

## GATE PAYROLL INFORMATION SHEET

**Tax code:** a tax code is used by employers and pension providers to calculate amount of tax to deduct from employee pay or pension. It is made up of a letter figures. Tax code is an index of how much can be earned before paying tax.

**NI number:**-NI number is a reference number for the whole social security system. This ensure the national insurance contributions and tax you pay are properly recorded on the employer account.

To apply for NI numbers you must be.

- Over 16 years
- Resident in great Britain(England, Wales or Scotland)

**Income tax:**-this is a tax on income. Not all income is taxable and you are only taxed on 'taxable income' income tax rate.

**PAYE:**-Pay as you earn.

**P45:**-this is a form got form an employer when an employee stops working. It shows record of the pay and tax deducted so far in the tax year.

It also shows the employees:-

- Tax code
- National Insurance number
- Leaving date
- Earnings to date
- Tax deducted to date

A P45 is in 4 parts:-Part 1, part 1a, Part 2a Part 3. Part 1 go to HMPC, other parts are given to the new employer.

**P46:**- This is a form filled by new employee without P45 when they start.

**P60:**-this a summary of the employee pay and tax deducted in the tax year. Every employer is expected by law to give employee a p60 to keep at the end of every tax year (6 April to 5 April the following year).

P60 can be used to:-

- Complete Self Assessments tax returns.
- Apply for tax credit
- Apply for loans or mortgages.
- Claim back tax if there is an over payment.

## BOOKEEPING

Bookkeeping is the recording of all financial transactions undertaken by an individual or organisation including a corporation.

Bookkeeping is keeping records of what is bought, sold, owed and owned, what money comes in, what goes out and what is left.

Bookkeeping is part of the accounting cycle and bookkeeper's work is closely related to that of an accountant.

### Quarterly Vat Returns

#### Vat - Value added tax

Vat is a tax that you pay when you buy goods and services in the United Kingdom and European Union. Some goods do not attract Vat.

#### Vat returns

Vat returns is when a company who has registered for Vat adds Vat to sales where appropriate and on a quarterly basis calculate how much was charged and make payment to HMRC less any Vat amount the business has paid to their suppliers. If the amount of Vat paid by the business is more than that collected then the business is entitled to vat returns.