

## My employer or pension payer has not deducted enough tax. What should I do?

Most employers and pension payers deduct PAYE tax correctly but sometimes they make mistakes. For example, they operate the wrong tax code, add up pay figures incorrectly or mistype pay figures.

If you think your employer has made a mistake or not taken reasonable care to operate the correct tax code, they may have to pay the tax instead of you. If you think this may have happened, please **write** to us at the address shown on the tax calculation telling us why you think your employer or pension payer has made a mistake. We will tell you as soon as possible what we have decided to do and how this affects you.

## I have underpaid tax because HMRC made a mistake or did not act on information it held. What should I do?

In certain circumstances we can agree not to collect tax from you if we have failed to make use of information from you or a third party for a complete tax year since it was sent to us and it was reasonable for you to think your tax affairs were in order. If you think this is the case get in touch with us straightaway and tell us the full details. We will then decide if you have to pay the tax we have asked you to pay.

There is more information at <http://www.hmrc.gov.uk/esc/esc.htm>

## I owe money. How will you collect it?

If your tax calculation says that we will include any tax you owe in your tax code, we will collect the tax in equal instalments. We do this by increasing the tax deducted from your wages, salary or pension for 12 months from next April. You do not need to do anything further. If your tax calculation does not say that we will include any tax you owe in your tax code, we will write to you about how to pay. If you would like to pay now, please phone us.

## Paying my underpayment or collecting it through my tax code will cause me financial difficulty

If you need more time to pay the tax you owe us, get in touch with us straightaway to find out more about payment options. Changing the way you pay us will not affect your tax credits but it might affect your entitlement to other means-tested benefits. If you are on means-tested benefits you will need to tell your benefits provider about any changes in your income after tax or in your capital as a result of paying us the tax you owe. You might want to get your benefit provider's advice before changing the way you pay your underpaid tax.

### Your rights and obligations

Your **Charter** explains what you can expect from us and what we expect from you.

There is more information at <http://www.hmrc.gov.uk/charter/index.htm>

## Contact us

By phone

**0845 3000 627**

Phoning from abroad

**+44 135 535 9022**

Internet

<http://www.hmrc.gov.uk/index.htm>

To request a tax calculation or these notes in Braille, large print, audio on CD, text on CD

**0845 3000 627**

Text relay service

**18001** and the phone number shown on your tax calculation

Textphone

**0845 302 1408**

Welsh language

**0845 302 1489**

### Warning - Contact by e-mail

HMRC will never send tax repayments or ask you to disclose personal or payment information by e-mail. If you have received an e-mail claiming to be from us and you suspect it may be fraudulent, please forward it to [phishing@hmrc.gsi.gov.uk](mailto:phishing@hmrc.gsi.gov.uk)

## Additional help outside HMRC

If you need further help or advice or more information you can go to a professional advisor or voluntary organisation.

There is more information at

[http://www.direct.gov.uk/en/DI1/Directories/UsefulContactsByCategory/MoneyTaxAndBenefits/Contacts/DG\\_10026996](http://www.direct.gov.uk/en/DI1/Directories/UsefulContactsByCategory/MoneyTaxAndBenefits/Contacts/DG_10026996)

If you have a debt problem many organisations offer free and independent debt advice over the phone or face to face. They can help you work out the best way to deal with your debts and answer and questions you have.

There is more information at <http://www.direct.gov.uk/en/MoneyTaxAndBenefits/ManagingDebt/index.htm>

# Rates of tax and allowances for 2005-2012

Allowances	2011-12	2010-11	2009-10	2008-09	2007-08	2006-07	2005-06
Personal Allowance (1)	£7,475	£6,475	£6,475	£6,035	£5,225	£5,035	£4,895
Income limit on personal allowance	£100,000	£100,000	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
Blind Person's Allowance	£1,980	£1,890	£1,890	£1,800	£1,730	£1,660	£1,610

## Allowances for people who are 65-74 years old at 6 April

Personal Allowance (1), (2)	£9,940	£9,490	£9,030	£9,030	£7,550	£7,280	£7,090
Married Couple's Allowance (2)	Not applicable	Not applicable	Not applicable	Max £6,535 at 10% Min £2,540 at 10%	Max £6,285 at 10% Min £2,440 at 10%	Max £6,065 at 10% Min £2,350 at 10%	Max £5,905 at 10% Min £2,280 at 10%

## Allowances for people who are 75 and over at 6 April

Personal Allowance (1), (2)	£10,090	£9,640	£9,640	£9,180	£7,690	£7,420	£7,220
Married Couple's Allowance (2)	Max £7,295 at 10% Min £2,800 at 10%	Max £6,965 at 10% Min £2,670 at 10%	Max £6,965 at 10% Min £2,670 at 10%	Max £6,625 at 10% Min £2,540 at 10%	Max £6,365 at 10% Min £2,440 at 10%	Max £6,135 at 10% Min £2,350 at 10%	Max £5,975 at 10% Min £2,280 at 10%

## Income limit \*for all age-related allowances

	£24,000	£22,900	£22,900	£21,800	£20,900	£20,100	£19,500
--	---------	---------	---------	---------	---------	---------	---------

## Rates

Starting Rate	Not applicable	Not applicable	Not applicable	Not applicable	£0-2,230 at 10%	£0-2,150 at 10%	£0-2,090 at 10%
Basic Rate	£0-35,000 at 20%	£0-37,400 at 20%	£0-37,400 at 20%	£0-34,800 at 20%	£2,231-34,600 at 22%	£2,151-33,300 at 22%	£2,091-32,400 at 22%
Higher Rate	£35,001-150,000 at 40%	£37,401-150,000 at 40%	£37,401 at 40%	£34,801 at 40%	£34,601 at 40%	£33,301 at 40%	£32,401 at 40%
Additional Rate	£150,001 at 50%	£150,001 at 50%	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable

## Savings rates

Starting Rate for Savings (3)	£0-2,560	£0-2,440 at 10%	£0-2,440 at 10%	£0-2,320 at 10%	Not applicable	Not applicable	Not applicable
-------------------------------	----------	-----------------	-----------------	-----------------	----------------	----------------	----------------

## Dividend incomes rates

Ordinary Rate	£0-35,000 at 10%	£0-37,400 at 10%	£0-37,400 at 10%	£0-34,800 at 10%	£0-34,600 at 10%	£0-33,300 at 10%	£0-32,400 at 10%
Upper Rate	£35,001-150,000 at 32.5%	£37,401-150,000 at 32.5%	£37,401 at 32.5%	£34,801 at 32.5%	£34,601 at 32.5%	£33,301 at 32.5%	£32,401 at 32.5%
Additional Rate	£150,001 at 42.5%	£150,001 at 42.5%	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable

(1) From the 2010-11 tax year the Personal Allowance reduces where the income is above £100,000 – by £1 for every £2 of income above the £100,000 limit. This reduction applies irrespective of age.

(2) These allowances reduce where the income is above the income limit \* – by £1 for every £2 of income above the limit. However they will never be less than the basic

Personal Allowance (subject to the separate £100,000 income limit – see footnote (1)) or minimum amount of Married Couple's Allowance.

(3) If your non savings income exceeds your personal allowance by more than this limit, the 10% rate will not apply.