



12345678910

Jayne Perkins
88 Testing Road
Testtown
TESTSHIRE
PO57 0D3



1 October 2017

Dear Ms Jayne Perkins
National Insurance number Q*****56A

A This is to tell you your tax code(s) for 6 April 2017 to 5 April 2018

Your tax code is used by your employer(s) and/or pension provider(s) to work out how much Income Tax to collect from your pay or pension. We send them a separate tax code notice. This tax code should match those shown on any future payslip(s)/pension advice slip(s) you receive. Please check the information below. If it's right, **you don't need to do anything**. If you think your tax code is wrong, you can check and let us know of any changes online, go to gov.uk/personal-tax-account

This is how we worked out your tax code(s)

Your tax-free amount		For help
Personal allowance	£11500	Go to note 1
Total	£11500	
Less State Pension	£8112	Go to note 2
Less adjustment for estimated tax you owe (this year)	£488	Go to note 3
Total tax-free amount	£2900 B	

Your total tax-free amount is used as follows		Tax code	For help
C <u>Your pension 1</u>	£2900 of this income is tax-free	290LX	Go to note 4
<u>Your pension 2</u>	£0 of this income is tax-free	BR D	Go to note 5
This totals your tax-free amount	£2400		Go to note 6
Estimated tax you owe (this year)	£50.04		Go to note 3

Improving our tax system

By making automatic adjustments to your tax code, any changes in the tax you pay will be reflected in your income or taxable pay, as soon as your employer(s) and/or pension provider(s) starts to use your new code. More customers should therefore end the year having paid the right amount of tax.

These notes will help you understand how we have worked out your tax code(s)

Note 1	Personal Allowance		This is the standard amount of taxable income most people can have before they start paying Income Tax. If your total income exceeds £11500, your allowance goes down proportionally.
Note 2	State Pension		<p>This income is taxable but tax is not taken off the payments before they are paid to you. We use your tax-free allowance against your pension so you pay tax on this. If your State Pension is paid every four weeks you will receive 13 payments in a year.</p> <p>You don't pay National Insurance contributions when you reach State Pension age so your employer(s) or pension provider(s) should not take National Insurance contributions from you. For more information go to www.gov.uk/tax-national-insurance-after-state-pension-age/stopping-paying-national-insurance</p>
Note 3	<u>Estimated tax you owe (this year)</u>	E	<p>Due to an in year adjustment to your tax code(s) we think that you will owe HMRC £50.04. So that you pay the right tax for the year, we've included an adjustment to reduce your tax-free allowance by £488 to collect the £50.04 tax in equal instalments from now on by increasing the tax deducted from your wage, salary or pension so that the £50.04 is paid by the 5 April 2018.</p> <p>The easiest way to check or query this adjustment is by using your Personal Tax Account, go to gov.uk/personal-tax-account where you can view or change your information and contact us if you need additional support or if it will cause financial difficulty.</p>
Note 4	Tax code L		Shows you are entitled to the standard tax-free Personal Allowance.
Note 5	Tax code BR		Shows that all your income from your job or pension is taxed at the 20% basic rate.
	Tax Code ending in X		Shows we will review the tax you have paid after 5 April.
Note 6	Tax-free amount		<p>To create your tax code, we've removed the last digit of your tax-free amount and included a letter. If you have more than one source of income, your tax-free amount may be split across these. We tell your employer(s) or pension provider(s) your tax code but we do not tell them how we worked it out</p> <p>If your total income and taxable state benefits for the year are more than your tax-free amount then you will pay tax as follows:</p> <ul style="list-style-type: none">• at 20% on the first £32000• at 40% on income between £32001 and £150000• at 45% on anything over £150000

Please keep this tax code notice

You may need it if we send you a P800 Tax Calculation or if you have to complete a Self-Assessment tax return. If you use an agent or a representative to help with your tax affairs, please share this letter with them.

Your rights and obligations

Your Charter explains what you can expect from us and what we expect from you. For more information go to www.gov.uk/hmrc/your-charter

Most people don't need to respond to this letter. If you do need to contact us

Online

To tell us your current tax-code is wrong	www.gov.uk/personal-tax-account
To update your name or your address	www.gov.uk/tell-hmrc-change-of-details
Welsh language	www.gov.uk/government/organisations/hm-revenue-customs/contact/welsh-language-helplines

By telephone

Calling from within the UK	0300 200 3300
Welsh language	0300 200 1900

If you have additional needs

We have a range of services for disabled people. These include guidance in Braille, audio and large print. Most of our forms are also available in large print. Please contact our helplines for more information.

Text relay service	18001 and then 0300 200 3300
Textphone	0300 200 3319

A

If you have a new tax code your take home pay from your pension may change. It may increase or reduce. You must check that the code is correct, otherwise you may not pay the right amount of tax by the end of the tax year.

[Back to the top](#)

B

This figure is the total of the ‘allowances’ you are entitled to less any ‘restrictions’ or ‘adjustments’. To check it is correct, consider all the following:

- allowances – Check that you have been given the correct [allowances](#).
- restrictions – Check if you have any [taxable state benefits](#), for example carers allowance and state pension. If so, is the right amount of benefit included?
- adjustments – These are usually for estimated amounts of additional tax that you owe. If you have an adjustment it is because HMRC believe you have an underpayment from either an earlier year or this year that they are going to collect using your tax code this tax year. It isn't actually the amount you owe. The amount you owe is shown at E (on page 2 of the coding notice – you may need to scroll down to see this). Check that you had an underpayment of this amount, if not contact HMRC.

[Back to the top](#)

C

Are all your employments and/or pensions listed here? If not, contact HMRC.

[Back to the top](#)

D

Do the tax codes shown here agree to the tax code shown on your payslips or payment advice letters?

Note – check the date of the coding notice and compare it to payslip and payment advice dates, as changes might not be processed until the next payment period. If your new code is not being used by your employer, you might need to contact them to find out why. If they have not received the new code, you might need to contact HMRC.

[Back to the top](#)

E

This is an underpayment from either an earlier year or this year. Check that you agree with this figure, if not contact HMRC.

[Back to the top](#)