

Calculator and Tax Table changes

Following recent announcements, new PAYE Calculators and Tax Tables must be used from 6 April 2012. Income Tax rates and bandwidths are:

Rate	%	Bandwidth
Basic Rate	20%	£1 to £34,370
Higher Rate	40%	£34,371 to £150,000
Additional Rate	50%	£150,001 and above

- The new threshold (starting point) for PAYE is **£156** per week (**£675** per month).
- The new emergency code is **810L**.

The P11 Calculator is now available from our Basic PAYE Tools, go to www.hmrc.gov.uk/payee/tools/basic-payee-tools.htm and the calculator has been updated to include these rates. If you use:

- **payroll software** - make sure that it incorporates the changes from 6 April 2012 and if you are not sure, check with your software supplier
- **manual payroll** - our internet PAYE Tax Calculator will be updated from 6 April 2012, go to www.hmrc.gov.uk/calcs/payee.htm or, if you still use Tax Tables, use the new Calculator Tables (April 2012) or Taxable Pay Tables (April 2012) and continue to use Tax Tables A (1993), which have not been changed.

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

To help us keep costs down, if you need a paper copy please print one off. If you don't have internet access, you can phone the Employer Orderline on **08457 646 646**.

Introduction

For 2012-13 the basic Personal Allowance will be £8,105 and the basic rate limit will be £34,370. This guidance tells you what you have to do to get ready and when to make the change to suffix L codes.

Get ready for the new tax year starting on 6 April

For each employee who will be working for you on 6 April you will need to:

- prepare a form P11 *Deductions Working Sheet* (or equivalent record)
- 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:

- 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), or
- 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 2012-13 payroll. We will 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 the Employer Helpline - go to Helplines on page 2 for the phone number.

What you need to do before 6 April 2012

Employees without a new tax code

Carry forward the authorised tax code from the 2011-12 form P11 to the 2012-13 form P11 (or equivalent record), **but** if you have received a 2011-12 tax code on a form P6 too late to use in 2011-12 carry forward this code instead.

Add 63 to any tax code ending in L, for example
747L becomes 810L

Do not copy or carry over any 'week 1' or 'month 1' markings. The P11s (or equivalent records) for these employees are now ready for the new tax year.

Please turn over

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:

- 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 (or equivalent record)
- 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 (or equivalent records) for these employees are now ready for the new tax year.

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.

This does not apply to payments made after leaving when you have already given an employee a P45. In these circumstances tax must be deducted using tax code 0T on a non-cumulative basis.

New employees

If an employee starts between 6 April and 24 May, and gives you a P45, follow the instructions at www.hmrc.gov.uk/payee/employees/start-leave/new-employee-p45.htm#2 or the instructions on page 2 of the Helpbook E12(2012) *PAYE and NICs rates and limits for 2012-13*.

This helpbook will be available to download from www.hmrc.gov.uk/payee/forms-publications.htm from February 2012.

Exceptionally, if you don't have access to the internet, copies of the E12 are available from the Employer Orderline on **08457 646 646**.

P11 Calculator

If you use the P11 Calculator, within our Basic PAYE Tools available at www.hmrc.gov.uk/payee/tools/basic-payee-tools.htm You will need to finalise 2011-12 before you can start recording your employees' 2012-13 pay details.

Go to the Employer Database select the Employer Tab and Complete Year End 2011-12. When opening the 2012-13 P11 Calculator use:

- any new tax code we have issued (if you have received more than one, use the one with the most recent date), or
- if no new tax codes are received, follow the details in *Employees without a new tax code* on page 1.

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	0845 602 1380

Payroll software users

If you program your own software you can find the technical details for 2012-13 on our website. Go to www.hmrc.gov.uk/softwaredevelopers/payee/updates.htm