

Introduction

For 2015 to 2016 the basic Personal Allowance will be £10,600 and the basic rate limit will be £31,785.

The new threshold (starting point) for PAYE is **£204** per week (**£883** per month).

The new emergency code is **1060L**.

Income Tax rates and bandwidths are:

Rate	%	Bandwidth
Basic Rate	20%	£1 to £31,785
Higher Rate	40%	£31,786 to £150,000
Additional Rate	45%	£150,001 and above

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 payroll record
- identify the correct tax code to use in the new tax year
- enter the correct tax code on the payroll record

When we send a new tax code for any of your employees, you will receive:

- a paper form P9(T), 'Notice to employer of employee's tax code', or
- an Electronic Data Interchange notice of coding, or
- an internet notification of coding if you are registered to use our PAYE Online - Internet service

To access your online coding notices:

- go to www.hmrc.gov.uk and from the 'Do It Online' menu select 'log in'
- select 'PAYE for employers'
- log in and select 'PAYE Online'
- from the 'notice summary box' select 'Tax Code Notices'
- from the list in the 'Tax Year drop down box' select the new tax year (2015 to 2016)

Please keep this notice with any new tax codes until you are ready to set up your 2015 to 2016 payroll. We will not send a new tax code for every employee.

What to do if you do not get 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. Please note you may receive tax codes as late as 30 March 2015.

The February edition of the Employer Bulletin includes more information on the reprint service we provide.

What you need to do before 6 April 2015

Employees without a new tax code

Carry forward the authorised tax code from the 2014 to 2015 payroll record to the 2015 to 2016 payroll record. Authorised codes include BR, D0, D1 and NT. **But** if you have received a 2014 to 2015 tax code on a form P6 too late to use in 2014 to 2015 carry forward this code instead.

Add 60 to any tax code ending in L, for example 1000L becomes 1060L

Do not copy or carry over any 'week 1' or 'month 1' markings.

The payroll records for these employees are now ready for the new tax year.

Employees with a new tax code

Keep and use the form P9(T) or other tax code notification with the most recent date on for each employee.

Please:

- scrap any form 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 your payroll record
- update any tax codes where you have received form P9(T) or other tax code notification after you have set up your payroll records

The payroll records for these employees are now ready for the new tax year.

Please turn over

Employees leaving

You do not need to change the tax code for any 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.gov.uk/new-employee

If you are an employer who has an agreed exemption from online filing and are operating a manual payroll, follow the instructions at the back of the RT7, 'Guidance for Employers exempt from filing Real Time Information online'.

This helpbook will be sent to all Paper Filing employers automatically, however further copies for paper filers are only available from the Employer Orderline. Phone **0300 123 1074**.

Payroll software users

Make sure that your real time information payroll software incorporates the income tax changes from 6 April 2015. If you are not sure, check with your software supplier.

If you do not use payroll software at the moment, you need to get software that is capable of filing payroll information online. For more information, go to www.gov.uk/payroll-software

If you program your own software you can find the technical details for 2015 to 2016 on our website.

Go to www.hmrc.gov.uk/softwaredevelopers/payee/updates.htm

Manual Payroll

If you have an agreed exemption from online filing and will be operating a manual payroll, you will need the new Calculator Tables (April 2015) or new Taxable Pay Tables Manual Method (April 2015). Continue to use Tax Tables A (1993) which have not been changed.

The Tax Tables are available in easy to print format from www.gov.uk/government/collections/payroll-publications-for-employers

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 **0300 123 1074**.

Basic PAYE Tools

You must not action this P9X until after you have paid employees for the last time in 2014 to 2015

If you use HMRC's Basic PAYE Tools to calculate payroll deductions and submit payroll information online and intend to carry on using them from 6 April 2015. You will need to wait until early April 2015 when the next version of Basic PAYE Tools will be available as an update, rather than downloading them as a separate file. If you have automatic updates switched on, and your computer is connected to the internet when you open the Tools, you will be automatically advised when an update is available.

Download the update then follow the instructions below.

- Pay any further wages, overtime, bonuses etc that are due for 2014 to 2015.
- We recommend that you complete the 'Final submission for tax year'.
- Wait until you are ready to pay your employees for the first time in 2015 to 2016 – update the tax codes in accordance with the P9X.
- Select the employer name from the list.
- From near the top of the screen select the '2015 to 2016' link.
- Select 'Manage employees' from the menu, and select an employee from the list.
- Select 'Tax code change' from the menu, and follow the instructions on screen.
- To update the tax code for the next employee, select the 'Employees' link from the 'Navigation' section on the left.

Helplines

If you have any problems setting up your payroll please phone one of the Employer Helplines below.

New and inexperienced employers **0300 200 3211**

More experienced employers **0300 200 3200**

Employers with hearing difficulties please use textphone on **0300 200 3212**