

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 w77 and w81 in the standard Tax Calculation Guide Working Sheet, or**
 - **enter figures in boxes c7.52 and c7.56 in the Comprehensive Tax Calculation Guide Working Sheet, and**
 - **fill in boxes 18.1 and 18.2 on page 8 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 End of Year Certificate shown below is the Inland Revenue's standard design. It shows the information required to complete the Employment Pages of your Tax Return.

P60 End of Year Certificate

Tax Year to 5 April 2003

To the employee:
Please keep this certificate in a safe place as you will not be able to get a duplicate. You will need it if you have to fill in a Tax Return.
You can also use it to check that your employer is deducting the right rate of National Insurance contributions for you and using your correct National Insurance number.
By law you are required to tell the Inland Revenue about any income that is not fully taxed, even if you are not sent a Tax Return.

Employee's details

Surname: DOE
Forenames or initials: JANE MARY
National Insurance number: A B 1 2 3 4 5 6 C
Works/payroll number: W/1272

Pay and Income Tax details

In previous employment(s): Pay £ 1,820 00 Tax deducted £ 235 39
In this employment: Pay £ 12,461 00 Tax deducted £ 1,659 85
Final tax code: 461L

National Insurance contributions in this employment

NIC table letter	Earnings up to and including the Earnings Threshold (where earnings are equal to or exceed the Lower Earnings Limit) £	Earnings above the Earnings Threshold, up to and including the Upper Earnings Limit £	Employee's contributions payable on earnings in previous column £ p
A	4,159	8,302	830.20

Other details

Student Loan Deductions in this employment: £
Tax Credits in this employment: £ p

Employer's full name and address (including Postcode)
VFM LTD
36 SOHO GARDENS
LONDON
W1V 4LD

To Employee
JANE DOE
64 ST GEORGE'S ROAD
LONDON
SW3 4LD

Employer's PAYE reference
131/V30

Certificate by Employer/Paying Office:
This form shows your total pay for Income Tax purposes in this employment for the year. Any overtime, bonus, commission etc, statutory sick pay or statutory maternity pay is included. It also shows, for this employment, total Income Tax and National Insurance contributions deducted (less any refunds), Student Loan deductions made, and Tax Credits paid to you.

INLAND REVENUE

Figures shown here should be used for your Tax Return, if you get one

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 gifts to charity under Payroll Giving). 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 8 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 8 because this was the only job you had since 5 April. In that case the entries at item 7 on the P45 **are** the pay and tax for 'this employment' and you should copy the item 7 figures to boxes 1.8 and 1.11.

Inland Revenue		Details of employee leaving work		P45 Part 1A	
1 PAYE Reference		Office number	Reference number		
		123	456789		
2 Employee's National Insurance number		44 11 22 33 C			
3 Surname		SMITH			
First name(s)		A. B.			
4 Leaving date		31 1 2003		5 Continue Student Loan Deductions(Y)	
6 Tax Code at leaving date. If Week 1 or Month 1 basis applies, write 'X' in the box marked Week 1 or Month 1		432T		Week 1 or Month 1	
7 Last entries on Deductions Working Sheet (P11) If there is an 'X' at item 6, there will be no entries here		Week or month number		10	
		Total pay to date		£ 21,937 00 p	
		Total tax to date		£ 3,840 38 p	
8 This employment pay and tax. <input type="checkbox"/> If no entry here, the amounts are those shown at item 7		Total pay in this employment		£ p	
		Total tax in this employment		£ p	
★ To the employee . . .			Detach this Part 1A and keep it safe Copies are not available		
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.					
Employer's name, address and Postcode		XYZ Limited 120 HIGH STREET ANYTOWN XY1 2PQ			
To the new employer					
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.					

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.



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

PAYE Coding Notice

This form shows your tax code for the tax year 2002-2003

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

Inland Revenue office phone
01900 24680

Date of issue
11 JUN 2002

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 286T

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	4615	33	UNPAID INTEREST	250
			30	CAR BENEFIT	750
			39	UNPAID TAX £300.00	750
Total allowances		A 4615	Total deductions		B 1750

C Your tax free amount for the year is £ **2865** , making your tax code **286T** See example overleaf

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 Tax Return year to box w81 (or box c7.56) in your Tax Calculation Guide Working Sheet and to box 18.2 on page 8 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.

If you calculate your tax, copy this figure, from the latest P2 for the Tax Return year, to box w77 (or box c7.52) in the Tax Calculation Guide Working Sheet and to box 18.1 on page 8

If you calculate your tax, copy this figure from the latest P2 you have received for the Tax Return year to box w81 (or box c7.56) in your Tax Calculation Guide Working Sheet and to box 18.2 on page 8 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.