

Understanding your P800 Tax Calculation

- These notes are to help you understand and check that the details on your tax calculation are correct and complete. The numbered notes match the 'See Note' section on your P800 calculation.
- The tax calculation shows your total income, the allowances due to you and the amount of tax you have paid. It will show you if HMRC believes you have paid too much tax (overpaid) or too little tax (underpaid) at the end of each tax year.
- There is information about how any tax you have overpaid will be sent to you and how any tax you owe will be collected.
- There is information about what to do if you think something is wrong.
- There is more information at <http://www.hmrc.gov.uk/P800>

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Your income

2 This section shows all your income and the tax paid on that income from:

- jobs or pensions. You can check the details against the P60s your employer or pension payer give you.
- the Department for Work and Pensions (DWP). State Pension, Incapacity Benefit (unless you started receiving it before April 1995), Job Seeker's Allowance and Employment Support Allowance (Contributory) are taxable benefits paid by DWP. You should use letters sent from DWP to check the information on the calculation.

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

- investments such as interest from savings accounts or income from a property you rent out. You can check the amounts of interest from your bank or building society statements.

There is more information at <http://www.hmrc.gov.uk/incometax/taxable-income.htm>

3 Taxable expenses payments

This is the taxable part of any cash expenses you received from your employer.

4 Benefits provided by your employer

This is the value of any benefits provided by your employer such as a company car or paid for membership of a private medical scheme. You can check the details against your copy of the P11D or P9D your employer gives you.

There is more information at <http://www.hmrc.gov.uk/working/bens-shares-tips/benefits.htm>

Deductions from income

5 Tax relief for expenses

This is a deduction for expenses that you pay in doing your job such as:

- professional subscriptions
- flat rate expenses agreed between your employer and HMRC
- maintenance for tools
- special working clothes
- travel expenses you incur while doing your job.

There is more information at <http://www.hmrc.gov.uk/incometax/tax-allow-ees.htm>

6 Retirement annuity payments

This is a tax relief for payments you make for an annuity in later life where you have not already had tax relief.

There is more information at <http://www.hmrc.gov.uk/incometax/relief-pension.htm>

7 Death and superannuation benefits

If your employer, the assurance company or friendly society has not already given you the relief on your contributions, we will show it here.

Tax allowances

8 Personal allowance

This is the amount of income you can have tax free. You are only entitled to one personal allowance, but you can split the allowance between your jobs or pensions. The personal allowance due to you will depend on your age and the total amount of your income. A table setting out the different personal allowances due and the rates at which tax is charged is on page 4.

9 Blind person's allowance

This allowance is not restricted by age or income, nor do you have to be completely blind to qualify for the allowance. Your husband, wife or civil partner can transfer their unused Blind Person's Allowance to you.

There is more information at <http://www.hmrc.gov.uk/incometax/blind-person-allow.htm>

Income tax chargeable

10 The tax you pay depends on the amount of your income once your deductions and allowances have been taken off. This is the amount on which we work out how much tax you pay. A table setting out the rates of tax charged on different levels of income is on page 4.

Adjustments

This section includes:

11 any tax for an earlier tax year you owe or we owe you that we have not yet collected or repaid to you.

12 any amount of married couple's allowance due. This is an allowance due to married couples or civil partners who were born before 6 April 1935.

The amount due depends on the level of your total income. Please refer to the table on page 4.

13 any relief due for maintenance payments. This can only be claimed by a former wife, husband or civil partner born before 6 April 1935.

There is more information at <http://www.hmrc.gov.uk/incometax/maintenance-relief.htm>

14 any relief due for interest paid on certain loans.

The result

15 If your tax calculation shows that you have underpaid tax it means that you owe tax.

- if you get a P800 calculation for more than one year, we show the total amount due for all years at note 15 of the latest year
- we will normally collect the amount you owe by including it in your tax code for the tax year starting on the following 6 April
- if for some reason we can't do this, we will contact you separately.

If paying the amount back over one year causes you financial difficulties, get in touch with us so we can discuss alternative payment arrangements.

16 If your tax calculation shows that you have overpaid tax it means that we owe you money. We will either:

- send you a cheque for the amount within 14 days of the date shown on the tax calculation. (If the repayment covers more than one tax year, we will send you **one** cheque which will cover all the years we have reviewed), or
- carry the amount forward into a tax calculation for a later year.

There is more information at <http://www.hmrc.gov.uk/incometax/understand-refund.htm>

17 We pay you interest when you have paid too much tax and we delay your repayment. For the year to 5 April 2011 we will add interest to your repayment if we do not repay you until 1 February 2012 or later.

What to do if you think something is wrong

I think the P800 tax calculation includes incorrect amounts, what should I do?

Get in touch with us straightaway. There may be occasions where we have included an estimate for income or allowances because we don't have all the latest information we need to work out your tax correctly. This may mean that the underpayment or overpayment shown on your tax calculation is wrong. If you let us have the correct figure we will send you a new calculation.