

Important changes for all who are involved with payroll

Extra Personal Allowance for 2008/09

Following the Chancellor's announcement of an increase in the 2008-09 personal allowance for people under 65 and the reduction of the basic rate limit new tax codes are to apply from 7 September.

The tax office have advised that any coding notices issued before 23 August should be taken into account in the payroll run as the uplift is not included on these revisions.

Before operating the payroll run for the first payday after 6 September existing PAYE codes should be amended as follows;

Tax Code Suffix	Action
L	Add 60 to the existing code number. (e.g. 543L becomes 603L)
T,P,V,Y	Only change the code if you receive a PAYE Coding Notice
NT, BR, DO	Continue to operate unless you receive a PAYE Coding Notice
K	Only change the code if you receive a PAYE Coding Notice

All employers should receive a revised Employer CD-ROM will be issued by the end of August.

If you have any questions at please do not hesitate to contact Lesley Tooley or your usual partner contact.