

Tax Table changes

Following changes to the Income Tax bandwidths new Tax Tables must be used from 6 April 2009

Income tax rates and bandwidths are:

Rate	%	Bandwidth
Basic Rate	20%	£1 to £37,400
Higher Rate	40%	£37,401 and above

- The new threshold (starting point) for PAYE is £125 per week (£540 per month).
- The new emergency code is 647L.

The P11 Calculator on the Employer CD-ROM has been updated to include these changes. If you use:

- Payroll software – make sure that it incorporates the changes from 6 April 2009 and if you are not sure, check with your software supplier.
- Tax Tables – use the new Calculator Tables (April 2009) or Taxable Pay Tables (April 2009) and continue to use Tax Tables A (1993), which have not been changed.

Get ready for the new tax year starting on 6 April

For each employee you will need to:

- prepare a form P11 *Deductions Working Sheet* (or equivalent record) for each employee who will be working for you on 6 April
- identify the correct tax code to use in the new tax year
- enter the correct tax code in box L of the P11 (or equivalent record).

Follow the same steps if you use payroll software.

When we send a new tax code for any of your employees, you will receive either:

- an Internet notification of coding if you are registered to use our PAYE Online – Internet service. (To view your online notices select the 'tax code notices' link from your PAYE Online service page)
- an Electronic Data Interchange notice of coding, or
- a paper form P9(T) *Notice to employer of employee's tax code*.

Please keep this notice with any new tax codes until you are ready to set up your 2009–10 payroll. We may not send a new tax code for every employee.

What to do if you do not receive a new tax code from us
If we have not sent you tax codes for the new tax year and you were expecting them, please contact your HMRC office for duplicates.

What you need to do before 6 April 2009

Employees without a new tax code

Carry forward the authorised tax code from last year's P11 to the 2009–10 form P11, but if you have received a 2008–09 tax code on a form P6 too late to use in 2008–09 carry forward this code instead.

Add 44 to any tax code ending in L, for example, old tax code 603L becomes 647L.

Do not copy or carry over any 'week 1' or 'month 1' markings.

We have issued revised tax codes to all employees with a tax code ending in V. Please contact your HMRC office immediately if you have not received a revised 2009–10 tax code for any employee with a tax code ending in V.

The P11s for these employees are now ready for the new tax year.

Employees with a new tax code

Keep and use the form P9(T) or other tax code notification with the most recent date for each employee. Please:

- do not add 44 to the tax code where you have a P9(T) or other tax code notification for 2009–10
- scrap any P9(T) or other tax code notification for the same employee with an earlier date
- copy the tax code from the form P9(T) or other tax code notification onto the P11
- update any tax codes where you have received a P9(T) or other tax code notification after you have set up your forms P11.

The P11s for these employees are now ready for the new tax year.

Please turn over

Employee leaving

You do not need to change the tax code for an employee who leaves before 6 April, even if you will be paying the employee after 6 April. Just use the old tax code.

New employees

If an employee starts between 6 April and 24 May, and gives you a P45, follow the instructions on page 2 of the Helpbook E12 *PAYE and NICs rates and limits for 2009-10*.

The Helpbook E12 *PAYE and NICs rates and limits for 2009-10* is available on the Employer CD-ROM, and can also be obtained from the Employer Orderline. Go to www.hmrc.gov.uk/payef/forms-publications.htm

P11 Calculator on the Employer CD-ROM

If you use the P11 Calculator on the Employer CD-ROM you will need to follow the 'Complete End of Year' actions for the 2008-09 P11 Calculator and make sure that you update your employees' tax codes for 2009-10 when opening the 2009-10 P11 Calculator.

Helplines

If you have any problems setting up your payroll please phone one of the Employer Helplines below:

New and inexperienced employers	0845 60 70 143
More experienced employers	08457 143 143
Employers with hearing difficulties please use textphone on	0845 602 1380

Payroll software users

If you program your own software you can find the technical details for 2009-10 in the December 2008 issue of our Notes for Payroll Software Developers.

These Notes are available on our website. Go to www.hmrc.gov.uk/comp

If you would like to receive advance notification about future releases of the Notes to our website or a paper copy, please send your request, including your name and address by email to hmrcnotes@replyservice.co.uk

or you can write to:

Notes for Payroll Software Developers
PO Box 17289
Edinburgh
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