

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 C11.61 and C11.64 in the Tax Calculation Guide Working Sheet
 - fill in boxes 18.1 and 18.2 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.

Do not destroy P60 Certificate of Pay, In

| | | | |
|---|--|---|--|
| Employer's name and address MW ENGINEERING 36 SOHO GARDENS LONDON W1V 4LD | | Tax Office name LONDON PROVINCIAL 25 | |
| Employee's details | | Employee's private address 64 ST GEO LONDON | |
| National Insurance number AB 12 34 56 C | Sex F "M" if Male, "F" if Female | Works/payroll no. etc W / 1272 | |
| Surname DOE | | First two forenames JANE MARY | |

| 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 | | Earnings on which employee's conts. at Contracted-out rate payable incl. in 1a (whole £s only) | |
|------------------------------|--|---------------|--|----------------|----------------------------------|---------------|--|---|
| | 1a | £ | 1b | £ p | 1c | £ p | 1d | £ |
| A | | 12,552 | | 2248 32 | | 990 72 | | |
| Y | | | | 200 00 | | | | |
| | | | | | | | | |
| | | | | | | | | |

| Pay and Income Tax details | | Pay | | Tax deducted | |
|---|---------------------------|------------------|-----------------|-----------------|-----------------|
| | | £ p | | £ | |
| Employee's Widows & Orphans/ Life Assurance contributions in this employment £ p | In previous employment(s) | 0 00 | 0 00 | 0 00 | 0 00 |
| | In this employment | 12,584 00 | 1,799 55 | 1,799 55 | 1,799 55 |
| | Total for year | 12,584 00 | 1,799 55 | 1,799 55 | 1,799 55 |
| Final tax code 419L | | | | | |

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.)

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 (because you were in that employment on 5 April). A separate set of Employment Pages must be completed for each of your previous employments. P45s are the easiest way to find the figures for the 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.

If there are entries at item 7 copy the figures to boxes 1.8 and 1.11 on the Employment Pages for this P45. But there may not be any entries at item 7 because this was the only job you had since 5 April. In that case the entries at item 6 on the P45 are the pay and tax for 'this employment' and you should copy the item 6 figures to boxes 1.8 and 1.11.

| Inland Revenue | | Details of employee leaving work | | P45 | |
|---|---|----------------------------------|------------------|--------------|-----------------------|
| | | Copy for employee ★ | | Part 1A | |
| 1 PAYE Reference | District number | 123 | Reference number | 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 2000 | |
| 5 Tax Code at leaving date. 'X' in the box means Week 1 or Month 1 basis applies | Code 432T | | | | |
| 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 | | | |
| 7 This employment pay and tax. If no entry here, the amounts are those shown at item 6 | Total pay to date | £ | 21,937 | 26 | p |
| | Total tax to date | £ | 4,108 | 16 | p |
| | Total pay in this employment | £ | | | p |
| | Total tax in this employment | £ | | | p |
| <p>★ To the employee</p> <p>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.</p> <p>Detach this Part 1A and keep it safe Copies are not available</p> | | | | | |
| Employer's name, address and Postcode | <p>XYZ Limited</p> <p>120 HIGH STREET ANYTOWN XY1 2PQ</p> | | | | |
| <p>To the new employer</p> <p>If your new employer gives you this form please detach this Part 1A and return it to the employee. Deal with Parts 2 and 3 normally.</p> | | | | | |

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, 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.

A Coding Notice, P2, looks like this.

If you did not keep your last P2, or have lost it, contact your Inland Revenue office.



Inland Revenue

PAYE Coding Notice

This form shows your tax code for the tax year 1999-2000

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

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

Tax Office telephone: 01900 24680

Date of issue: 11 JUN 1999

Tax reference: 899/A/122/H

National Insurance number: QQ123456A

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

Your tax code for the year shown above is 345T

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 worked out as follows:

| See note | Your tax allowances | £ | See note | Amounts taken away from your total allowances | £ |
|-------------------------|---------------------|---------------|-------------------------|---|---------------|
| 1 | PERSONAL ALLOWANCE | 4335 | 33 | UNPAID TAX | 250 |
| 1 | MARRIED ALLOWANCE | 1970 | 30 | CAR BENEFIT | 750 |
| | | | 39 | ALLOWANCE RESTRICTION | 750 |
| | | | 25 | | 1104 |
| Total allowances | | A 6305 | Total deductions | | B 2854 |

C
Your tax free amount for the year is £ 3451, making your tax code **345T**
See example overleaf

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

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.

If you calculate your tax, copy this figure, from the latest P2 for the Tax Return year, to box C11.61 in the Tax Calculation Guide Working Sheet and to box 18.1 on page 7 of your Tax Return.

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 C11.64 in your Tax Calculation Guide Working Sheet and to box 18.2 on page 7 of your Tax Return.

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