

Employees with multiple jobs



PAYE does not cater easily for people with multiple jobs. So if you have more than one job you will have to take care of your situation to ensure you do not end up paying too much tax.

What information will your new employer need?

In order to set you up on their payroll, your new employer will need the following:

- Your national insurance number
- An indication of whether or not this is your only job
- A copy of your form P45 that was given to you by your last employer if you have a previously worked in the tax year 6th April to 5th April.

If this your first or only job in the tax year 6th April to 5th April, your new employer will be able to operate a **Pay As You Earn tax code** against your earnings that works on a cumulative basis — in other words it spreads the use of your tax-free personal allowance across the year.

But what if you take on a second job for a few months?

You will need to tell your **new employer** that this is not your only job. The new employer will then have to take basic rate (BR) tax (20%) off your earnings at the new job, even though overall you may not be due to pay any tax on your earnings with them.

So what can you do if you have more than one job?

First work out what your total income is likely to be in the current tax year. If this is going to be less than your personal allowance, contact HMRC and ask them to split your personal allowance between your jobs so that you pay no/less tax.

If HMRC cannot do this, or your earned income will exceed your personal allowance, at least make sure that your personal allowance is set against the source of income that will pay most in the tax year. This will minimise the tax you pay as on a period basis.

If HMRC do not agree to split your allowance, or you realise too late and tax has been paid, you need to claim a tax refund.

Make sure HMRC always have your up-to-date address or your tax refund may never arrive.

HMRC: 0300 200 3300

6. The scheme will also be available for parents who are self-employed

Self-employed parents will be able to get support with childcare costs in Tax-Free Childcare, unlike the current scheme (Employer-Supported Childcare) which is not available to self-employed parents. To support newly self-employed parents, the government is introducing a 'start-up' period. During this, self-employed parents won't have to earn the minimum income level, £50 a week.

The scheme will also be available to parents on paid sick leave and paid and unpaid statutory maternity, paternity and adoption leave.

7. If you currently receive Employer-Supported Childcare then you can continue to do so

You do not have to switch to Tax-Free Childcare if you do not wish to. Employer-Supported Childcare will continue to run. Parents won't be able to register for Employer-Supported Childcare after Tax-Free Childcare is introduced in autumn 2015, but those already registered by this date will be able to continue using it for as long as their employer offers it. However, Tax-Free Childcare will be open to more than twice as many parents as Employer-Supported Childcare.

Employers' workplace nurseries won't be affected by the introduction of Tax-Free Childcare.

8. Parents and others can pay money into their childcare account as and when they like

This gives you the flexibility to pay in more in some months, and less at other times. This means you can build up a balance in your account to use at times when you need more childcare than usual, for example, over the summer holidays.

It's also not just the parents who can pay into the account - if grandparents, other family members or employers want to pay in, then they can.

9. The process will be as simple as possible for parents

The process will be light-touch and as easy as possible for you. For example, parents won't have to report any change of circumstances to HMRC; there will be a single log-in service where parents can view accounts for all of their children at once.

10. You'll be able to withdraw money from the account if you want to

If your circumstances change or you no longer want to pay into the account, then you'll be able to withdraw the money you have built up. If you do, the government will withdraw its corresponding contribution.

For further information visit

www.gov.uk