

# TAX

## Tax in the UK

Once working in the UK, you will be taxed in the same way as any resident worker. Tax codes and rates vary from person to person which depends on your individual circumstances.

Your tax will be deducted from your salary in two forms:

1. PAYE (Pay as you earn)
2. National Insurance contributions (Medical cover)

On average you might be expected to pay around 28-32% in tax overall.

The financial year in the UK is from the 6<sup>th</sup> April one year to 5<sup>th</sup> April the following year. You will be issued with your P60 – end of year earnings from all your employers during that year – at the end of the financial year.

### **PAYE:**

This is the standard Income Tax levied. You will normally be given a Personal Tax Allowance – calculated by the Inland Revenue (Tax office) dependant on your personal circumstances – this is the amount you can earn Tax Free. For most people, this is around £5,000 per year and is divided across the year to give a weekly, fortnightly or monthly amount of tax free income (depending on how frequently you are paid).

Over and above that, tax is calculated in bands according to what you earn. On average the overall PAYE for teachers works out at 20-22% of their taxable income.

When you first arrive in the UK you will not have a tax code so you will be allocated an emergency tax code to ensure that tax is deducted at the correct rate. You should then fill out an application for a permanent tax code. See forms below.

### **Tax forms in the UK**

P46 – This form establishes your tax code – you should fill in this form immediately you begin employment as this code ensures that you are paying the correct level of tax for your income.

P45 – The P45 is a form held by your employer and follows you around should you change jobs.

P60 – End of year financial report – you will receive this at the end of each UK financial year.

P85 – Leaving the UK form. This form is filled in by you when you are leaving the UK and sent in together with your P45 to the Inland Revenue. This will allow you to claim a rebate should you be eligible.

## **FAQs**

### **Am I paying too much tax?**

Refer to your tax code which can be found on your payslip. If your tax code shows a BR then you are being taxed over 22% and not receiving your personal allowance.

### **What to do if tax code shows BR?**

You must transfer your P45 immediately to your main employer. Your P45 should have followed you to your next job.

### **Will I pay more tax if my timesheets don't arrive on time?**

No. Timesheets are paid in the week to which it relates. If two timesheets are submitted at once or one is late they are both paid on the same pay date and tax and NI will still have been calculated separately.

### **How long will it take to get tax back and can I receive it overseas?**

The Inland Revenue will forward cheques anywhere in the world and they usually take between 8 – 12 weeks.

### **Contact Tax office:**

Inland Revenue Enquiries: **0845 302 1479**

Inland Revenue National Insurance Applications: **0845 6000 643**