



## Introduction

For 2019 to 2020 the basic Personal Allowance will be £12,500 for the whole of the UK. The new threshold (starting point) for PAYE is £240 per week (£1,042 per month). The new emergency code is 1250L for all employees.

Income Tax rates and bandwidths are:

### English and

Northern Irish Rate	%	Bandwidth	Scottish Rate	%	Bandwidth
Basic Rate	20%	£1 to £37,500	Starter Rate	19%	£1 to £2,049
Higher Rate	40%	£37,501 to £150,000	Basic Rate	20%	£2,050 to £12,444
Additional Rate	45%	£150,001 and above	Intermediate Rate	21%	£12,445 to £30,930
			Higher Rate	41%	£30,931 to £150,000
			Top Rate	46%	£150,001 and above

Welsh Rate	%	Bandwidth
Basic Rate	20%	£1 to £37,500
Higher Rate	40%	£37,501 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. For any employees with an S prefix you have to use the Scottish tax rates. For any employees with a C prefix you have to use the Welsh tax rates. For 2019 to 2020 the Scottish and Welsh Income Tax rates are shown above.

The Scottish income tax rates and thresholds are subject to approval by the Scottish Parliament. If Scottish parliamentary approval is not obtained, we'll inform you of any further changes before 6 April 2019.

## Get ready for the new tax year starting on 6 April

For each employee who will be working for you on 6 April you'll 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'll receive one of the following:

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

To access your online coding notices:

- go to [www.gov.uk/payee-online-log-in](http://www.gov.uk/payee-online-log-in) and select 'Sign 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 (2019 to 2020)

Please keep this notice with any new tax codes until you're ready to set up your 2019 to 2020 payroll.

We'll 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've not sent you tax codes for the new tax year and you were expecting them, contact the Employer Helpline.

Go to Helplines on page 2 for the telephone number. Please note you may receive tax codes as late as 30 March 2019. The February edition of the Employer Bulletin includes more information on the reprint service we provide.

## What you need to do before 6 April 2019

### Employees without a new tax code

Carry forward the authorised tax code from the 2018 to 2019 payroll record to the 2019 to 2020 payroll record. Authorised codes include BR, SBR, D0, SD0, D1, SD1, SD2 and NT. But if you've received a 2018 to 2019 tax code on a form P6 too late to use in 2018 to 2019 carry forward this code instead.

Add 65 to any tax code ending in L, for example 1185L becomes 1250L.

Add 71 to any tax code ending in M. Add 59 to any tax code ending in N.

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've received form P9(T) or other tax code notification after you've set up your payroll records

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

## Employees leaving

You do not need to change the tax code for any employee who leaves before 6 April, even if you'll be paying the employee after 6 April. Just use the old tax code.

This does not apply to payments made after leaving when you've already given an employee a P45. In these circumstances tax must be deducted using tax code OT, SOT for employees who had an S prefix in their code or COT for employees who had a C prefix in their code, 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](http://www.gov.uk/new-employee). If you're an employer who has an agreed exemption from online filing and are operating a manual payroll, follow the instructions in the RT7, 'Guidance for employers exempt from filing Real Time Information online'.

This helpbook will be sent to all Paper Filing employers automatically, more copies for paper filers are available from the Employer Orderline. Telephone 0300 123 1074.

## Payroll software users

Make sure that your real time information payroll software incorporates the income tax changes from 6 April 2019.

If you're 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](http://www.gov.uk/payroll-software)

If you program your own software you can find the technical details for 2019 to 2020 on our website.

Go to [www.gov.uk/government/collections/software-developers-paye-updates](http://www.gov.uk/government/collections/software-developers-paye-updates)

## Manual Payroll

If you have an agreed exemption from online filing and will be operating a manual payroll, you'll need the new Taxable Pay Tables Manual Method (April 2019). 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](http://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 do not have internet access, you can telephone the Employer Orderline on 0300 123 1074.

## Basic PAYE Tools

You must not action this P9X until after you've paid employees for the last time in 2018 to 2019.

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 2019, you'll need to wait until early April 2019 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'll 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 2018 to 2019
- we recommend that you complete the 'Final submission for tax year'
- wait until you're ready to pay your employees for the first time in 2019 to 2020 - 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 '2019 to 2020' 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, telephone one of the Employer Helplines below.

New and inexperienced employers	0300 200 3211
More experienced employers	0300 200 3200
Employers with hearing difficulties, use textphone	0300 200 3212