

## PAYSLIPS AND CODING NOTICES

This Help Sheet tells you where to get information to help you:

- enter the correct pay and tax details in the Employment Pages of your Tax Return, and
- if you have decided to calculate your tax,
  - enter figures in boxes W51 and W57 in the Tax Calculation Guide Working Sheet
  - fill in boxes 18.1 and 18.4 on page 7 of your Tax Return.

## PAY AND TAX DETAILS

You might have several documents which show pay and tax details for employments you had in the tax year. Remember, if you had more than one employment in the tax year you have to complete separate sets of Employment Pages - see the Notes on Employment. Documents you might have are:

- a P60 if you were in employment on 5 April - see the example on page 2. Each employer for whom you worked on that date should give you a P60 by 31 May
- a P45 (Part 1A) if you left any job during the year - see the example on page 3. Each time you leave a job your employer should give you three parts of a P45. You should have kept Part 1A and given Parts 2 and 3 to your next employer, if you started a new job in the tax year
- payslips. Most employers give employees payslips when their wage or salary is paid. These show details of pay and tax, sometimes just for the pay period, but often from the beginning of the tax year, or the start of the job. Although it is a good idea to keep these slips, the P60s and P45s should provide you with the information you need for completing your Tax Return.

P60

Employers are allowed to design their own form, as long as they agree it with the Inland Revenue. But whatever the design, the information you need for your Tax Return will be shown on it somewhere. The P60 shown below is the Inland Revenue's standard design. It shows the information required to complete the Employment Pages of your Tax Return.

<b>Do not destroy</b>		<b>P60 Certificate of Pay, Income Tax and National Insurance Contributions</b>	
Employer's name and address <b>MW ENGINEERING 36 SOHO GARDENS LONDON W1V 4LD</b>		Tax Office name <b>LONDON PROVINCIAL 25</b>	
		From Employer/Paying Office: This certificate shows the purposes that I/we have paid to you in the year. Any overtime, sick pay or statutory maternity pay is included. It also gives details of National Insurance contributions deducted by me/us (less any refunds).	
<b>Employee's details</b>		Employee's private address <b>64 ST GEORGE'S LONDON</b>	
National Insurance number	<b>AB 12 34 56 C</b>	Sex	<b>F</b> (M if Male, F if Female)
Surname	<b>DOE</b>		
First two forenames	<b>JANE</b>	<b>MARY</b>	
Works/payroll no. etc	<b>W / 1272</b>		
<b>National Insurance contributions in this employment</b>			
NI contribution table letter	Earnings on which employee's contributions payable (whole £s only)	Total of employee's and employer's contributions payable	Employee's contributions payable
	1a £	1b £ p	1c £ p
<b>A</b>	<b>12,584</b>	<b>2249 . 52</b>	<b>938 . 08</b>
<b>Y</b>		<b>200 . 00</b>	
<b>Pay and Income Tax details</b>			
Employee's Widows & Orphans/ Life Assurance contributions in this employment £ p	In previous employment(s)	£ p	£ p
	<b>In this employment</b>	<b>12,584 . 00</b>	<b>21,103 . 50</b>
	Total for year	<b>12,584 . 00</b>	<b>21,103 . 50</b>
	Final tax code	<b>352L</b>	
<p>Figures shown here should be used for your tax return, if you get one</p>		<p>If net refund enter "R" in this box</p>	

If there are any figures in these boxes, you will need to refer to P45s (Part 1A) (see page 3) before completing a set of Employment Pages for any previous job(s).

On the set of Employment Pages that apply to this P60, enter these figures in boxes 1.8 and 1.11

Enter in your Employment Pages only the figure of pay used by your employer to calculate your tax deductions. This is usually described on your P60 as 'In this employment' or 'This employment pay for tax purposes'. To arrive at this figure your employer will usually have deducted from your gross pay certain items, such as your pension contributions (and charitable donations). Some employers show the pension contributions you have paid. (Make sure that you do not include these contributions in the figures you give for employment income in your Employment Pages.)

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**P45 Part 1A**

You should have a P45 (Part 1A) for each job you had during the year other than one for which you got a P60. A separate set of Employment Pages will need to be completed for each of your previous employments, and these forms are the easiest way to find the figures you need to complete a set of Employment Pages for each of your previous employments.

P45 Part 1A looks like this.

On the set of Employment Pages that apply to this P45, enter these figures in boxes 1.8 and 1.11.

There may not be any entries here. This is because the job was the only job you had since 5 April and therefore the entries at item 6 on the form are the pay and tax in 'this employment'. You should therefore put the figures at item 6 on the form in boxes 1.8 and 1.11.

		<b>Details of employee leaving work</b> <b>Copy for employee ★</b>		<b>P45</b> <b>Part 1A</b>
1 PAYE Reference	District number	Reference number		
	123	456789		
2 Employee's National Insurance number	YY 11 22 33 C			
3 Surname	SMITH (Mr Mrs Miss Ms) Miss			
First name(s)	A. B.			
4 Leaving date	Day	Month	Year	
	31	1	19 98	
5 Tax Code at leaving date. 'X' in the box means Week 1 or Month 1 basis applies	Code 432T Week 1 or Month 1			
6 Last entries on Deductions Working Sheet (P11) If there is an 'X' at item 5, there will be no entries here	Week or month number	10		
	Total pay to date	£ 21,937 26 p		
	Total tax to date	£ 4,113 17 p		
7 This employment pay and tax. If no entry here, the amounts are those shown at item 6	Total pay in this employment	£ p		
	Total tax in this employment	£ p		
<b>★ To the employee . . . . .</b> This form is important to you, so take good care of it. You may need the information shown on Part 1A when completing any Tax Return you are sent at the end of the tax year. Please also read the notes on Part 2 attached to this Part 1A. Those notes give some important information about what you should do next and what to do with Parts 2 and 3.				
Detach this Part 1A and keep it safe Copies are not available				
Employer's name, address and Postcode	XYZ Limited 120 HIGH STREET ANYTOWN XY1 2PQ			
<b>To the new employer</b> If your new employee gives you this form please detach this Part 1A and return it to the employee. Deal with Parts 2 and 3 normally.				

**IR208 (NET) Payslips**

It will probably be more difficult to find the right figures in your payslips than to use P60s and P45s. But payslips can be a useful way to check that the figures you have used are the right ones.

**COLLECTING TAX UNPAID FOR EARLIER YEARS THROUGH YOUR PAYE CODE FOR ANOTHER YEAR**


You should have kept all the PAYE coding notices, forms P2, which you received from the Inland Revenue. Your tax code for the tax year may have been adjusted to collect tax unpaid in an earlier year. Similarly, your tax code for the year after the tax year may have been adjusted to collect tax for the Tax Return year. The latest coding notice for each tax year will show the amount of the tax that is being collected in this way, as illustrated below. If you are calculating your own tax bill on your Tax Return, you need to take the amount of these underpayments into account or your tax bill will be too high. You should therefore refer to:

- the last P2 you received for the Tax Return year
- the last P2 you have received for the year after the Tax Return year.

If you did not keep your last P2, or have lost it, contact your Tax Office.

A Coding Notice, P2, looks like this.

If you calculate your tax, copy this figure from the latest P2 for the Tax Return year to box W51 on the Working Sheet in the Tax Calculation Guide and to box 18.1 on page 7 of your Tax Return.



**Mr A Taxpayer**  
The Larches  
9 The Avenue  
LONDON  
SW25 2NR

**PAYE Coding Notice**

This form shows your tax code for the tax year 1997-98

Please keep all your coding notices. You may need to refer to them if you have to fill in a Tax Return.

**Mr A N Inspector**  
HM Inspector of Taxes  
London Provincial 47  
Central Houses  
ANYTOWN AN2 3PS

Please quote your Tax reference and National Insurance number if you contact us

Your tax code for the year shown above is 298T

This tax code is used to deduct tax payable on your income from **ALBATROSS HOLDINGS PLC**

If you move to another job, your new employer will normally continue to use this tax code. The tax code is made up as follows:

See note	Your tax allowances	£	See note	Amounts taken away from your total allowances	£
1	PERSONAL ALLOWANCE	4045	33	UNTAXED INTEREST	250
1	MARRIED ALLOWANCE	1830	30	CAR BENEFIT	750
			39	UNPAID TAX £300.00	750
			25	ALLOWANCE RESTRICTION	1143
<b>Total allowances</b>		<b>5875</b>	<b>Total deductions</b>		<b>2893</b>

The 'See note' columns below refer to the numbered notes in the guidance leaflet P3 Understanding Your Tax Code. Leaflet P3 also tells you about the letter part of your tax code.

Check that the details are correct. If you think they are wrong, or you have any queries, contact your Tax Office (details above).

This coding notice replaces any previous notice for the year. You should pass it to your tax adviser if you have one.

Your tax free amount for the year is £ 2982 , making your Tax Code 298T
See example overleaf

*The Tax free amount is the difference between your Total allowances and Total deductions.*

*If necessary we will use this box to give you further information about your tax code*

If you calculate your tax, copy this figure from the latest P2 you have received for the year after the Tax Return year to box W54 in your Tax Calculation Guide Working Sheet and to box 18.2 on page 7 of your Tax Return.

Your tax code has changed. Your tax free amount has gone down. You will pay more tax for the rest of this year. Our estimate of the underpayment for the earlier part of the year is £150. We will normally collect any underpayment by making an adjustment to your tax code for the next tax year.

Please keep this form

These notes are for guidance only, and reflect the position at the time of writing. They do not affect any rights of appeal.