**Tax codes for new employees: the Employee Statement**

If you do not have a P45 from your most recent previous employer, we will calculate your new tax code based on your answer to the questions on the New Employee Form ‘employee statement’.

*Employee Statement*

***A*** *– This is my first job since last 6 April and I have not been receiving taxable Jobseeker’s Allowance, Employment and Support Allowance, taxable Incapacity Benefit, State or Occupational pension.*

*OR*

***B*** *– This is now my only job, but since last 6 April I have had another job, or received taxable Jobseeker’s Allowance, Employment and Support Allowance or taxable Incapacity Benefit. I do not receive a State or Occupational Pension.*

*OR*

***C*** *– As well as my new job, I have another job or receive a State or Occupational Pension.*

Depending on which of the statements you select your tax will be calculated as follows:

**1150L code - This code will be issued if you answer ‘A’ on the Employee Statement.**

1150L is the ‘standard’ code for 2017/18. It gives you the standard tax free personal allowance of £11,500 for the year (for weekly paid employees the tax free allowance each week is £221) and is used ‘cumulatively’.

This means your income tax and tax free pay is recalculated each pay day by taking into account the total pay and tax free allowances that are due to you since the start of the tax year.

This means that, even if your pay fluctuates substantially from week to week, at the end of the year the correct tax should have been deducted.

**1150L W1 code - This code will be issued if you answer ‘B’ on the Employee Statement.**

As you have confirmed this to be your only job you should be entitled to the full tax free personal allowance of £11,500 for the year (for weekly paid employees the tax free allowance each week is £221) .  However, as we do not have the details of your pay and tax from your previous employer, we are unable to calculate your tax on a ‘cumulative’ basis, so it has to be calculated on a week by week basis

1150L W1 is meant to be a temporary code. HMRC needs to issue a new code to replace W1 codes. If you think you are on a W1 code and have not been transferred onto a cumulative tax code within a few months of starting your new job, you should contact HMRC (on the Taxes Helpline 0300 200 3300).

**BR code - This code will be issued if you answer ‘C’ on the Employee Statement.**

As you have confirmed that you are receiving income from elsewhere, the assumption is that you are already receiving your tax free personal allowance against that other source of income.

The BR code tells us to collect tax at the basic rate against your full earnings (the basic rate of income tax is 20%).

This code should be correct if you are a basic rate taxpayer and all of your personal allowance for the year is being fully used against earnings from another employment or pension. If you do not have enough income from this other job or pension to cover all your tax free pay, then you should contact HMRC on the Income Tax Helpline 0300 200 3300

If you do not select A, B or C you will be put on tax code 0T, will receive no tax allowance, and be taxed 20% on all of your earnings.