

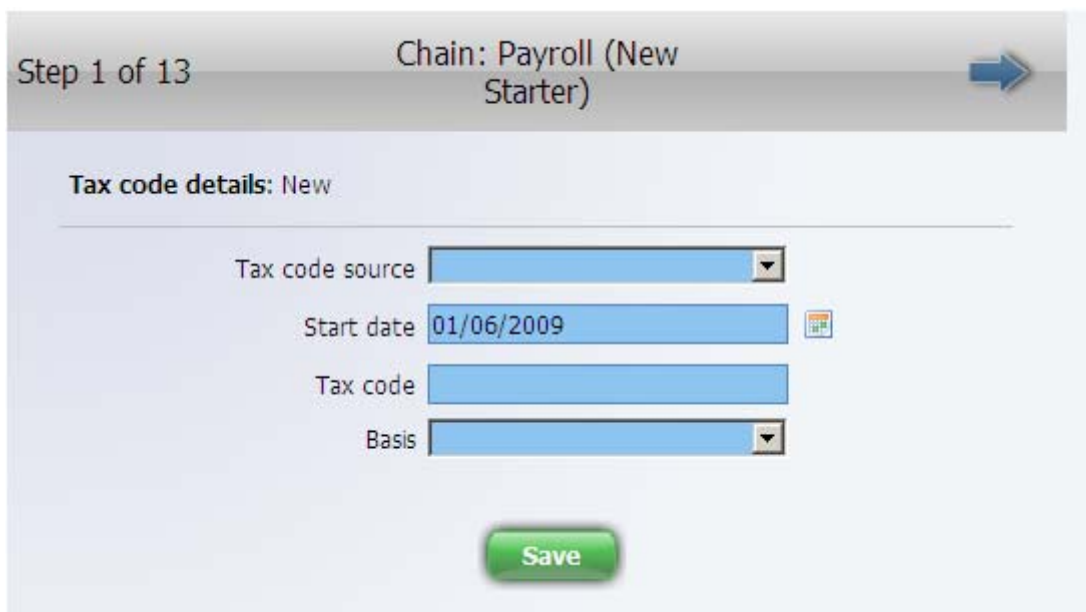
3 Tax Information

3.1 Entering New Tax Codes

From here you will transfer the data in to Trent from what ever source details that you have e.g. a P45, P46 or P6. For a new starter this will be **step 1 of the process chain**, alternatively you can navigate directly to the form to make any necessary amendments.

Navigate: **Organisation >People (find person) > UK Legislation > Tax Codes**

1. Select the Tax code source from the drop down list and complete Tax code and Basis fields. Once you have selected a source the screen will refresh itself and display additional fields. Different sets of fields will be displayed for each source.



2. Complete the required fields by transferring the information onto Trent from the source documents. An example of the P45 page is given below.
3. Click on the Save button.

Step 1 of 13 Chain: Payroll (New Starter)

Tax code details: New

Tax code source: P45

Start date: 01/06/2009

Tax code: 503L

Basis: Cumulative

Previous employment tax details

Office number: 131

Reference: V30

Leaving date: 29/05/2009

Continue student loan deduction:

Tax code: 426L

Basis: Cumulative

Week/month: Weekly

Week/month number: 6

Ignore figures in tax calculation:

Taxable pay: 1765.60

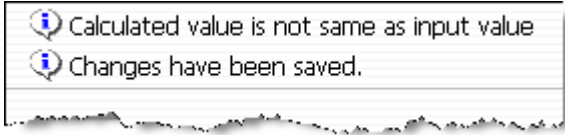
Tax: 241.88

Value used:

Adjust or override other details: Not applicable

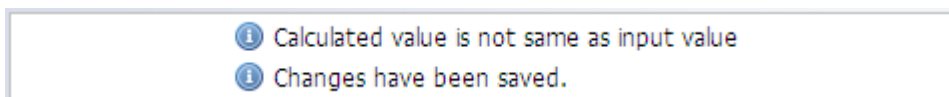
P6 Notification of Employee Tax Code change		
Field	Action	Comments
Start date	Amend the default date to be the first date of the next pay period in the tax year indicated on the P6 form.	This is required as Trent works from effective dates unlike our previous payroll system that looks at the current period only.

Tax Code	As per the P6 form	
Basis	Select either 'cumulative' or 'month 1' from the drop down list.	If there are any tax arrears or overpayments the system will automatically recalculate and if necessary adjust the individual's pay accordingly. <u>Never</u> select 'No UK Tax'.
Previous Employment Tax Details section	Transfer details from the bottom of the P6 form onto the system.	This information is essential to ensure that their tax is correct and an accurate P45 can be produced if the employee subsequently leaves within the current tax year.
P7X Post Budget Changes to Tax Codes		
Start date	Amend to the first day of the first pay period post budget	
Tax Code	As per the P7X	
Basis	cumulative	Make sure you update any week1/month 1 codes. <u>Never</u> select 'No UK Tax'.
P9 & P9X Annual Code Issue to employers		
Start date	Amend to be the 6 April of the forthcoming tax year	
Tax Code	As per the P9	
Basis	Cumulative	Make sure you update any week1/month 1 codes. <u>Never</u> select 'No UK Tax'.
P38S Student Employees		
Start date	Enter day 1 of the current month	
Tax Code	Should default in as NI	Once a start date has been entered
Basis	Cumulative	<u>Never</u> select 'No UK Tax'.
P45 Certificate of Previous Employment		
Start date	Enter day 1 of the current month	
Tax Code	Enter the code as per the P45	
Basis	Select from drop down list either <ul style="list-style-type: none"> • 'cumulative' or • 'week1/month 1' 	<u>Never</u> select 'No UK Tax'. If cumulative you will need to enter the tax code and basis twice (once at this stage and further down on the previous employment area). The latter is used purely for comparing the value entered for tax paid previously.
Previous Employment Tax Details section	These fields do not need to be completed.	

Adjust or override other details	Select 'not applicable' from the drop down list	This is designed to allow you to enter a second set of figures, either different to or in addition to the P45 values.
Note	When entering P45 details always watch the message at the top of the screen when you save the record to see if the values entered are deemed to be correct by the system.	
P46	Employees without a P45	
Start date	Enter the 1 st day of the current pay month	
Tax Code	Once the start date is entered BR (Basic rate) should default in.	The University's current policy is to allocate the Basic Rate tax code in these circumstances unless it is obvious that they will be in the higher tax band because of their salary. In these circumstances you could change the code to OT.
Basis	Normally select from the drop down list : 'Week1/Month1' However, if it's their first job this year you can select cumulative.	This will get them onto the system but will not work out any cumulative. Any tax arrears or overpayments will be corrected in subsequent months when the true code is established. <u>Never</u> select 'No UK Tax'.

Ignoring previously calculated figures

When you save, if the previous pay and tax values are present, the system then revalidates (calculates them) and uses its calculated values going forward. If its calculated values don't agree with that keyed in a message will be displayed at the top of the screen (but it is not obvious).



If you wish to ignore these calculated values then you need to check the box just above the taxable pay field and re-save.


Ignore figures in tax calculation




Taxable pay 1,765.60

3.2 Changing Tax codes

When a record already has a tax code, to enter a new one you should always use the 'New -Tax Code Details' form. It is possible to simply overwrite the existing code but this will result in the new code being effective from the current code's date and if it is cumulative will cause problems with tax.

Navigate: **Organisation >People (find person) > UK Legislation > Tax Codes**

Select all					
Tax code source	Start date	Tax code	Basis	Filing status	Contract name
 P45	01/06/2009	503L	Cumulative		RS Monthly

Expand/Collapse folders	
 Tax codes	
Tax code details	
 New - Tax code details	
 Process chaining	