

A copy of the final version is included at **Annex D**.

2.3 2006-07 P11D Working Sheet 2 (P11D WS2) – Provisional draft

The P11D WS2 for 2006-07 is currently being redesigned to reflect the simplified car benefit rules, which come into effect from 2006-07. We are conscious that software developers will want as much notice of the detailed consequences as soon as possible and have therefore produced a provisional draft. A copy of the draft form is included at **Annex E** of these notes.

The basic structure of the calculation is settled, but the text and precise layout of the form are only very tentative. We therefore suggest that software developers do not redesign their versions of the form yet, but hope that early publication of its structure will enable work on changing the underlying software to commence on a secure footing.

2.4 P35 for 2006-07

In the July edition of these notes, we provided a PDF of the 2006-07 'Summary of payments for the year' section of the form, and mentioned that a PDF of the complete form would be provided in the next issue of these notes.

Unfortunately the illustration of the complete version will not be available until the next edition of the notes. We apologise for this delay.

2.5 P46: Employee without a Form P45

In the July 2005 edition of the Notes for Software Developers we detailed proposed changes to be made to the form P46 and its associated processes, that will come into effect from 6th April 2006.

We can now confirm that our Ministers have agreed to these changes. The underpinning Regulations will be laid by mid-October.

A supplementary edition of the Notes was issued in August to reflect a new sentence clarifying the student loan statement, statement D. Other than that no further changes were made to the form or process.

A copy of the redesigned form can be found at **Annex F** of these notes.

3. Other Information

3.1 Statutory Payments

Rounding Rules for Statutory Paternity Pay (SPP) and Statutory Adoption Pay (SAP)

The current instructions for rounding can result in the wrong answer. For example, if an employee always earned £420 a calendar month then their average weekly earnings truncated to 5 decimal places are £96.92307 [$420.00 * 12 / 52$], 90% of this is £87.230763. This should be rounded up to £87.24, but under current rounding rules would not.

The rounding rules at:

- NB12 in the SPP (birth), SPP (adoption) specification
- NB13 in the Statutory Adoption Pay (SAP) specification

should read:

“Where calculations are to be “rounded up to the nearest penny” first calculate the value truncated to 5 decimal places, then round up to the next penny above if any of the 3rd, 4th or 5th decimal places is >zero”.

Statutory Sick Pay (SSP) Rounding

There is an inconsistency between the 2005 ‘E14 Employer Helpbook’ daily rates table and the same table in ‘Helpbooks’ for earlier years.

Over a number of years, we have used an electronic spreadsheet to calculate the daily rates table figures for the CA35, CA35/36 and the E14. However, when checking the 2005-2006 spreadsheet results with a calculator, it was noticed that the spreadsheet was rounding the 'unrounded' column at the 4th decimal place where the 4th figure was 6 or more. We therefore put the correct 'unrounded' figure into the 2005 table.

We realise that some of the previous years figures had been shown as 0.0001p too much, however in view of the extremely small amount by which very few employees may possibly have been overpaid SSP, we decided not to revisit past years. For example if an employer paid an employee 3 weeks and 3 days SSP based on a 7 QD week, the overpayment would be nil as there is no difference between the amount payable if calculated wrongly as $3 \times \text{£}9.1929$, or correctly as $3 \times \text{£}9.1928$.

The reason for needing to ensure the tables are correct is that employees cannot get more or less than their legal entitlement, plus any single rounding up to a penny. So employers must always use the appropriate (already rounded as necessary) multiple daily rates for each pay week when calculating odd days' payments due.

When calculating the amount due there is legal provision for rounding only once the calculation is complete. If the amount due includes any fraction of a penny then it must be rounded up to the next whole penny to ensure the full legal entitlement is paid.

The figure to the left side of the tables should always have been 'unrounded' and you may need to ensure your software conforms to the 'unrounded' rates. We will update the E14 Helpbook for April 2006 to highlight the error.

Changes to age restrictions - Advance notice

This is to advise you that the Government is currently consulting on draft age discrimination regulations that include provisions removing the current age limits of 16 and 65. Subject to Parliamentary approval, the legislation is scheduled to come into effect on 1 October 2006.

Schedule 8 of the draft Employment Equality (Age) Regulations 2006 contain the relevant amendments to the Social Security Contributions and Benefits Act 1992. These amendments will place the liability to pay Statutory Payments on "the employer who is, or would be, liable to pay Class 1 but for the persons age or level of earnings".

More definite information on the operation of these regulations will be made available nearer the time in a future edition of these 'notes', Employer's Bulletin publications and the Internet. The draft regulations are available on the DTI website <http://www.dti.gov.uk/er/equality/age.htm>

In the meantime, please note the intention (subject to Parliamentary approval) is as follows:

- SSP – the upper and lower age limits will be removed;
- SMP, SAP and SPP – the lower age limit will be removed (there is no upper age limit).

Clarification of Parameter A2 Cont Emp weeks xx

In December 2002 an amendment was made to the above to clarify the rules for software developers. Since then it is apparent that later amendments have caused some confusion.

The value for Cont_Emp_weeks xx is 26. The employee has to have completed 26 weeks continuous employment, but because part weeks can count as full weeks they only need to have completed in effect 1 day, 24 weeks and 1 day. So the last date they can have started work for their employer is effectively 25 weeks before the Saturday of the Qualifying or Matching Week.

3.2 BACS (Direct Credit)

Customers paying by BACS Direct Credit (including Internet and Telephone banking) can make their normal monthly or quarterly payment of tax and NIC in a single amount. We will estimate the split of the payment between PAYE and NIC and correct the allocation later when we process the Employers Annual Return (P35 and P14's).

Employers already making separate tax and NIC payments by BACS can continue to do so if they wish.

As part of an ongoing review to reduce the number of errors on BACS payments that we receive, we offer software developers information on how to modulus check the Accounts Office reference (as shown on the yellow payslip booklet that is sent to employers/agents). The check ensures that the reference the employers use to pay is valid and prevents delays in updating customer payment records.

For more information, or to request details of the modulus checker contact James Chok Wing - phone: **020 7438 4418**, email: James.Chok.Wing@hmrc.gsi.gov.uk

3.3 Modified PAYE Schemes – Tax Equalisation (Appendix 6)

We are aware that 2004-05 forms P14 for some Tax Equalisation (Appendix 6) schemes were submitted without a figure of 'Pay in this employment'. The pay figure is a legal requirement, whether it is based on a best estimate of emoluments or not, and must be provided in order to meet our Quality Standard. Forms P14 which do not contain the total estimated/actual income used to calculate PAYE will be rejected, including those submitted by paper.

3.4 Child Support Agency - Deduction from Earnings Orders

The Agency has developed specifications, which will allow employers to develop their software products with the essential features necessary to accommodate the requirements of the Agency, in relation to Deduction from Earnings Orders.

You can access the specification by visiting:

<http://www.csa.gov.uk/newcsaweb/employers.asp>

3.5 Arrears Payments of Working Tax Credits via Employers (PVE)

In the July edition of these notes (Series 10 Number 24 para 3.3), we provided information on the phasing out of Payment via Employers (PVE) and explained that by 31 March 2006 no employer should still be operating PVE.

We are aware however that there are a small number of employers who make payment in arrears who would normally pay tax credits for the period to 31 March 2006 in the following tax year. As PVE should no longer be made after 31 March employers who receive a stop date of 31 March, which would result in payment during the following tax year should phone the Employer Helpline on **0845 7 143 143** to agree an earlier stop date.

To aid this process HMRC are taking steps to switch the majority of employees from PVE to direct payment as early as possible and we expect to have issued the bulk of the final stop notices by the end of December. The vast majority of employers should have made their final tax credit payment well before 31 March, and our publicity over the next few months will emphasise the need for employers to contact us without delay, if they have not received their stop notices for all their employees by 20 February 2006.

In the event that an employer is still required to make a payment for the period to 31 March 2006 in the 2006-07 tax year, they will have to contact the Employer Helpline to discuss re-imbusement.

Under no circumstances should PVE be made **in respect of** a period **post** 31 March 2006, as direct payment will apply.

4. Next issue of these Notes

The next issue of these notes is scheduled to follow the Chancellor's Pre Budget announcement in late Autumn 2005.

5. **Mailing lists for these Notes**

The mailing options for these notes are:

- advance notification by email
- advance notification by post
- paper issue of these notes.

Advance notification by email is the quickest and our preferred option. If you currently receive your mailing by post and wish to change to this option please send us details of your email address and company name to hmrnotes@replyservice.co.uk stating 'change option' in the subject field.

New requests to be included on the mailing list and notification of address changes should include details of your preferred option, your email address, company name and address and be sent by email to hmrnotes@replyservice.co.uk

Or you can write to:

Notes for Payroll Software Developers
PO Box 17289
Edinburgh
EH12 1WY

If you wish to be removed from the mailing list please send your request, including details of your company name and address, by email to hmrnotes@replyservice.co.uk stating 'unsubscribe' in the subject field or write to the address shown above.

6. **Contacts for enquiries**

Where helpline numbers are shown for a specific topic within the notes please ring the number quoted for more information.

General payroll enquiries should be directed to your local HM Revenue & Customs Office or to the Employer's Helpline on **0845 7 143 143**.

Any other queries about the contents of the notes should be made to the Online Services Helpdesk:

Email **helpdesk@ir-efile.gov.uk**
Telephone **0845 60 55 999**
Fax **01274 841288**
Minicom **01274 841278**

Please note, the Online Services Helpdesk cannot deal with change of mailing address information, these should be directed to hmrnotes@replyservice.co.uk

Most Common Errors

	Field in error	Optional/Mandatory	Rule No	Description or Rule	Examples	Error Description
1	P14/NINO	M	14	Characters 1 & 2 must be alpha. Characters 3 & 8 must be numeric. Character 9 must be alpha in the range A-D	'999999999'	Characters 1, 2, 9 must be alpha
					Blank	No NINO data entered and no alternative data; Date of Birth and gender
					'#L999999B'	Character 1 alpha
					'999999F'	Characters 1 and 2 alpha
					'99D99999'	
					'PX99999-C'	Dash is invalid character
					'BT999999W'	W invalid Nino suffix
2	P14/Name/Forename	M	19	First character must be alpha. Remaining characters must conform to the designated character set.	Blank	Mandatory Field
					' Alicia'	Leading Space
					'_'	Characters must be alpha.
					Mary Jane	Space used in name
3	P14/Address/Line 1	Conditional M	21	If [any employee address data is] present, first line is mandatory and the remaining lines must conform to the designated character set.	'109 Saxby`s Lane'	` not standard inverted comma.
					'119 Railway Street'	is an invalid character.
4	P14/Address/PostCode	O	22	If present, designated character set.	','FK4 1JQ'	Leading comma
					'.GU19 5RB'	Leading full stop
					' W6 0BP'	Leading space
					'011528845'	Phone number used in postcode field

5	P14/WkNo	O	17	If present, designated character set.	'CARR, S'	Character set numeric.
					'722'	` is an invalid character.
6	P14/FinalTaxCode	M (if tax paid)	43	Appropriate format; alphanumeric characters; nnnnnnx is in the range 1-999999 and x T, L, P, V, Y; or knnnnn where nnnnnn is in the range of 1-999999 or BR, OT, DO, NT or FT.	' BR'	Leading space
					Blank	Mandatory Field
					'0286L'	Leading zero
					' 0022L'	Leading space & zero
					'012K'	Order of characters
7	P14/NICs/Earn/ETtoUEL	M	28	Minimum value of '0' for original returns. Must be whole pounds. Format 0.00 must be used.	'-1002.00'	Negative value
					' '	Mandatory Field
8	P14/NICs/Earn/LELtoET	M	27	Minimum value of '0' for original returns. Must be whole pounds. Format 0.00 must be used.	'-1340.00'	Negative value
					' '	Mandatory Field
9	P14/NICs/Earn/AtLEL	M	26	Minimum value of '0' for original returns. Must be whole pounds. Format 0.00 must be used.	'-108.00'	Negative value
					' '	Mandatory Field
10	P14/Name/Surname	M		First character must be alpha, Remaining characters must conform to designated character set.	&BARNES'	First character must be alpha
					Blank	Mandatory Field
					'(01066)'	First character must be alpha
					'(JNR)'	First character must be alpha

Get more from doing it online!

You can send and receive forms during the tax year, including:

P6s

P9s

P11Ds

P45s

P46s.

Go to

www.hmrc.gov.uk/ebu/isforpaye.htm#2

YOUR NOTICE TO FILE YOUR EMPLOYER'S ANNUAL RETURN ONLINE AND PAY ELECTRONICALLY FOR 2006-07

This letter tells you about filing your Employer's Annual Return online for the tax year 2006-07. (It does not change what you have to do about online filing and paying electronically for 2005-06.) 'Online filing' means sending your Return to us using the Internet or Electronic Data Interchange.

Our records show that you had **250 or more employees** in your PAYE scheme on 30 October 2005. This means that for the tax year 2006-07:

- you must file your Employer's Annual Return (P14s and P35) online (or an agent can file for you) or you will face a penalty, and
- you must pay electronically your monthly PAYE, National Insurance contributions, student loan and Construction Industry Scheme deductions or you may face a surcharge.

If your PAYE scheme ceases, you might find it more convenient to file your Return online immediately rather than wait until the end of the tax year.

How to appeal

You can appeal if you think you had fewer than 250 employees on 30 October 2005.

Write to the address above within 30 days of receiving this letter and tell us how many employees you actually had on 30 October. Please include your Employer's PAYE reference.

Need help? See over!

Do more online!

There are lots of ways you can do business with us online. For example, you can send us starter and leaver details (P46s and P45s), or we can send you tax code numbers (P6s, P6Bs and P9s). Doing it online is good for you, for example your payroll software may be capable of uploading notices of coding directly from your Secure Mailbox, saving you time. And it has benefits for your employees, like getting the right tax code quicker.

Please show this letter to your agent, payroll bureau or whoever helps you with your payroll.

If you are the agent or payroll bureau for this employer, please give a copy of this letter to your client.

Keep this letter!

It tells you that you must file online and pay electronically for 2006-07.

Help with online filing and electronic payment

Online filing:

- see *Do it online: Online filing and electronic payment handbook* at www.hmrc.gov.uk/employers/onlineindex.htm
- go to www.hmrc.gov.uk/ebu/payee_online.htm
- see our Employer's CD-ROM. You can get a free copy by calling **0845 7 646 646**
- call our Online Services Helpdesk on **0845 6 055 999**.

Electronic Data Interchange:

- go to www.hmrc.gov.uk/ebu/edi/payee_intro.htm
- call our Online Services Helpdesk on **0845 6 055 999**.

Electronic payment:

- go to www.hmrc.gov.uk/howtopay/employers.htm
- call our Accounting & Payments Service at your Accounts Office.
Cumbernauld - **01236 783717**, or Shipley - **01274 539328**.

Other HM Revenue & Customs online services:

- there are lots of ways you can do business with us online, for example you can send Corporation Tax and VAT Returns online. Go to www.hmrc.gov.uk/online/index.htm

Get more from doing it online!

You can send and receive forms during the tax year, including:

P6s

P9s

P11Ds

P45s

P46s.

Go to

www.hmrc.gov.uk/ebu/isforpaye.htm#2

YOUR NOTICE TO FILE YOUR EMPLOYER'S ANNUAL RETURN ONLINE FOR 2006-07

This letter tells you about filing your Employer's Annual Return online for the tax year 2006-07.

(It does not change what you have to do about online filing for 2005-06.)

'Online filing' means sending your Return to us using the Internet or Electronic Data Interchange.

Our records show that you had **between 50 and 249 employees** in your PAYE scheme on 30 October 2005.

This means that for 2006-07 you must file your Employer's Annual Return (P14s and P35) online (or an agent can file for you) or you will face a penalty.

If your PAYE scheme ceases, you might find it more convenient to file your Return online immediately rather than wait until the end of the tax year.

How to appeal

You can appeal if you think you had fewer than 50 employees on 30 October 2005.

Write to the address above within 30 days of receiving this letter and tell us how many employees you actually had on 30 October. Please include your Employer's PAYE reference.

Need help? See over!

Do more online!

There are lots of ways you can do business with us online. For example, you can send starter and leaver details (P46s and P45s), or we can send you tax code numbers (P6s, P6Bs and P9s). Doing it online is good for you, for example your payroll software may be capable of uploading notices of coding directly from your Secure Mailbox, saving you time. And it has benefits for your employees, like getting the right tax code quicker.

Electronic payment

You can also pay your monthly PAYE and National Insurance contributions electronically.

Please show this letter to your agent, payroll bureau or whoever helps you with your payroll.

If you are the agent or payroll bureau for this employer, please give a copy of this letter to your client.

Keep this letter!

It tells you that you must file online for 2006-07.

Help with online filing and electronic payment

Online filing:

- see *Do it online: Online filing and electronic payment handbook* at www.hmrc.gov.uk/employers/onlineindex.htm
- go to www.hmrc.gov.uk/ebu/payee_online.htm
- see our Employer's CD-ROM. You can get a free copy by calling **0845 7 646 646**
- call our Online Services Helpdesk on **0845 6 055 999**.

Electronic Data Interchange:

- go to www.hmrc.gov.uk/ebu/edi/payee_intro.htm
- call our Online Services Helpdesk on **0845 6 055 999**.

Electronic payment:

- go to www.hmrc.gov.uk/howtopay/employers.htm
- call our Accounting & Payments Service at your Accounts Office.
Cumbernauld - **01236 783717**, or Shipley - **01274 539328**.

Other HM Revenue & Customs online services:

- there are lots of ways you can do business with us online, for example you can send Corporation Tax and VAT Returns online. Go to www.hmrc.gov.uk/online/index.htm

We want to help you get started online.

- ✓
- I would like more information and advice about online filing.
- I would like to come to an online filing presentation.

Or you can book online to come along to a workshop.

Go to www.hmrc.gov.uk/bst/work.htm

GET £150 IF YOU FILE YOUR EMPLOYER'S ANNUAL RETURN ONLINE FOR 2006-07

You will get a tax-free payment of £150 if you file your Employer's Annual Return (P35 and P14s) online for the tax year 2006-07.

(And you will get £250 if we told you this time last year that you had fewer than 50 employees, and you file online for 2005-06.)

Our records show that you had **fewer than 50 employees** in your PAYE scheme on 30 October 2005.

'Online filing' means sending information direct to our computer over the Internet or using Electronic Data Interchange (a secure phone line). Online filing is secure and convenient, and cuts down on paper. You can get an agent to do it online for you and still qualify for the tax-free payments.

You do not have to file your Employer's Annual Returns online until at least 2010. But you will get:

- £150 if you file your 2006-07 Return online
- £100 if you file your 2007-08 Return online
- £75 if you file your 2008-09 Return online.

Need help? See over!**Do more online!**

There are lots of ways you can do business with us online. For example, you can send starter and leaver details (P46s and P45s), or we can send you tax code numbers (P6s, P6Bs and P9s). Online filing is good for you, for example your payroll software may be capable of uploading notices of coding directly from your Secure Mailbox, saving you time. It also has benefits for your employees, like getting the right tax code quicker.

Electronic payment

You can also pay your monthly or quarterly PAYE and National Insurance contributions electronically.

Please show this letter to your agent, payroll bureau or whoever helps you with your payroll.

If you are the agent or payroll bureau for this employer, please give a copy of this letter to your client.

Please tell us your details and we will be in touch to see how we can best help you.

Employer's name

Employer's address

.....

Contact name

Daytime phone number

Tear off this slip and post it to:
HM Revenue & Customs Online
PO Box 37
St Austell
PL25 5YN

We will be in touch within 28 days.

Do it online and make sure you do not miss out!

Keep this letter!

It tells you that you will get £150 if you file online for 2006-07.

Help with online filing and electronic payment

Online filing

- see *Do it online: Your guide to filing PAYE returns and paying electronically* at www.hmrc.gov.uk/employers/onlineguide.htm
- go to www.hmrc.gov.uk/ebu/payee_online.htm
- see our Employer's CD-ROM. You can get a free copy by calling **0845 7 646 646**
- call our Online Services Helpdesk on **0845 6 055 999**.

Electronic payment

- Go to www.hmrc.gov.uk/howtopay/employers.htm
- Call our Accounting & Payments Service at your Accounts Office. Cumbernauld - **01236 783717**, or Shipley - **01274 539328**.

Other HM Revenue & Customs online services

- There are lots of ways you can do business with us online, for example you can send Corporation Tax and VAT Returns online. Go to www.hmrc.gov.uk/online/index.htm

Note to employer

Complete this return for a director, or an employee who earned at a rate of £8,500 a year or more during the year 6 April 2005 to 5 April 2006. Do not include expenses and benefits covered by a dispensation or PAYE settlement agreement. Read the **P11D Guide** and **Helpbook 480, Chapters 24 and 25**, before you complete the form. You must give a copy of this information to the director or employee by 6 July 2006. The term employee is used to cover both directors and employees throughout the rest of this form. **Send the completed P11D and form P11D(b) to HM Revenue & Customs by 6 July 2006.**

Note to employee

Your employer has filled in this form. Keep it in a safe place as you may not be able to get a duplicate. You will need it for your tax records and to complete your 2005-06 Tax Return if you get one. Your tax code may need to be adjusted to take account of the information given on this P11D. The box numbers on this P11D have the same numbering as the Employment Pages of the Tax Return, for example, 1.12. Include the total figures in the corresponding box on the Tax Return, unless you think some other figure is more appropriate.

Employer details

Employer name

Employer PAYE reference

Employee details

Employee name
 If a director tick here

Works number/department

National Insurance number

Employers pay Class 1A National Insurance contributions on most benefits. These are shown in boxes which are brown and have a 1A indicator

A Assets transferred (cars, property, goods or other assets)

	Cost/Market value		Amount made good or from which tax deducted	Cash equivalent	
Description of asset <input type="text"/>	£ <input type="text"/>	–	£ <input type="text"/>	=	1.12 £ <input type="text"/> 1A

B Payments made on behalf of employee

Description of payment <input type="text"/>	1.12 £ <input type="text"/>
Tax on notional payments not borne by employee within 90 days of receipt of each notional payment	1.12 £ <input type="text"/>

C Vouchers or credit cards

	Gross amount		Amount made good or from which tax deducted	Cash equivalent	
Value of vouchers and payments made using credit cards or tokens (for qualifying childcare vouchers the excess over £50 a week)	£ <input type="text"/>	–	£ <input type="text"/>	=	1.13 £ <input type="text"/>

D Living accommodation

Cash equivalent of accommodation provided for employee, or his/her family or household	1.14 £ <input type="text"/> 1A
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E Mileage allowance and passenger payments

Amount of car and mileage allowances paid to employee for business travel in employee's own vehicle, and passenger payments, in excess of maximum exempt amounts (See P11D Guide for 2005-06 exempt rates)	1.15 £ <input type="text"/>
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F Cars and car fuel *If more than two cars were made available, either at the same time or in succession, please give details on a separate sheet*

	Car 1	Car 2
Make and Model	<input type="text"/>	<input type="text"/>
Date first registered	<input type="text"/> / <input type="text"/> / <input type="text"/>	<input type="text"/> / <input type="text"/> / <input type="text"/>
Approved CO2 emissions figure for cars registered on or after 1 January 1998 <i>Tick box if the car does not have an approved CO2 figure</i>	<input type="text"/> g/km <input type="checkbox"/>	<input type="text"/> g/km <input type="checkbox"/>
Engine size	<input type="text"/> cc	<input type="text"/> cc
Type of fuel or power used <i>Please use the key letter shown in the P11D Guide</i>	<input type="text"/>	<input type="text"/>
Dates car was available <i>Only enter a 'from' or 'to' date if the car was first made available and/or ceased to be available in 2005-06</i>	From <input type="text"/> / <input type="text"/> / <input type="text"/> to <input type="text"/> / <input type="text"/> / <input type="text"/>	From <input type="text"/> / <input type="text"/> / <input type="text"/> to <input type="text"/> / <input type="text"/> / <input type="text"/>
List price of car <i>Including car and standard accessories only: if there is no list price, or if it is a classic car, employers see Helpbook 480</i>	£ <input type="text"/>	£ <input type="text"/>
Accessories <i>All non-standard accessories, see P11D Guide</i>	£ <input type="text"/>	£ <input type="text"/>
Capital contributions (maximum £5,000) the employee made towards the cost of car or accessories	£ <input type="text"/>	£ <input type="text"/>
Amount paid by employee for private use of the car	£ <input type="text"/>	£ <input type="text"/>
Date free fuel was withdrawn <i>Tick if reinstated in year (see P11D Guide)</i>	<input type="text"/> / <input type="text"/> / <input type="text"/> <input type="checkbox"/>	<input type="text"/> / <input type="text"/> / <input type="text"/> <input type="checkbox"/>
Cash equivalent of each car	£ <input type="text"/>	£ <input type="text"/>
Total cash equivalent of all cars available in 2005-06	1.16 £ <input type="text"/> 1A	
Cash equivalent of fuel for each car	£ <input type="text"/>	£ <input type="text"/>
Total cash equivalent of fuel for all cars available in 2005-06	1.17 £ <input type="text"/> 1A	

G Vans		1.18 £		1A
Cash equivalent of all vans made available for private use				
H Interest-free and low interest loans <i>If the total amount outstanding on all loans does not exceed £5,000 at any time in the year, there is no need to complete this section.</i>				
		Loan 1		Loan 2
Number of joint borrowers <i>(if applicable)</i>		<input type="text"/>		<input type="text"/>
Amount outstanding at 5 April 2005 or at date loan was made if later	£	<input type="text"/>		£ <input type="text"/>
Amount outstanding at 5 April 2006 or at date loan was discharged if earlier	£	<input type="text"/>		£ <input type="text"/>
Maximum amount outstanding at any time in the year	£	<input type="text"/>		£ <input type="text"/>
Total amount of interest paid by the borrower in 2005-06 – <i>enter "NIL" if none was paid</i>	£	<input type="text"/>		£ <input type="text"/>
Date loan was made in 2005-06 if applicable		<input type="text"/> / <input type="text"/> / <input type="text"/>		<input type="text"/> / <input type="text"/> / <input type="text"/>
Date loan was discharged in 2005-06 if applicable		<input type="text"/> / <input type="text"/> / <input type="text"/>		<input type="text"/> / <input type="text"/> / <input type="text"/>
Cash equivalent of loans after deducting any interest paid by the borrower	1.19	£ <input type="text"/>	1A	1.19 £ <input type="text"/> 1A

I Private medical treatment or insurance		Cost to you	Amount made good or from which tax deducted	=	Cash equivalent	1A
Private medical treatment or insurance	£ <input type="text"/>	–	£ <input type="text"/>	=	1.21 £ <input type="text"/>	1A

J Qualifying relocation expenses payments and benefits		<i>Non-qualifying benefits and expenses go in sections M and N below</i>		1.22 £		1A
Excess over £8,000 of all qualifying relocation expenses payments and benefits for each move						

K Services supplied		Cost to you	Amount made good or from which tax deducted	=	Cash equivalent	1A
Services supplied to the employee	£ <input type="text"/>	–	£ <input type="text"/>	=	1.22 £ <input type="text"/>	1A

L Assets placed at the employee's disposal		Annual value plus expenses incurred	Amount made good or from which tax deducted	=	Cash equivalent	1A
Description of asset	<input type="text"/>	£ <input type="text"/>	–	£ <input type="text"/>	= 1.22 £ <input type="text"/>	1A

M Other items (including subscriptions and professional fees)		Cost to you	Amount made good or from which tax deducted	=	Cash equivalent	1A
Description of other items	<input type="text"/>	£ <input type="text"/>	–	£ <input type="text"/>	= 1.22 £ <input type="text"/>	1A
Description of other items	<input type="text"/>	£ <input type="text"/>	–	£ <input type="text"/>	= 1.22 £ <input type="text"/>	
Income tax paid but not deducted from director's remuneration					Tax paid	
					1.22	£ <input type="text"/>

N Expenses payments made to, or on behalf of, the employee		Cost to you	Amount made good or from which tax deducted	=	Taxable payment
Travelling and subsistence payments (except mileage allowance payments for employee's own car - <i>see section E</i>)		£ <input type="text"/>	–	£ <input type="text"/>	= 1.23 £ <input type="text"/>
Entertainment (<i>trading organisations read P11D Guide and then enter a tick or a cross as appropriate here</i>)	<input type="checkbox"/>	£ <input type="text"/>	–	£ <input type="text"/>	= 1.23 £ <input type="text"/>
General expenses allowance for business travel		£ <input type="text"/>	–	£ <input type="text"/>	= 1.23 £ <input type="text"/>
Payments for use of home telephone.		£ <input type="text"/>	–	£ <input type="text"/>	= 1.23 £ <input type="text"/>
Non-qualifying relocation expenses (<i>those not shown in sections J or M</i>)		£ <input type="text"/>	–	£ <input type="text"/>	= 1.23 £ <input type="text"/>
Description of other expenses	<input type="text"/>	£ <input type="text"/>	–	£ <input type="text"/>	= 1.23 £ <input type="text"/>

Note to employer

You do not have to use this form but you may find it a useful way to calculate the cash equivalent if you provided a van which was available for private use by a director or employee who earned at a rate of £8,500 a year or more during the year 2005-06 (that is 6 April 2005 to 5 April 2006). This form has been redesigned for the new van benefit rules from 6 April 2005.

Read the *P11D(Guide)* before you complete this form.

If you use this form you must also fill in forms *P11D* and *P11D(b)*, 'Return of Class 1A National Insurance contributions'. You are advised to keep a copy of each completed working sheet as it could help you to deal with enquiries. You do not have to give a copy of the completed working sheet to the director or employee, or to your HM Revenue & Customs office.

The term employee is used to cover both directors and employees throughout the rest of this form and includes any member of their family or household.

Employer details

Employer name

Employer PAYE reference

Employee details

Employee name

Works number or department

National Insurance number

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The van

If the van is used mainly for business travel and the only other use is for ordinary commuting, there is no benefit charge and you need not complete this form.

Registration number

Date the van was first registered

 / /

Was this the only van made available to the employee?

Yes

No

If 'No' please make sure that working sheets are completed for each van made available to the employee in 2005-06.

If more than one working sheet 3 is completed for this employee, enter the number of sheets here

VAN BENEFIT CHARGE

1 Determine the charge for the whole year

When was the van first registered? *Tick the appropriate box*

After 5 April 2002 enter **500** at box **A**

on or before 5 April 2002 enter **350** at box **A**

Van benefit charge for the whole of 2005-06

A	£ <input type="text"/>
----------	------------------------

2 Make any reductions for days when the van was unavailable

If the van was not available to the employee for the whole of the tax year, state the dates between which it was available, then calculate the number of days for which it was unavailable and enter this at box B

from / / to / / days unavailable **B**

If there were any other periods of at least 30 continuous days for which the van was not available to the employee, complete the boxes below (periods may span two tax years but only days in each tax year affect liability for that year). Complete box E in all cases

from / / to / / days unavailable **C**

from / / to / / days unavailable **D**

Total days for which the van was unavailable

B + C + D	E <input type="text"/>
------------------	-------------------------------

Reduction for unavailability *round up to next whole number*

F	£ <input type="text"/>
----------	------------------------

Van benefit charge after reduction for unavailability

G	£ <input type="text"/>
----------	------------------------

Amount brought forward from page 1

G £

3 Make any reduction for sharing of this van

If the van was shared by at least one other employee during the period when it was available to this employee, the benefit charge on this employee is reduced on a just and reasonable basis. Note that:

1. use by all sharing employees is taken into account, even if some were in excluded employment (they earn at a rate of less than £8,500 pa) and so were not personally chargeable
2. except that if any sharing employee in excluded employment is a member of this employee's family or household, their use is disregarded when making the sharing reduction for this employee
3. in the majority of cases where vans are shared, the whole amount at box A will be chargeable but the charge will be allocated between two or more employees

Percentage reduction **H** % Reduction for sharing *round up to next whole number*

G x H
J £

Explanation of basis for sharing reduction

Van benefit charge after reduction for sharing

G minus J
K £

4 Make any reduction for payments for private use of this van

Enter any payments the employee was required to, and did, make for private use of this van in the year

L £

VAN BENEFIT CHARGE FOR THIS VAN IN 2005-06

K minus L
M £

Enter the figure at box M in box 1.18 in section G of form P11D.

If the employee had more than one van available in the year, add together all the figures at box M on each working sheet, then transfer the total to box 1.18 in section G of form P11D.

5 VAN FUEL BENEFIT CHARGE

This has no practical impact in 2005-06 or 2006-07 and the form for those years therefore excludes it.

The form will be redesigned for the 2007-08 tax year to include both the revised van benefit charge, which will no longer be related to the age of the van, and the van fuel benefit charge.

Note to employer

You do not have to use this form but you may find it a useful way to calculate the cash equivalent for each car made available to a director or an employee who earned at a rate of £8,500 a year or more during the year 2006-07 (that is 6 April 2006 to 5 April 2007).

A separate form is needed for each car provided to the director or employee during 2006-07.

Read the *P11D Guide* before you complete this form. It refers to paragraphs in *Helpbook 480(2007)*.

You are advised to keep a copy of each completed working sheet as it could help you to deal with enquiries. You do not have to give a copy of the completed working sheet to the director or employee, or to your HM Revenue & Customs office. But you must fill in forms *P11D* and *P11D(b)* 'Return of Class 1A National Insurance contributions' whether or not you use this form to calculate car and car fuel benefits.

The term employee is used to cover both directors and employees throughout the rest of this form.

Employer details

 Employer name

 Employer PAYE reference

Employee details

 Employee name

 Works number or department

 National Insurance number

The car

 Make of car available to employee

 Model

 Date the car was first registered

 / /

 Was this the only car made available to the employee ✓ Yes No

If 'No' please make sure that working sheets are completed for each car made available to the employee in 2006-07

 If more than one working sheet 2 is completed for this employee, enter the number of sheets here

1 List price of the car

Complete box A as follows

- enter the list price of the car as published by its manufacturer, importer or distributor
- if the car had no list price when it was first registered you need to enter the notional price. That is, the price which might reasonably be expected to be its list price on that date if the car's manufacturer, importer or distributor had published a list price for an equivalent car for a single retail sale in the UK
- if the car is a classic car, enter the price that the car might reasonably be expected to fetch if you sold it on the open market on 5 April 2007. If the car was unavailable to the employee on 5 April 2007 then use the last day in the tax year 2006-07 that it was available to the employee. For this purpose, assume that all the qualifying accessories available on the car are included in the sale. A classic car is one which
 - is at least 15 years old on 5 April 2007
 - has a market value of at least £15,000, and
 - has a market value which is higher than the original list or notional price (including accessories).

Price of the car including standard accessories

DRAFT
A £
2 Accessories

 Price of all accessories see *P11D Guide* and paragraphs 12.7-12.14 of *Helpbook 480(2007)*
B £
A + B
C £
3 Capital contributions

 Capital contributions made by the employee towards the cost of the car or the accessories *max £5,000*
D £
4 The price used to calculate the car benefit charge for 2006-07

This box is subject to a maximum of £80,000

C minus D
E £

5 Calculating the appropriate percentage

The appropriate percentage depends on when the car was first registered, the type of fuel used and whether it has an approved CO₂ emissions figure.

Approved CO₂ emissions figure, if the car has one *unrounded*, for example 188

F g/km

Enter the key letter (B, C, D, E, H, L or P) for the car's fuel or power type from table 1 below.

TABLE 1

Key letter	Fuel or power type description
P	Petrol
D	Diesel car not approved to Euro IV emissions standard
L	Diesel car approved to Euro IV emissions standard
E	Electric Only
H	Hybrid electric (combination of petrol engine and electric motor)
B	Gas only or bi-fuel car with approved CO ₂ emissions figure for Gas when first registered
C	Conversion and all other bi-fuel cars with approved CO ₂ emissions figure for Petrol only when first registered

DRAFT**Next step**

- for cars registered on or after 1 January 1998 **with** an approved CO₂ emissions figure, **Go to section 5a**
- for cars registered on or after 1 January 1998 **without** an approved CO₂ emissions figure, **Go to section 5b**
- for cars registered before 1 January 1998, **Go to section 5c**.

5a Cars registered on or after 1 January 1998 with an approved CO₂ emissions figure

Note: Fuel type E (electric) cars do not have an approved CO₂ emissions figure. **Go straight to section 5b**

Approved CO₂ emissions figure in box **F**, rounded down to the next lowest 5g/km, for example 185

G g/km

Stage 1 - using table 2 below, use the figure in box **G** to work out the percentage to enter in box **H**

- use column 1 for
 - all cars in fuel types B, C, H and P
 - cars in fuel type L which were first registered before 1 January 2006
- use column 2 for
 - all cars in fuel type D
 - cars in fuel type L which were first registered on or after 1 January 2006.

H %

TABLE 2

CO ₂ emissions (g/km)	Column 1 (%)	Column 2 (%)	CO ₂ emissions (g/km)	Column 1 (%)	Column 2 (%)	CO ₂ emissions (g/km)	Column 1 (%)	Column 2 (%)
140*	15	18	175	22	25	210	29	32
145	16	19	180	23	26	215	30	33
150	17	20	185	24	27	220	31	34
155	18	21	190	25	28	225	32	35
160	19	22	195	26	29	230	33	35
165	20	23	200	27	30	235	34	35
170	21	24	205	28	31	240*	35	35

*These are the minimum and maximum CO₂ values for which different percentages apply. Use these values if the figure at box **G** is less than the minimum or greater than the maximum.

Stage 2 - calculate reductions for alternative fuel/power types *fuel type letters H and B only*

- fuel type H - insert 3% in box **J**
- fuel type B - insert 2% in box **J**

J %

Appropriate percentage

Go straight to section 6 - do not complete sections 5b or 5c

N %
H minus J

5b Cars registered on or after 1 January 1998 without an approved CO₂ emissions figure

- Stage 1** - using table 3 below, work out the percentage to enter in box H
- use column 1 for
 - all cars in fuel types B,C,H and P
 - cars in fuel type L which were first registered before 1 January 2006
 - use column 2 for
 - all cars in fuel type D
 - cars in fuel L which were first registered on or after 1 January 2006
 - for fuel type E, insert 15%
 - for fuel type B, use section 5a (such cars have CO₂ emissions figure)

H %

Engine size of car (cc)	Column 1 %	Column 2 %
0 - 1400	15	18
1401 - 2000	25	28
over 2000	35	35
all rotary engines	35	35

DRAFT

- Stage 2** - calculate reductions for alternative fuel/power types *fuel type letters H and E only*
- fuel type E - insert 6% in box J
 - fuel type H - insert 3% in box J

J %

Appropriate percentage

Go straight to section 6 - do not complete section 5c

H minus J
N %

5c All cars registered before 1 January 1998

Enter the engine size, then work out the percentage to enter in box N

cc

Engine size of car (cc)	Percentage
0 - 1400	15
1401 - 2000	22
over 2000	32
all rotary engines	32

Appropriate percentage

N %

6 Calculate the car benefit for a full year

Ignore any decimals when completing box P

E x N
P £

7 Make any deductions for days the car was unavailable

If the car was available to the employee for the whole of the tax year, put the figure in box P into box S. If not, state the period for which the car was available

from / / to / /

Total days for which the car was unavailable see P11D Guide and Helpbook 480(2007)

Q

Deduction for unavailability *round up to next whole number*

(P x Q)/365
R £

Car benefit for the period the car was available

P minus R
S £

8 Make any deductions for payments for private use

Enter any required payments made for private use of the car in the year

T £

Car benefit charge for 2006-07 for this car *(ignore any decimals)*

Enter the figure at box U in box 1.16 in section F of form P11D.

If the employee had more than one car available in the year, add together all the figures at box U on each working sheet, then transfer the total to box 1.16 in section F of form P11D.

S minus T
U £

9 Calculate the car fuel benefit charge if appropriate - see P11D Guide

Car fuel benefit charge for the whole of this tax year

£14,400 x N
V £

Calculate any required deductions

Days the car was unavailable *from section 7*

Q

If the provision of fuel was withdrawn and not reinstated later in the year, enter the date and complete box W, otherwise, go to box X

Date the provision of fuel was withdrawn *if applicable*

/ /

Additional days after fuel was withdrawn not already counted in box Q

do not include the same day in both box Q and box W

W

Total days for which no car fuel benefit charge applies

Q + W
X

Deduction *round up to next whole number*

(V x X)/365
Y £

Car fuel benefit charge for 2006-07 for this car

Enter the figure at box Z in box 1.17 in section F of the form P11D.

If the employee had more than one car available in the year, add together all the figures at box Z on each working sheet, then transfer the total to box 1.17 in section F of form P11D.

V minus Y
Z £

DRAFT

Section one To be completed by the employee

Please complete Section one and then hand back the form to your present employer. If you later receive a form P45 from your previous employer, please hand it to your present employer.

YOUR DETAILS PLEASE USE CAPITALS

National Insurance number – this is very important in getting your tax and benefits right

Name

Title - Mr, Mrs, Miss, Ms, other

Surname or family name

First or given name(s)

Male or Female

Date of birth

Address

Postcode

House or flat number

Rest of address, including house name or flat name

YOUR PRESENT CIRCUMSTANCES

Please read all the following statements carefully and tick **the one** that applies to you.

A – This is my first job since last 6 April and I **have not** been receiving taxable Jobseeker's Allowance or taxable Incapacity Benefit or a state or occupational pension.

OR

B – This is now my only job, but since last 6 April I **have** had another job, or have received taxable Jobseeker's Allowance or Incapacity Benefit. I do not receive a state or occupational pension.

OR

C – I have another job or receive a state or occupational pension.

STUDENT LOANS

If you left a course of Higher Education before last 6 April and received your first Student Loan instalment on or after 1 September 1998 and you have not fully repaid your student loan, please tick box D.

(If you are required to repay your Student Loan through your bank or building society account please do **not** tick box D.)

SIGNATURE AND DATE

I confirm that this information is correct

Signature

Date

Now please hand the signed form to your present employer

