

Inland Revenue - How to claim overpaid tax

Guidelines & Information taken from www.inlandrevenue.gov.uk

Can I reclaim any tax I think I've overpaid?

It is important to get a form P45 from your employer. If you don't go to another job and do not intend to receive any further taxable income in the tax year or claim taxable benefits in that year, you may be entitled to a tax repayment from the Inland Revenue once you leave. Ask your Tax Office for a repayment claim form [P50](#).

Or:

At the end of the Financial Year – 5th April.

You can ask the Tax Office to review your position at the end of the tax year to see if a repayment is due. Income Taxable Pay Limit for 2002/03 is £4615

- 1) Collect a P50 from the Job Shop or download from the Inland Revenue website.
- 2) Complete all relevant sections on the P50.
- 3) Send a covering letter to the Inland Revenue detailing your employment history for the past Financial Year. Up to the last 3 years can also be included in this review.
- 4) Send your P50 and covering letter to:
Lynx House
1 Northern Road
Cosham
PORTSMOUTH
PO6 3XA

For additional enquiries contact the Inland Revenue Helpline on 0845 300 0628

Additional useful information on Income Tax and National Insurance Contributions

What to expect when you are working

Some students work in the holidays only, while others also work in term time. There are slightly different tax arrangements for each and these are explained below. These systems should help you pay the right amount of tax, over the course of the tax year.

What happens if I work during term time and/or in the holidays?

If this is your first job, your employer should give you a form P46 to complete. This will enable your employer, following our instructions, to decide what tax should be due from you. Your employer sends us this form after your first payday and we check to see if the tax deducted is right. In order to do this we often need your help and will send you form P91 to complete. It is important that you complete and return this form to help ensure you do not pay too much tax.

Alternatively, if you have worked before or claimed Jobseeker's Allowance, you should have been given a P45, when you left the job or stopped claiming, which you should hand to your new employer to enable tax to be deducted. If, however, you do not have a P45 you should simply tell your new employer you do not have one, and your employer will give you a P46 to complete.

Your employer may then deduct tax on each pay-day, under a system called Pay As You Earn (PAYE). PAYE is designed to ensure that most people pay the right amount of tax over the tax year. However, it can sometimes deduct too much tax if your earnings vary

from one month to another or if you have more than one job at the same time. If you have paid too much tax, you will be able to claim it back.

If you earn enough to pay National Insurance Contributions (NICs) your employer will deduct NICs alongside PAYE.

What should I do if I work only during the holidays?

If you think that your total taxable income in the whole of the tax year is likely to be **less** than your tax allowance (see 'Do I have to pay tax on all my taxable income?') and **you are only intending to work during the holidays you should:**

- mention this to your employer when you start work and ask for a form **P38(S)** which your employer can get from the employer orderline **0845 7646 646**.

Please note: At the Job Shop we do not recommend that students complete a P39(S) as the majority of students will not be eligible and if used, may result Income Tax being underpaid and being recovered at a later date.

- fill in and sign the form and give it back to your employer to complete.

Your employer should then pay you without deducting tax. If your total income in the holidays is likely to be more than the amount of income you may receive before paying tax, you will have to pay tax on the difference between the two amounts. You will need to complete a form P46, which your employer will give you. Your employer will then deduct tax on each payday.

Whatever form you fill in, if your pay is more than £89 a week or £385 a month in 2002/03 your employer will also deduct NICs.

Example 1

As a student you take a 10 week summer holiday job on £200 per week. You have not worked before in the tax year (which begins on the 6 April in one calendar year and ends on 5 April in the next) and you do not think that your total taxable income in the tax year will exceed your personal allowance for the year of £4,615. In these circumstances you need not pay any tax through PAYE on your £2,000 earnings. To avoid having tax deducted you should ask your employer for a **P38(S)** when you start your job. You should complete the form and return it to your employer who should then pay you without deducting income tax. Your employer will still deduct NICs on any earnings over £89 a week.

Example 2

When you start university in October you already have a part-time job earning £50 per week. You intend to continue this job for the foreseeable future. In the summer, you find a full time job, with a different employer, for 10 weeks of the holidays earning £200 per week. You also intend to work with this new employer for two weeks at Christmas again at around £200 per week. As you already have a term time job, you cannot fill out form **P38(S)** for the holiday jobs (see 'What happens if I work during term time and/or in the holidays?').

Your employer will not deduct NICs in your part-time job as you earn below £89 per week from that job. You will pay NICs on your earnings in your summer and Christmas jobs as you earn over £89 per week in them.

What paperwork should I keep?

To avoid having to pay too much tax and to support any requests for refunds it is a good idea to keep

- any payslips
- any P60 or P45 forms you are given
- any other income records - for example, interest or share dividend statements.

These should be kept for about two years from the date of receipt.