

October is a busy month

In the course of a tax year there rarely seems to be a period when nothing much happens, and October is no exception.

Every year, HMRC undertake a reconciliation of PAYE income to check that individuals have paid the correct amount of income tax in the previous tax year, and October sees many such tax calculations from HMRC arriving through the post in the form of a P800 or a PA302 Simple Assessment calculation.

P800 Tax Calculation

A P800 calculation will be sent if an individual has overpaid or underpaid tax and the underpayment can be collected via an adjustment to their tax code. There are a number of reasons why a person (taxed under PAYE) may have paid the wrong amount of tax:

- they finished one job and started a new one and were paid for both jobs in the same month
- they started receiving a pension or took a drawdown from a pension
- they received taxable state benefit (e.g. contribution based Employment and Support Allowance) or some other untaxed income
- they are widowed or their civil partner died during the tax year

The P800 shows your income from employment, pensions, State Pension and other taxable state benefits. It also includes allowances to which you are entitled and shows tax that you have already paid.

If the P800 shows that you owe tax then it will usually explain that you do not need to do anything as the tax owed will be collected via an adjustment to your tax code. If the calculation shows that you have overpaid tax it will explain how you can reclaim the tax owing through an online Personal Tax Account (PTA). If you do not have a PTA then HMRC will send you a cheque after 45 days.

PA302 Simple Assessment

Some people will receive a PA302 Simple Assessment calculation instead of a P800, which is a request for tax that is owed to HMRC for a previous tax year. A PA302 will be sent if:

- the tax owed cannot be collected directly via an adjustment to a tax code
- tax is owed on a State Pension and there is no other means of collecting the tax due



What to do next

If you receive a P800 or a PA302 don't assume it is correct - HMRC can and do make mistakes, so check the calculation carefully. Compare all the figures to your own records - you can use P60s and/or P45s from employers and pension companies, P11Ds (value of 'benefits in kind' from your employer), bank and building society statements and letters from DWP about taxable state benefits such as State Pensions or contribution based ESA.

Make sure that HMRC have used the correct income figures and tax paid in the calculation. Check also that HMRC have not left off any income. If you think the calculation is wrong then you will need to contact HMRC on 0300 200 3300. If you disagree with the Simple Assessment you should query it with HMRC within 60 days of receipt.

Once you have established that the calculation is correct, you can pay a PA302 Simple Assessment tax demand through your online PTA. Alternatively, you can pay via:

- online or telephone banking
- debit card online
- cheque

You will need your 'Charge Reference Number' to make a payment – you will find this at the top of the Simple Assessment calculation. Tax due under Simple Assessment is due on 31st January following the end of the tax year or three months after the date of the Simple Assessment calculation if that is later.

Paper Tax Returns

And finally, don't forget that if you wanted to send a paper tax return to HMRC for the tax year 2021/22 then this needed to have been sent to HMRC by 31st October 2022. If you have missed this deadline then you will need to do an online tax return instead, as any paper tax returns submitted after 31st October will automatically generate Late Filing Penalties which start with an initial £100.

If you require any more information or assistance with any of the above, please don't hesitate to contact one of the tax Charities:

If you are over 60, you can contact Tax Help for Older People by calling the helpline on 01308 488066. The helpline is open 9.00 am to 5.00 pm Monday to Friday excluding bank holidays. If the line is really busy, or you want to call outside office hours, then please leave a message and an adviser will call you back. You can also email us at taxvol@taxvol.org.uk

Alternatively if you are under 60, you can contact TaxAid, on the helpline number 0345 120 3779, and again please leave a message if the line is busy. This helpline is also open 9.00 am



to 5.00 pm Monday to Friday excluding bank holidays. If you would prefer to send an email enquiry, please send it to help@taxaid.org.uk

This article is by Tax Help for Older People Registered Charity no 1102276 (Scotland no SC045819), offering free tax advice to older people on a low income who cannot afford professional help.