

Introduction

In his Budget on 21 March 2012, the Chancellor of the Exchequer confirmed the announcements made in his Autumn Statement on 29 November 2011 on Personal Allowances, Income Tax rates and Income Tax bandwidths for 2012-13. There is a change to the 2012-13 car fuel benefit charge for employees and directors who are provided with a company car and receive fuel for private use. The car fuel benefit multiplier is increased from £18,800 to £20,200 for the tax year 2012-13. We will issue revised tax codes for those individuals affected by this change.

What you must do before 18 May 2012

1. For every employee make sure you have a P11 *Deductions Working Sheet*, or equivalent record (if you are using a payroll software package, or the Basic PAYE Tools to calculate tax deductions). If you take on a new employee before 18 May 2012, go to www.hmrc.gov.uk/payee/employees/start-leave/new-employee-p45.htm
2. Use the information given on P9X(2012) *Tax codes* to use from 6 April 2012 to enter the correct tax code on the P11 *Deductions Working Sheet* or equivalent record.
P9X(2012) is available online to download or print, go to www.hmrc.gov.uk/helpsheets/p9x.pdf If you don't have internet access, you can phone the Employer Orderline on **08457 646 646**.
3. Apply any tax codes that we send to you on form P6(T), or electronic notification dated 3 May 2012 or earlier.

What you must do on the first payday after 17 May 2012

Budget tax codes

New electronic notifications of coding or form P6(T) will be issued for those employees affected

Use the tax code shown on any new tax code notice dated from 4 May 2012 up to and including 10 May 2012. No further tax code notices will be sent until after 18 May 2012.

Employees without a new Budget tax code electronic notification of coding, or form P6(T)

Continue to use the tax code on the P11 *Deductions Working Sheet* or equivalent record.

Tax code notices dated after 18 May 2012

If you receive a tax code notice dated after 18 May 2012 for any employee use the tax code on the notice from the next payday in the normal way.

Income Tax rates and Income Tax bandwidths

The Income Tax rates and Income Tax bandwidths which are to be used from 6 April 2012 are also included on P9X(2012).

Payroll software

If you use payroll software you should **continue to use** software which incorporates the changes from 6 April 2012.

If you are unsure, please check with your software provider.

Basic PAYE Tools

The Basic PAYE Tools will be updated during the week starting 14 May 2012. If you are connected to the internet and have the automatic update feature selected the tools will check for automatic updates when you open them. To find out more about the tools and how to update them, go to www.hmrc.gov.uk/basicpayetools

Manual payroll

Our PAYE Calculator has been updated from 6 April 2012, go to www.hmrc.gov.uk/calcs/payee.htm If you use Taxable Pay Tables you must use Calculator Tables (April 2012) or Tables B to D (April 2012) from 6 April 2012. The Pay Adjustment Tables - Tables A (1993) have not been changed.

The tax tables are available in an easy to print format, go to www.hmrc.gov.uk/payee/forms-publications.htm

If you don't have internet access, you can phone the Employer Orderline on **08457 646 646**.