

# Herefordshire Community Network

## Support for Ukraine – information for guests

### What is a P45?

When an employee leaves their place of work, they will be given their P45. This PAYE form should be kept and given to their employer when their next role starts.

Your P45 shows how much tax you've paid on your salary so far in the tax year (6 April to 5 April).

A P45 has 4 parts (Part 1, Part 1A, Part 2 and Part 3).

1. Your employer sends details for Part 1 to HM Revenue and Customs (HMRC) and gives you the other parts.
2. You give Part 2 and 3 to your new employer (or to Jobcentre Plus if you're not working).
3. Keep Part 1A for your own records.

This form should be filled out by your former employer and then you can hand it over to your new employer. It lets them know how much income you've had in the tax year so far. This ensures you are put on the correct tax code before your first wage.

Your new employer can use the data on the P45 to register your details right away, using their payroll software. This will save being placed on an emergency tax code which can lead to the incorrect tax being paid. Using this form makes the financial transition from one job to the next run smoothly. It is a legal requirement for your old employer to give you a P45. If a former employer does not give a P45 in a reasonable timeframe, they can be reported to HMRC.

### What Information is on a P45?

A P45 shows how much tax you have paid on your salary in the current tax year so far. This information lets your new employer know what tax code you should be placed on. There are four separate parts to the P45. The employee will receive 3 of these, the fourth one goes to HMRC. All the tax information is only relevant to the current tax year, not the entire history of employment. It will only contain information for the tax year, up until the date the employee left.

### Information on the P45 includes:-

- Your name
- Your address

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- Date of birth.
- National Insurance number.
- Student loan details.
- Leaving date
- Tax code
- Gross salary for the tax year.
- Deducted amount of income tax

### How to Get a P45

Getting your P45 should happen automatically when you leave your job. You do not have to do anything to get the ball rolling, your employer should issue it to you. Usually, this will be given along with your final paycheck but sometimes it will be sent separately depending on how your former employer processes Payroll. The P45 is not something you can obtain for yourself. Your employer is under a legal obligation to issue the document to you. If your employer withholds your P45 for any reason, you should report them to HMRC after your final pay has been processed.

### If You Don't Have a P45

If you start a new job without a P45, you might be put on an emergency tax code, which can lead to overpayment of tax. This issue can be resolved by filling out a Starter Checklist (formerly known as P46). This form, available on the [UK GOV website](https://www.gov.uk), allows your employer to gather necessary information for accurate tax calculations. You can also contact HMRC or use your Government Gateway account, which should contain payroll information from your previous employer, to ensure correct details are provided. Once processed, HMRC will issue a new tax code, and any tax overpayment will be rebated.

### What is a P60?

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A P60 is an annual PAYE form with a statement of earnings for a full tax year. They are issued to staff at the end of each tax year. A P60 form comes from a current employer, rather than a former one. It contains information about wages paid during a full tax year, including earnings and deducted tax. This will be a statement of salary and tax for the entire tax year. You will receive a P60 for each job you have so if you have 2 part time jobs, you will get one for each.

There's a separate guide to getting P60s [if you're an employer](#).

It is a legal requirement for P60's to be issued and your employer should provide it soon after the 5th of April each year. This document is often used as proof of income for mortgage and other finance or benefit applications, so it is important to keep yours in a safe place. It is sometimes referred to as an end of year certificate.

### What Information is on a P60?

The information on a P60 is similar to that on a P45. It includes all the salary and tax information for the tax year, including gross earnings. This is why it can be used for applying for a loan or mortgage.

The information on a P60 includes:

- Your name
- National Insurance number.
- Pay and income tax details.
- National insurance contributions.
- Details of statutory payments (such as maternity).
- Student loan deductions.
- Employer's full name and address.
- Employer's tax references.
- Employee's tax code.

The P60 and P45 are both important PAYE documents issued to employees each year. Do keep yours in a safe place, as losing them can be very inconvenient. A P45 copy can't be obtained in every case, particularly if it was originally provided as a printed form.

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### Is a P60 the same as a P45?

A P60 is different to a P45. P60s are handed out annually by your current employer as a summary of your earnings. P45s are only issued when you leave your former job.

### What's the Difference Between a P45 & a P60?

The short answer is that a P45 is issued when an employee leaves a job, and a P60 is issued annually to summarise how much income they got in the tax year.

These two forms are the most frequently used for PAYE reporting. They are both used to report income for tax purposes

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