

ASK us about...

# Job Prospects



## Further resources:

### Students at Work: Paying your taxes

[www.hmrc.gov.uk/taxandu/saw\\_pay\\_tax.htm](http://www.hmrc.gov.uk/taxandu/saw_pay_tax.htm)  
Guide to tax issues for students from Her Majesty's Revenue and Customs

### Online Tax Calculator

[www.hmrc.gov.uk/calcs/stc.htm](http://www.hmrc.gov.uk/calcs/stc.htm)  
Helps you to work out if you have paid too much tax and might be due for a tax refund

## Need more help? Just ASK!

Call in for initial advice at the Help Zone "Drop In" in Student Services, who can refer you to a career specialist if required:-

- City North Campus, First Floor Baker Building
- City Centre Campus, Gosta Green, Room G27
- City South Campus, Second Floor Seacole Building
- Millennium Point: Ask at Reception

Telephone 0121 3315588 or visit our web pages for dates and times of Drop Ins and services at other sites.

### Careers and Job Prospects websites:

- <https://icity.bcu.ac.uk/careers>
- [www.bcu.ac.uk/alumni/careers](http://www.bcu.ac.uk/alumni/careers)

### Online e-guidance service:

- [www.bcu.ac.uk/askus](http://www.bcu.ac.uk/askus)

### Social Media:

- Facebook: [BCUemploymentzone](https://www.facebook.com/BCUemploymentzone)
- Twitter: [@employmentzone](https://twitter.com/employmentzone)

View our full range of leaflets online: <https://icity.bcu.ac.uk/careers> >> Quick Link >> Handouts

Careers and Job Prospects, August 2011

# Tax Issues

## What is Income Tax?

This is one of the ways that the Government collects revenue that goes towards the costs of Government spending. You will only pay tax if you earn over a certain amount (currently £7475 for tax year 2011-2012). Remember, the tax year runs from 5th April to 4th April the following year. If you earn over £139 per week, you may also be required to pay National Insurance contributions. These build up your entitlements to certain benefits, such as a State Pension, and is deducted at 12% of the amount you earn.

## What is taxable?

- Earnings from full or part time work (including any tips and bonuses)
- Any income from self employment (if you work for yourself)
- Dividends from the shares in any company
- Interest from most National Savings accounts
- Interest from savings with a bank or building society

## Part time work and Tax

Under the current rules part time work is treated in the same ways as full time work. You should give your new employer your P45 from your previous employer. If you do not have a P45 you will be asked to complete a P46.

## Vacation work

If you do not expect to earn more than your taxable allowance during your vacation work you can ask for a P38S. This is a declaration that both you and the employer must sign stating you will not earn above your personal allowance.

## Do I pay tax on all the money I receive as a student?

Not all! Some of the financial support you receive is not taxable, for example:

- Student Loans
- Grants
- Contributions from your parents.
- Housing Benefit
- Most Research Awards
- Most Scholarships
- Loans or gifts from relatives
- Incomes from Individual Savings Accounts (I.S.A.s)

# ASK

ADVICE SUPPORT KNOWLEDGE  
Student Services

T: 0121 331 5588  
[www.bcu.ac.uk/student-services](http://www.bcu.ac.uk/student-services)

# ASK

ADVICE SUPPORT KNOWLEDGE  
Student Services

## Have I paid too much tax?

### How do I check?

If you think you have paid too much tax and would like to check visit [www.direct.gov.uk/studenttaxadvice](http://www.direct.gov.uk/studenttaxadvice) for an online calculator, and more information on working whilst studying.

### How can I get my tax back?

You need to apply to **Her Majesty's Revenue & Customs**. Each tax year is treated as a separate claim and you must submit all records of your income and tax for the financial year of your claim. If you are leaving the UK after your studies and still need to claim your tax back you will need to fill in the form **P85** – this can be found at [www.hmrc.gov.uk/taxandu/wa\\_foreign\\_uk.htm](http://www.hmrc.gov.uk/taxandu/wa_foreign_uk.htm). If you are a UK student you will need to fill in form **P50**, this can be found at [www.hmrc.gov.uk/payetaxpayers/fagp50.shtml](http://www.hmrc.gov.uk/payetaxpayers/fagp50.shtml)

### When can I get my tax back?

You can claim your tax refund either:

- At the end of the financial year (5th April each year), or:
- If you have finished work in the UK and will not work for remainder of the financial year.

## Emergency Tax

### What is emergency tax?

When you start working in the UK the Inland Revenue needs to assess how you should be taxed. Once the Inland Revenue has assessed your status they issue a tax code to your employer that tells them at what rate to deduct your tax. Until this tax code is issued your employer is forced to deduct tax at the emergency tax code. The code for this is set each year and is a number followed by the letter L; to find out this year's tax code, check online at: <http://www.hmrc.gov.uk/incometax/codes-basics.htm>

### How do I change an emergency tax code?

Ask your employer for the phone number of your local tax office. In Birmingham the number is 0845 302 1437.

## What are P45s and P60s?

### What is a P45?

A P45 is issued by your employer when you leave your job. It is a record of your tax code, gross earnings and tax you paid under your employer for a financial year. To ensure your rebate is successful you must retain all of your P45s and submit them with your claim.

### What is a P60?

If you are working for an employer at the end of the financial year on 5 April, you will be issued with a P60 that records your total gross earnings and is proof of the tax you have paid up to the end of that financial year. To ensure your rebate is successful you must retain your P60 and submit it with your claim.

### What if I have lost my P45 or P60?

Then you will need to ask your employer for a signed "statement of earnings". This can be obtained from your employer as a record of your tax code, gross earnings and tax that you paid while you were working for the employer. This must be on the employer's **company letterhead** and must be **signed by the employer**.

## Summary of abbreviations

<b>P45</b>	Form given by an employer to an employee when the employee leaves during the tax year.
<b>P46</b>	Form to be completed by an employee who does not have a <b>P45</b>
<b>BR</b>	Indicates payment of emergency tax (see above)
<b>P60</b>	Certificate given at the end of the tax year showing tax paid during the year (the tax year ends on April 5th and the new one begins on April 6th)
<b>P38 (S)</b>	Form used when a student is working for only one employer for a year long period and <i>will not</i> be earning more than the Personal Allowance in that tax year.
<b>P50</b>	Required to claim a repayment if you are unemployed and not claiming Job Seekers Allowance or taxable Invalidity Benefit and you expect to be unemployed for 4 weeks or more.
<b>P91</b>	This is a form that is issued by the Inland revenue when a person's employment/non-employment history is unclear.
<b>P85</b>	Issued by the Inland Revenue when you are leaving the UK ( <i>not</i> on holiday)
<b>P86</b>	This form should be completed if you have come to the UK for the first time or after a period of absence. It helps the tax office to decide your residence treatment for income and capital gains tax purposes, gives you correct income tax allowances and, if relevant, reviews your domicile position.
<b>P2(T)</b>	Notice of coding issued by Inland Revenue confirming correct tax code.
<b>11PA</b>	Form to confirm changes in personal circumstances, i.e. marriage, birth of child to a single parent, being registered blind etc.
<b>CTC</b>	Children's Tax Credit
<b>WFTC</b>	Working Families Tax Credit

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