

PAYSLIPS AND CODING NOTICES

This Help Sheet tells you where to get information to help you:

- enter the correct pay and tax details in the Employment Pages of your Tax Return, and
- if you have decided to calculate your tax,
 - enter figures in boxes w75 and w79 in the standard Tax Calculation Guide Working Sheet, or
 - enter figures in boxes c7.50 and c7.54 in the Comprehensive Tax Calculation Guide Working Sheet, and
 - fill in boxes 18.1 and 18.2 on page 7 of your Tax Return.

PAY AND TAX DETAILS

You might have several documents which show pay and tax details for employments you had in the tax year. Remember, if you had more than one employment in the tax year you have to complete separate sets of Employment Pages - see the Notes on Employment. Documents you might have are:

- a P60 if you were in employment on 5 April - see the example on page 2. Each employer for whom you worked on that date should give you a P60 by 31 May
- a P45 (Part 1A) if you left any job during the year - see the example on page 3. Each time you leave a job your employer should give you three parts of a P45. You should have kept Part 1A and given Parts 2 and 3 to your next employer, if you started a new job in the tax year
- payslips. Most employers give employees payslips when their wage or salary is paid. These show details of pay and tax, sometimes just for the pay period, but often from the beginning of the tax year, or the start of the job. Although it is a good idea to keep these slips, the P60s and P45s should provide you with the information you need for completing your Tax Return.

P60

Employers are allowed to design their own form, as long as they agree it with us. But whatever the design, the information you need for your Tax Return will be shown on it somewhere. The P60 End of Year Certificate shown below is our standard design. It shows the information required to complete the Employment Pages of your Tax Return.

P60 End of Year Certificate

Tax year to 5 April 2006

To the employee:
Please keep this certificate in a safe place as you will need it if you have to fill in a Tax Return or make a claim for Tax Credits.

It also helps you check that your employer is using the correct National Insurance number and deducting the right rate of National Insurance contributions.

By law you are required to tell the Inland Revenue about any income that is not fully taxed, even if you are not sent a Tax Return.

INLAND REVENUE

The figures marked ★ should be used for your Tax Return, if you get one

Employee's details

Surname:
Forenames or initials:
National Insurance number:
Works/payroll number:

Pay and Income Tax details

	Pay £ p	Tax deducted £ p
In previous employment(s)	1,820 00	235 54
In this employment	★ 12,461 54	★ 1,657 90
Total for year		

Employee's Widows & Orphans/Life Assurance contributions in this employment: ★
Final tax code:

National Insurance contributions in this employment

NIC table letter	Earnings up to and including the Earnings Threshold (where earnings are equal to or exceed the Lower Earnings Limit) £	Earnings above the Earnings Threshold, up to and including the Upper Earnings Limit £	Employee's contributions £ p
A	4,235	8,943	986.15

Statutory payments included in the pay 'In this employment' figure above

	£ p	£ p	£ p
Statutory Maternity Pay			
Statutory Paternity Pay			
Statutory Adoption Pay			

Other details

Student Loan Deductions in this employment (whole £s only):
Tax Credits in this employment:
To employee

JANE DOE
64 ST GEORGE'S ROAD
LONDON
SW3 4LD

Your employer's full name and address (including postcode):
VFM LTD
36 SOHO GARDENS
LONDON
W1V 4LD

Employer's PAYE reference:

Certificate by Employer/Paying Office:
This form shows your total pay for Income Tax purposes in this employment for the year.
Any overtime, bonus, commission etc, Statutory Sick Pay, Statutory Maternity Pay, Statutory Paternity Pay or Statutory Adoption Pay is included.

If there are any figures in these boxes, you will need to refer to P45s (Part 1A) (see page 3) before completing a set of Employment Pages for any previous job(s).

On the set of Employment Pages that apply to this P60, enter these figures in boxes 1.8 and 1.11.

Enter in your Employment Pages only the figure of pay used by your employer to calculate your tax deductions. This is usually described on your P60 as 'In this employment' or 'This employment pay for tax purposes'. To arrive at this figure your employer will usually have deducted from your gross pay certain items, such as your pension contributions (and gifts to charity under Payroll Giving). Some employers show the pension contributions you have paid. (Make sure that you do not include these contributions in the figures you give for employment income in your Employment Pages.)

HMRC 12/05 net

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P45 (Part 1A)

You should have a P45 (Part 1A) for each job you had during the year other than one for which you got a P60 (because you were in that employment on 5 April). A **separate set** of Employment Pages must be completed for **each** of your previous employments. P45s are the easiest way to find the figures for the set of Employment Pages for each of your previous employments.

P45 (Part 1A) looks like this.

If there are no entries at item 8, copy these figures to boxes 1.8 and 1.11 on the set of Employment Pages that apply to this P45.

If there are entries at item 8, copy the figures to boxes 1.8 and 1.11 on the Employment Pages for this P45, and ignore any shown at item 7.

Inland Revenue		Details of employee leaving work Copy for employee ★		P45 Part 1A
1 PAYE Reference	Office number 123	Reference number 456789		
2 Employee's National Insurance number	AB 12 34 56 C <small>(Mr Mrs Miss Ms Other)</small>			
3 Surname	SMITH Miss			
First name(s)	A. B.			
4 Leaving date	Day 31	Month 1	Year 2006	5 Continue Student Loan Deductions(Y)
6 Tax Code at leaving date. 'X' in the box means Week 1 or Month 1 basis applies.	Code 432T <small>Week 1 or Month 1</small>			
7 Last entries on Deductions Working Sheet (P11). If there is an 'X' at item 6, there will be no entries here.	Week or month number 43			
	Total pay to date	£	21,937	00 p
	Total tax to date	£	3,840	01 p
8 This employment pay and tax. <input type="checkbox"/> If no entry here, the amounts are those shown at item 7.	Total pay in this employment	£		p
	Total tax in this employment	£		p
Works number/ Payroll number	10 Department or branch, if any			
Employee's private address and Postcode				
12 Employer's name, address and Postcode	X4Z Limited 120 HIGH STREET ANYTOWN X41 2PQ			
Date				

To the employee

Detach this Part and keep it safe. Copies are not available.

This form is important to you. Take good care of it. You may need the information shown on Part 1A when completing any Tax Return you are sent at the end of the tax year.

P45

Please also read the notes on Part 2 attached. Those notes give some important information about what you should do next and what to do with Parts 2 and 3.

To the new employer

If your new employer gives you this form please detach this Part 1A and return it to them. Deal with Parts 2 and 3 normally.

Payslips

It will probably be more difficult to find the right figures in your payslips than to use P60s and P45s. But payslips can be a useful way to check that the figures you have used are the right ones.


COLLECTING TAX UNPAID FOR EARLIER YEARS THROUGH YOUR PAYE CODE FOR ANOTHER YEAR

You should have kept all the PAYE coding notices, forms P2, which you received from us. Your tax code for the tax year may have been adjusted to collect tax unpaid in an earlier year. Similarly, your tax code for the year after the tax year may have been adjusted to collect tax for the Tax Return year. The latest coding notice for each tax year will show the amount of the tax that is being collected in this way, as illustrated below. If you are calculating your own tax bill on your Tax Return, take the amount of these underpayments into account or your tax bill will be too high. You should therefore refer to:

- the last P2 you received for the Tax Return year
- the last P2 you have received for the year **after** the Tax Return year.

If you did not keep your last P2, or have lost it, contact us.

A Coding Notice, P2, looks like this.



PAYE Coding Notice

P2(T)

Tax code for tax year

2005-2006

Please keep all your coding notices. You may need to refer to them if you have to fill in a Tax Return. Please also quote your tax reference and National Insurance number if you contact us.

Mr A Taxpayer
The Larches
9 The Avenue
LONDON
SW25 2NR

Mr A N Inspector
HM Inspector of Taxes
London Provincial 47
Central Houses
ANYTOWN AN2 3PS

HM Revenue & Customs office phone
01900 24680

Date of issue
11 JUN 2005

Tax reference
899/A/122/H

National Insurance number
QQ123456A

Your tax code for the year shown above is 299T

This tax code is used to deduct tax payable on your income from
ALBATROSS HOLDINGS PLC

If you move to another job, your new employer will normally continue to use this tax code. The tax code is worked out as follows:

See note	Your tax allowances	£
1	PERSONAL ALLOWANCE	4895
A Total allowances		4895

See note	Amounts taken away from your total allowances	£
33	UNPAID TAX	250
30	CAR BENEFIT	750
39	UNPAID TAX	750
B Total deductions		1750

C Your tax free amount for the year is £ **3145** , making your tax code **314T** see example overleaf

If necessary we will use this box to give you further information about your tax code

Your tax code has changed. Your tax free amount has gone down. You will pay more tax for the rest of this year. Our estimate of the underpayment for the earlier part of the year is £150. We will normally collect any underpayment by making an adjustment to your tax code for the next tax year.

If you calculate your tax, copy this figure, from the latest P2 for the Tax Return year, to box w75 (or box c7.50) in the Tax Calculation Guide Working Sheet and to box 18.1 on page 7 of your Tax Return.

If you calculate your tax, copy this figure from the latest P2 you have received for the Tax Return year to box w79 (or box c7.54) in your Tax Calculation Guide Working Sheet and to box 18.2 on page 7 of your Tax Return.

These notes are for guidance only, and reflect the position at the time of writing. They do not affect any rights of appeal.