



### **What is taxable?**

The most common forms of taxable income are earnings from full or part-time work including tips and bonuses, and any income from self employment.

If you receive interest from most National savings accounts (apart from ISA's) it is taxable unless your total taxable income for the tax year (6<sup>th</sup> April 2011 – 5<sup>th</sup> April 2012) is below your personal allowance of £7,475 threshold.

### **Do I have to pay tax on all my earned income?**

No. Everyone has a tax free personal allowance.

For 2011/12 tax year you can earn up to £7,475 before your income is taxed.

Any earnings above this amount are then taxed in bands:

20% up to £35,000

40% on earnings over £35,001

### **Are Student Loans taxable?**

No. Student loans are not taxable:

The following other forms support if eligible is also not taxable:

Student Grants,

Parental contributions

Most scholarships and bursaries

Most research awards

Housing Benefit

Income from Individual Savings Accounts (ISAs)

Prizes won by students for academic excellence.

### **I think I may have paid too much tax what do I do?**

If your income is likely to remain below £7,475 in the same tax year (6<sup>th</sup> April 2011 – 5<sup>th</sup> April 2012) you can claim it back during that tax year.

For an in year claim for repayment (i.e. for the current tax year) when you don't expect to be working again for at least the next four weeks you need to complete a P50 form you can read more information and download the form here:

[http://www.direct.gov.uk/en/MoneyTaxAndBenefits/Taxes/BeginnersGuideToTax/IncomeTax/Taxrefundsreclaimingtax/DG\\_078486](http://www.direct.gov.uk/en/MoneyTaxAndBenefits/Taxes/BeginnersGuideToTax/IncomeTax/Taxrefundsreclaimingtax/DG_078486)

You can also use the P50 form within the link above to claim back your overpaid tax at the end of the tax year (5<sup>th</sup> April 2012).

The Inland Revenue's Cornwall and Plymouth Tax Office's contact number is: 0845 300 0627 Opening hours are Mon – Friday 8:00 am – 8:00 pm and Saturdays 8:00 – 4:00 pm.

If you want to speak to someone in person the nearest tax enquiry office to the Campus is at Truro, Lysnoweth, Infirmary Hill TR1 2JD.

### **What happens when I start my first job?**

When you start work for the first time your employer should give you a P46 form to complete. This will mean you receive your wages as Pay as you Earn (PAYE) and your employer will deduct the appropriate amount of tax.

The numbers which make up your tax code should reflect the actual amount of tax free personal allowance you have. More information about tax codes can be found here: [http://www.direct.gov.uk/en/MoneyTaxAndBenefits/Taxes/BeginnersGuideToTax/IncomeTax/Taxcodes/DG\\_078568](http://www.direct.gov.uk/en/MoneyTaxAndBenefits/Taxes/BeginnersGuideToTax/IncomeTax/Taxcodes/DG_078568)

### **What if I had a job before?**

If you have worked before or have claimed Jobseekers Allowance you should have been given a P45 form when you left your job or stopped claiming.

You need to give this to your new employer who will be able to ensure you have the right tax code and deduct the right amount on your behalf. If you have lost your P45 form or were not given one you need to request a P46 to complete from your new employer.

### **What if I have two or more part-time jobs?**

You should contact the HM Revenue & Customs to get a different tax code for the second job.

However, you still only have one personal allowance for the tax year (£7,475 11/12) no matter how many jobs you have during the tax year.

When you start a second job without giving up your first you will need to complete a P46 form from your employer. On this form you would tell your employer you are working elsewhere however, you do not have to state where or how much you are earning. If your first job doesn't use up all of your personal allowance (£7,475 per year), you can contact the HM Revenue and Customs to arrange for your allowance to be split between the two jobs.

### **What happens when I leave a job?**

When you leave a job your employer will give you a Form P45. You will need to keep this safe and give it to your next employer (just to make sure you don't pay too much tax in the future).

**Do I pay Tax as a self-employed person whilst I am a student?**

There are no special tax rules for you if you are a student and earning money being self-employed. You will be treated in the same way as other self-employed people.

Remember: You need to register as self-employed within three months of starting work.

You can use the Starting up in Business website:

<http://www.hmrc.gov.uk/startingup/index.htm> or contact the Newly Self-employed Helpline Tel 0845 915 4515, open from 8.00 am to 8.00 pm, Monday to Friday and 8.00 am to 4.00 pm, Saturday and Sunday. Call for advice on tax and National Insurance.

**What is the national minimum wage?**

There are three levels of minimum wage, the rates from 1<sup>st</sup> October 2010 are:

£4.92 for workers aged 18-20 inclusive

£5.93 per hour for workers aged 21 years and over

**What happens if I only work in the holidays?**

Students who work solely during their holidays and do not expect to earn more than £7,475 should ask their employer to complete a P38(s) form which will ensure their wages are paid gross with no tax taken out.

**You cannot complete this form if you work evenings, weekends or any other hours during term time you will need to complete a P46.**

Some students who complete a P38(s) may be required to complete a tax return form at the end of every tax year to check their total taxable income hasn't exceeded their personal allowance.

**Do I pay National Insurance contributions?**

Most students are not required to pay National Insurance contributions as their earnings are too low. However every employed worker whose earnings exceed the threshold of £110 per week must pay Class 1 contributions. These are deducted from your wages by the employer, in the same way as PAYE.

More information can be found in the separate FXU leaflet – Your National Insurance Number.

The Revenue and Customs National Insurance Contributions Office (NICO) keeps records of every workers contributions throughout their working lives.

## Useful Websites:

HM Revenue and Customs (HMRC) – Students website for students covering tax information for the following areas: student loans, students at work, student parents and working abroad.

<http://www.hmrc.gov.uk/students/>

Student specific web pages including a tax calculator you can use to check you are paying the correct tax can be found at this link:

<http://studenttaxadvice.direct.gov.uk/index.html>

## FXU Advice Service

**Help with:** Money, Hardship Fund (Access to Learning Fund), Benefits, Childcare, Housing, Tenancy Agreements, Academic problems, student life!

We are here to help you!

FXU Advice Service Available (Term time only):

**Tremough** Find us in the Annex (opposite the Refectory/Bar)  
Ring: 01326 370447 for an appointment

**Woodlane** Find us in the Library Building, Woodlane  
Ring: 01326 213742 for an appointment

**Email** advice@fxu.org.u