



## What happens if I have paid too much tax?

Contact your Tax Office and ask them to check. If you have overpaid they will arrange a repayment. If you have underpaid, they will usually arrange to adjust your PAYE code.



## Further information

Addresses and telephone numbers of your local Tax Office can be found in your local phone directory under 'HMR&C'. Alternatively you can visit the web site: [hmrc.gov.uk/payee/index.htm](http://hmrc.gov.uk/payee/index.htm)

# get in touch:

## High Wycombe Campus

Reception  
t: 01494 603 016  
e: [suadvice@bucks.ac.uk](mailto:suadvice@bucks.ac.uk)

## Uxbridge Campus

Reception  
t: 01494 605 180  
e: [suadvice@bucks.ac.uk](mailto:suadvice@bucks.ac.uk)

bucks students' union

# Advice Centre

"a helping hand for everything student"



## PAYE PAY AS YOU EARN

Bucks Students' Union Advice Centre is a member of:  
Advice UK - The Voice of Independent Advice  
CPAG - The Child Poverty Action Group  
NASMA - The National Association of Student Money Adviser  
UKCISA - The UK Council for International Student Affairs

For our current opening times please go to our website: [bucksstudent.com/advice](http://bucksstudent.com/advice).  
Email us on: [suadvice@bucks.ac.uk](mailto:suadvice@bucks.ac.uk) or call us on 01494 603 016.

Appointments can often be arranged outside our published times so please ask. We will usually be able to respond to any enquiry within 48 hours during term-time, but often more quickly.

**The information above was last updated in 11/11. However, we recommend before you make any decision or enter into any agreement you carry out your own checks.**

advice

BUCKS  
STUDENTS' UNION  
[bucksstudent.com](http://bucksstudent.com)



## What is PAYE?

It stands for Pay As You Earn. Most of us pay our income tax under this system. PAYE is a way of spreading your income tax over the tax year. The tax year starts on 6th April of one year and ends on 5th April in the next. Under PAYE, your employer takes tax from your weekly or monthly earnings and pays it over to HM Revenue & Customs.

You don't have to pay tax on all your income. Everybody can earn or receive a certain amount in each tax year free of tax. This amount is called a 'personal allowance' (see advice centre leaflet – Income Tax and Students).



## How does PAYE work?

Normally under PAYE the total of your allowances is divided by the number of pay days in a tax year. So if you are paid weekly, your allowances are divided by 52, and if you are paid monthly, by 12. This gives you your 'tax free pay' for each pay day.

If you don't get paid for some time, you will not lose your tax free pay for those weeks or months. Usually it builds up until the next time you get paid. In the same way, if you start work part way through the tax year and have not had any income up to then, you still get all your tax free pay up to that date.

By the end of the tax year, you will normally have had all your tax free pay and received all your allowances. If your earnings are less than your allowances at any time, you pay no tax and may get back some of the tax you paid earlier in the tax year.



## How does my employer know what my tax allowances are?

Your Tax Office gives your employer a PAYE code. This represents the total of your allowances, but not how they are made up, which is confidential between you and your Tax Office.



## What does a PAYE code look like?

It is normally a number followed by a letter (but can be a letter followed by a number). The number is simply your total allowance without the last figure



## How do I get a PAYE code?

Your new employer will give you a form P46 which you can sign. You can then be given a PAYE code based on the personal allowance for people under 65. Your employer will use this code on your first pay day and send the P46 to the Tax Office to let them know that you have started work.

You should make sure you tell your employer your National Insurance number as soon as you start work. You will also need to quote it whenever you get in touch with the Tax Office.



## What should I do if I leave my job?

It is important to get a P45 form from your employer which shows your tax code, your total earnings so far in the tax year and how much tax you have paid since the start of the tax year.

If you go straight to another job, hand the P45 parts 2 & 3 to your new employer as soon as possible. If you don't go to another job, you may be entitled to a tax repayment. Ask for a repayment claim form P50 which you should complete and return to your Tax Office with your P45 parts 2 & 3.



## Do I get a statement of my payments in each tax year?

Yes. If you are employed at 5th April, your employer will give you a P60 at the end of the tax year. It details your total pay for the year, the tax that has been deducted and your PAYE code. If you want to check you have paid the right amount of tax, you can look in official tax tables which are held by your employer and at your local library.