Tax code FAQ's

My tax code has changed, what can I do?

Your tax code can change for a number of reasons, but often due to HM Revenue and Customs not having a clear picture of your employment. There are two ways to get your tax code amended, either speak with HM Revenue and customs on 0300 200 3300 or give your P45 or tax code notice with the correct tax code to your employer.

What are the P45 and P60 for?

A P45 is issued to you by your employer when you leave during the tax year. You should always request this document and give it to your new employer as soon as possible to ensure they can calculate your tax correctly based on your entire earnings for the year. If your new employer does not receive the P45 this may affect the amount of tax you pay.

A P60 is your end of year tax statement. It shows how much you have earned and how much tax and NICs you have paid. Your employer will issue a P60 after the end of each tax year.

Why does my pay fluctuate when I work the same each week?

Pay fluctuations of this type are most common when there are regular breaks in your employment, for instance if you are a teacher. Based on having the standard tax code 1185L, if you don't work for a week the tax allowance from the previous week rolls over to the following week. So rather than having a tax allowance of £227.88, it doubles to £455.76 meaning you'll pay less in tax. Similarly, if you don't work for 5 weeks (5 x £227.88) you would be unlikely to start paying tax until your tax allowance has been used up.

Can I get a tax rebate if I've overpaid tax?

If you have the standard tax code for the year your tax payments should always be up-to-date. Should you have been paid under the wrong tax code (meaning you've overpaid in tax), once the tax code is corrected, the amount of tax you pay will be reduced on future payments until the tax payments are correct. At the end of the financial year if HM Revenue and Customs calculate that you are due a rebate, they will contact you.

Compliance without compromise